

Bonds to Bridge the Gender Gap:

A Practitioner's Guide
to Using Sustainable Debt
for Gender Equality

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ABBREVIATIONS AND ACRONYMS

ESG	Environmental, social, and governance
GBP	Green Bond Principles
GRB	Gender responsive budgeting
HIPSO	Harmonized Indicators for Private Sector Operations
ILO	International Labour Organization
KPI	Key performance indicator
NAP	National action plan for gender equality
OECD	Organisation for Economic Co-operation and Development
SB	Social Bond
SBG	Sustainability Bond Guidelines
SBP	Social Bond Principles
SDG	Sustainable Development Goals
SLB	Sustainability-linked Bond
SLBP	Sustainability-linked Bond Principles
SME	Small and medium enterprise
SPT	Sustainability performance target
UOP	Use of proceeds
UN WEPs	United Nations' Women's Empowerment Principles

DEFINITIONS

Social Bonds, according to the Social Bond Principles (SBP), are any type of bond instrument that exclusively applies the proceeds, or an equivalent amount, to finance or re-finance, in part, or in full, new or existing eligible Social Projects that align with the four core components of the SBP: i) Use of Proceeds; ii) A Process for Project Evaluation and Selection; iii) Management of the Proceeds; and iv) Reporting.

Sustainability Bonds, according to the Sustainability Bond Guidelines, are bonds that exclusively apply the proceeds to finance or re-finance a combination of both Green and Social Projects. Sustainability Bonds align with the four core components of both the Green Bond Principles (GBP) and the Social Bond Principles. The GBP is especially relevant for Green Projects, and the SBP for Social Projects.

Sustainability-linked Bonds, according to the Sustainability-linked Bond Principles (SLBP), are bond instruments with financial and/or structural characteristics that depend on whether the issuer achieves predefined sustainability/environmental, social, and governance (ESG) objectives, and that align with the five core components of the SLBP: i) Selection of Key Performance Indicators (KPIs); ii) Calibration of Sustainability Performance Targets (SPTs); iii) Bond Characteristics; iv) Reporting; and, v) Verification. With these bonds, issuers commit, explicitly, to improve sustainability outcome(s) by a predefined deadline. The proceeds from SLBs are intended for general purposes, and, hence, the use of proceeds is not a determinant in its categorization.

Bonds that adhere to the SBP or SLBP, and which focus exclusively on gender equality, are often referred to as **gender bonds**.



Understanding How Debt Capital Markets Can Direct Financing Towards Gender Equality

1. INTRODUCTION

In today's capital markets, there are instruments that can be used to address gender inequalities. This guide provides practical guidance on how to use sustainable bonds to credibly access financing for projects and strategies that advance gender equality objectives. It offers examples that illustrate how to identify gender-related use of proceeds and establish gender-related commitments. In doing so, this guide builds on existing global frameworks—the [Social Bond Principles](#) (SBP),¹ the [Sustainability Bond Guidelines](#) (SBG),² and the [Sustainability-linked Bond Principles](#) (SLBP)³—and, thus, should be considered alongside these documents.⁴

While this guide focuses on bonds, the guidance may also be applicable to other debt instruments within capital markets, such as loans. In the case of loans, it is recommended that this guide be considered alongside the [Social Loan Principles](#)^{5, 6} and the [Sustainability-linked Loan Principles](#).⁷

Global debt capital markets play an important role in financing progress toward gender equality in both the public and private sectors. The rise of [sustainable finance](#)⁸ offers new ways to uniquely drive finance to address social issues, including gender inequality; and investors are increasingly adopting strategies to intentionally, and measurably, use their capital to reduce “the gender gap”—the inequalities that persist between women and men.^{9, 10}

However, debt capital flows are not on track to meaningfully contribute to the United Nations' Sustainable Development Goal (SDG) 5, *Achieve Gender Equality and Empower all Women and Girls*.¹¹ This continues to be the case even though the COVID-19 pandemic is disproportionately impacting women, widening the gender gap, and making the need for financing to address gender inequalities even greater.¹²

Debt instruments such as Social, Sustainability, and Sustainability-linked Bonds and Loans provide financing opportunities for market participants that want to advance



“Labelled securities, specifically Social Bonds, present a unique opportunity to address gender equity challenges by directly financing critical women’s issues, like access to clean water and education, as well as for the operation and expansion of businesses.”

– Nuveen, a TIAA Company

gender equality. These products can shift the typical relationship between issuers and investors that centers on the exchange of financial data toward one that also focuses on accelerating organizational change to advance social impact. In the bond market, particularly, the demand for gender related sustainable bonds remains high among investors—higher than the current supply.¹³

For issuers, these bonds offer an opportunity to demonstrate their leadership in advancing gender equality. They also offer issuers the opportunity to diversify their investor base and leverage new sources of financing, as well as the potential to be included in sustainability indices. For public sector issuers,¹⁴ integrating gender objectives into bond frameworks is a powerful way to raise financing to address the structural causes and consequences of gender-based discrimination at the national or sub-national level. Thus, understanding how gender can be integrated into sustainable debt frameworks is crucial for all interested in exploring this opportunity.

The information provided in this guide is meant to aid the ecosystem of the debt market including new and existing bond issuers, borrowers, underwriters, arrangers, and external reviewers to take action to integrate gender equality objectives into sustainable debt products. It is also a resource

for investors seeking to understand and support projects and strategies that are designed to advance gender equality.

2. THE USE-OF-PROCEEDS APPROACH: SOCIAL AND SUSTAINABILITY BONDS

As defined by the Social Bond Principles and the Sustainability Bond Guidelines, Social and Sustainability Bonds are use-of-proceeds bonds. This means that issuers must apply all the proceeds from the bond issue to implement the types of projects that were identified prior to the bond’s issuance. The SBP recommends that issuers create a framework document that is accessible to investors and that identifies the types of social projects that the bond intends to target.

The SBP specifically identifies women as an eligible target population for social bond projects and its list of common project categories includes socioeconomic advancement and empowerment, specifically: “equitable access to and control over assets, services, resources, and opportunities; equitable participation; and integration into the market and society, including the reduction of income inequality.” The list of project categories in the SBP is not exhaustive however,

allowing issuers to identify other categories of projects related to gender equality, if desired.

Selecting the Type of Use-of-Proceeds Bond

Issuers have three options when incorporating gender equality objectives into a use-of-proceeds bond: i) as the sole objective of a Social Bond, which is often referred to as a gender bond; ii) alongside other social objectives in a broader Social Bond; or iii) alongside green objectives in a Sustainability Bond (see Figure 1).

In selecting the type of use-of-proceeds bond, issuers are advised to base their decision on their forecast for the amount of funding required for gender-related projects in their pipeline, as well as for the other types of projects that could be eligible for a Social or Sustainability Bond (for example, projects that extend beyond improving gender equality).¹⁵ Including a number of types of social projects in a bond framework could give the issuer the ability to issue a larger bond and, potentially, to establish an ongoing Social or Sustainability Bond program.

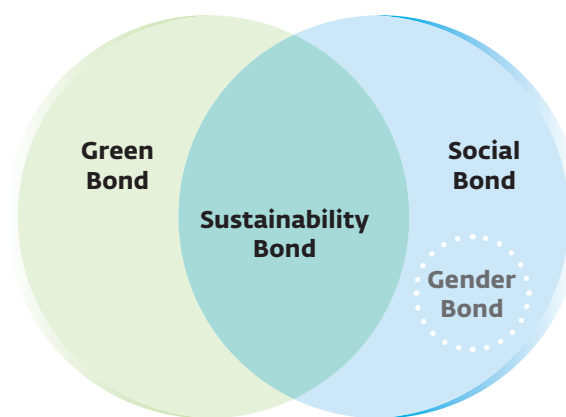
An issuer may consider a Social Bond that is exclusively dedicated to gender equality (a gender bond) if:

- the issuer aims to raise its profile as a leader in advancing gender equality; and,
- the issuer's pipeline or forecast includes gender projects that are exclusively focused on gender equality; and,
- the aggregate financial needs of the gender projects in the issuer's pipeline are expected to equate to the size of bond that the issuer wishes to issue.

Social Projects directly aim to address or mitigate a specific social issue and/or seek to achieve positive social outcomes especially but not exclusively for a target population(s). A social issue threatens, hinders, or damages the well-being of society or a specific target population.

– Social Bond Principles

Figure 1: Types of Use-of-Proceeds Bonds



For example, gender bonds have been issued by financial institutions to fund ongoing loan portfolios that are intended for women entrepreneurs. Gender bonds could also be issued by a public sector issuer that intends to direct the proceeds entirely toward implementing the country's National Action Plan for Gender Equality and Women's Empowerment.

Alternatively, an issuer may consider integrating gender projects into a Social or Sustainability Bond that also includes other types of projects (including projects that may have greater funding needs) if the issuer:

- estimates a smaller pipeline of gender projects that does not correspond to the issuer's preferred issuance size, and/or the transaction costs of issuing a gender-specific bond outweigh the benefits; or,
- prefers the flexibility that comes with including a range of project types into one framework; or,
- would like to use the bond to demonstrate its commitment to a variety of social and/or sustainability objectives, in addition to its goals related to gender equality.

For example, a Social Bond that includes a number of eligible project types could be a good option for a private sector issuer that, in addition to projects specifically focused on advancing gender equality, would like to use the bond's proceeds to finance its projects for other target populations, such as low-income individuals, persons with disabilities, sexual and gender minorities, or other groups. Similarly, a Social Bond may be a good option for a public sector issuer that seeks to address gender equality under SDG 5, as well as tackle issues related to decent work and economic growth under SDG 8.¹⁶



“Gender equality is a key driver of performance. Yet few social bonds are directly promoting gender equality. Social Bonds as well as Sustainability-linked Bonds are great instruments for companies to define and communicate their commitment to the market.”

– Amundi

The Social Bond Principles website provides examples of Social and Sustainability Bond frameworks that include various types of social projects: [Social and Sustainability Bond Case Studies: Examples from Frameworks Applied in Capital Markets](#).¹⁷

Identifying Opportunities to Focus on Gender Equality

Gender-related projects that are best suited for the use of bond proceeds tend to be those that are well-defined and that require designated financial resources which can be tracked. Examples include specific training efforts, sex-disaggregated loan portfolios, customized products and services, and improving infrastructure to better accommodate women. Opportunities to address gender inequalities vary depending on the type of issuer (public or private), as well as the issuer's sector and country.

The following high-level questions will help private sector issuers to identify gender inequalities that are most related to their own operations:

- **Leadership:** What is the gender diversity of the issuer's leadership? What could be done to strengthen the pipeline of female talent for board, leadership, and management positions?

- **Employees:** What is the gender diversity of the issuer's workforce? What could be done to enhance equity between women and men with regard to their pay, promotion, retention, and so on? Are there building improvements or training programs that would go above and beyond minimum standards to create a safer, more respectful, and more supportive workplace for women?
- **Supply chain:** What is the percentage of female-owned versus male-owned businesses in the issuer's supply chain or distribution network? Are there programs and services that could increase the capacity of female-owned businesses, or build the skills or enhance the safety of women in the supply chain or distribution network?
- **Products/services:** Have the issuer's products and services been designed to meet the needs of women consumers or users? Could products or services be developed or tailored to have a more positive social impact for women?
- **Community engagement:** How do women and men in the community share the benefits and risks associated with the company's operations? Are there opportunities for targeted engagement or programs that focus on women and girls in the community?

Public sector issuers play a vital role in providing large bond issues that improve liquidity for investors and set a benchmark

for private sector issues to follow. When identifying relevant uses for bond proceeds, public sector issuers are encouraged to consider their national development priorities, as well as the following resources:

- **The national action plan for gender equality (NAP),¹⁸** which is a useful tool for identifying priority areas.¹⁹ In cases where the country does not have a NAP or a wider national regulatory framework that supports gender equality, the SDGs provide a good starting point for ensuring the country's alignment with international commitments.
- **International frameworks for gender equality** such as the Convention on the Elimination of All Forms of Discrimination against Women, the Beijing Declaration, the 2030 Agenda for Sustainable Development, key International Labour Organization (ILO) Conventions,²⁰ and the International Conference on Population and Development.
- **Laws and/or policies** that have potential gender equality impacts such as those that concern infrastructure, agriculture, energy, and financial services; and relevant national legislation and/or policy frameworks such as the country's national development strategy, and action plans to improve gender equality and prevent gender-based violence.
- **Gender responsive budgeting** (GRB)²¹ tools, which can be used at each stage of the policy, planning and budgeting cycle to identify gaps in the policy response and direct funding towards them.

Illustrative Table 1 and Table 2 of this guide provide examples of gender-focused projects that private and public sector issuers could consider financing through their Social or Sustainability Bonds. Self-assessments, such as the United Nations' Women's Empowerment Principles (UN WEPS) [Gender Gap Analysis Tool](#),²² as well as country and/or sector sex-disaggregated statistics can be used to identify gender inequalities. See Annex A for a list of resources.

Reporting on Gender Projects

In accord with best practice, issuers of use-of-proceeds bonds that include projects related to gender equality in their framework are encouraged to use sex-disaggregated indicators²³ when reporting impact. Quantitative or qualitative indicators, or both, may be used to reflect improvements in women's access to goods and services, level of empowerment,

and, where applicable, shifts in attitudes and perceptions.²⁴ Issuers may consider the sex-disaggregated indicators in the following libraries:

- The [Joint Impact Indicators](#),²⁵ which include sex-disaggregated private sector indicators that align with the [Harmonized Indicators for Private Sector Operations](#) (HIPSO),²⁶ and with the [IRIS+](#),²⁷ which is managed by the Global Impact Investing Network.
- The [2X Criteria](#), an industry standard for gender lens investing, developed by the [2X Challenge](#),²⁸ and aligned with [IRIS+](#).
- Indicators in the [Transparency and Accountability Framework of the UN WEPS](#).²⁹
- The [SDG indicators](#),³⁰ and especially those for SDG 5, as well as the gender equality indicators for other [SDGs](#), such as SDG Target 1.4,³¹ and SDG Target 8.5.³²

3. THE PERFORMANCE-BASED APPROACH: SUSTAINABILITY-LINKED BONDS

A Sustainability-linked Bond (SLB) is a performance-based bond instrument designed to encourage the issuer to achieve sustainable outcomes. An SLB issuer uses quantifiable key performance indicators (KPIs) to assess and benchmark impacts and assess improvements in its sustainability performance targets (SPTs) by a given date. If an issuer does not achieve its SPTs, the financial and/or structural characteristics of the bond will be negatively impacted.³³

An SLB issuer can demonstrate its high-level commitment to advancing gender equality by committing to achieve one or more gender related KPI and SPT. For those bond issuers without a sufficient pipeline of eligible projects, this approach can be a good alternative to nevertheless include gender equality objectives in a funding program.

Understanding Key Performance Indicators and Sustainability Performance Targets

Given their potential impact on the financial or structural characteristics of a Sustainability-linked Bond, establishing and calibrating credible key performance indicators and sustainability performance targets is essential.

“EDF included the percentage of women in management committees as a Key Performance Indicator to reflect our corporate commitment to gender equality and to respond to the strong investor interest for its inclusion into sustainable finance instruments.”

– Électricité de France (EDF)

According to the Sustainability-linked Bond Principles (SLBP), the bond’s pre-defined KPIs must be: core, relevant, and material to the issuer’s overall business and of high strategic significance; measurable or quantifiable; externally verifiable; and benchmarked. The sustainability performance targets for each key performance indicator should reflect a level of ambition that the issuer can commit to, and, therefore, should be realistic, but demonstrate a material improvement in their respective KPIs. Issuers can consider historical performance, current market trends and comparison to external benchmarks (if available). [SLBP resources](#) provide guidance on these requirements.³⁴ Annex A includes additional resources that may be relevant for setting ambitious, but achievable KPIs and SPTs related to gender equality.

Establishing Gender-related Key Performance Indicators and Sustainability Performance Targets

Gender-related sustainability performance targets should reflect material improvements in gender equality that go beyond the “business as usual” trajectory.³⁵ As such, SPTs can catalyze and should demonstrate new organizational commitments toward gender equality such as reducing pay gaps, increasing gender diversity, increasing procurement from women-owned and/or led businesses or gender-responsive enterprises,³⁶ and increasing options for affordable childcare and eldercare. These commitments must have a measurable goal and a deadline.

Private sector issuers can look across their operations to identify opportunities to make gender-related commitments. For example,

- **Leadership:** Are there opportunities to commit to increasing gender equality on the issuer’s board, or in management or other leadership roles?
- **Employees:** Are there opportunities to commit to increasing gender equality with regard to their retention, pay, promotion, and so on? What family-friendly policies, services, and benefits could be put in place? Beyond the basic standards, what additional policies or procedures could be implemented to create a safer and more respectful workplace?
- **Supply chain:** Could procurement from women-owned and/or led businesses be increased, or more women-owned distributors integrated into the issuer’s distribution network? How much of the supply chain could adopt standards for gender-responsive companies and/or gender-sensitive policies?
- **Products/services:** Are there opportunities to increase the number of products and services that are designed to bring a positive social impact to women consumers or users? Could the share of women customers be increased for beneficial products?
- **Community engagement:** Are there opportunities to achieve a gender balance in community engagement and programs? Could the number of women participants in decision-making roles be increased?

Public sector issuers are encouraged to select targets and indicators that reflect international, regional, and national commitments, and align with the Sustainable Development Goal indicators,³⁷ international frameworks for gender equality,³⁸ national laws and policies, and national action plans for gender equality.

Examples of gender focused KPIs and SPTs for both private and public sector issuers are included in Illustrative Table 3 and Table 4 of this guide.

Illustrative Tables

Table 1: ILLUSTRATIVE PROJECTS FOR PRIVATE SECTOR USE-OF-PROCEEDS

Illustrative gender activities are based on private sector examples from the market, and their relevancy needs to be considered in the local context. To date, these activities may or may not have been integrated into any social, gender, or sustainability bond frameworks. Projects are listed in no particular order, and some require more resources than others. The list below is neither exhaustive nor prescriptive; rather, issuers should consider it as a starting point when integrating gender equality into their Social or Sustainable Debt Framework.

LEADERSHIP	
Representation	• Provide coaching, leadership, and mentoring programs to strengthen the pipeline of female talent for board, leadership, and management positions.
EMPLOYEES	
Representation	• Offer tailored career development programs, skills training, or targeted recruitment to increase women's participation in parts of the company where female representation is low or absent. • Implement training for staff on gender equality to build awareness and reduce bias. • Conduct a rigorous company-wide gender assessment (for example, on the pay gap) or obtain a company-wide gender certification (for example, EDGE Gender Certification).³⁹
Safe, Supportive, & Respectful Workplace	• Update workplace facilities to be more family-friendly and/or provide family-friendly services (for example, provide breastfeeding and lactation rooms, and childcare facilities). • Provide safe transport to and from work for women employees commuting in unsafe contexts. • Implement respectful workplace programs to assess, prevent, and address gender-based violence above and beyond required risk mitigation programs.⁴⁰
SUPPLY CHAIN	
Supplier, Distributor, Retailer Development	• Conduct an assessment of women's representation across the company's supply chain (for example, assess women's share of procurement purchasing volume and sales volume). • Implement supplier development programs to help women-owned businesses meet procurement requirements. • Implement programs to support suppliers, distributors, and retailers in adopting gender-focused policies and aligning with standards for gender-responsive enterprises (e.g., the UN WEPs).
Financing & Equipment	• Provide access to financial services for women-owned or women-led businesses (including producers, suppliers, manufacturers, distributors, and retailers). • Provide relevant inputs or equipment to women entrepreneurs who have limited access.
Skills Building & Support	• Offer skill-building and business development training, health and well-being programs, and other support that targets, or is tailored to the needs of women in the value chain. • Train suppliers to develop their awareness about gender-based violence, and implement respectful supply chain programs that go beyond minimum standards. • Offer coaching and market linkage programs to address barriers facing women entrepreneurs.

Table 1, *Private Sector Use-of-Proceeds* continued

PRODUCTS & SERVICES	
Tailored Offerings	• Develop and offer products and services that will disproportionately benefit women (for example, digital products, childcare facilities, and mobility services). • Tailor products to increase their positive social impact and better meet the needs of or enable access for women. • Create a dedicated portfolio of responsible financial offerings tailored to benefit women (for example, loans, mortgages, and insurance products). • Build facilities that provide services primarily for women (for example, women's health clinics).
Customer/User Experience	• Upgrade facilities or improve services to increase safety or access for women, including women with disabilities. • Train staff to address unconscious bias and better serve women customers/users' distinct use patterns, needs, and preferences.
COMMUNITY	
Skills Building & Support	• Offer safety, health, and wellness programs for women and girls. • Build local facilities that will have a disproportionately positive impact on women and girls (for example, schools or health clinics) • Offer skill-building, digital literacy, and business development training, as well as other support that targets, or is tailored to the needs of women in the community. • Develop and implement community investment projects that help women in the community generate income (for example, by providing inputs).
Community Engagement	• Implement targeted engagement, consultations, or programs with women in the community (for example, to improve access to benefits). • Conduct a gender-based violence assessment and implement programs that go beyond required minimums.

Table 2: ILLUSTRATIVE PROJECTS FOR PUBLIC SECTOR USE-OF-PROCEEDS

Examples of uses of proceeds are based on examples of public sector gender activities included in a sample of sovereign National Gender Action Plans, and their relevancy depends on the local context or priority areas. The list below indicates the types of activities that may be relevant in the public sector, and is neither exhaustive nor prescriptive.

SOCIOECONOMIC ADVANCEMENT AND EMPOWERMENT	
Entrepreneurship	• Develop information tools for women entrepreneurs on labor market laws and regulations. • Develop digital platforms and solutions, including mobile markets that support the sale of products from women's associations and cooperatives. • Improve women entrepreneurs' access to information about sources of funding. • Encourage women to move from the informal to the formal sector by establishing a self-employment category in the social protection system. • Conduct a Women's Entrepreneurship Development (WED) Assessment to assess frameworks and conditions conducive to the empowerment of women entrepreneurs, including improving women's access to markets, finance, and technology.⁴¹
Public Procurement	• Develop the capacity of gender-responsive enterprises to access public procurement contracts. • Develop a national database of gender-responsive suppliers and match them with existing public procurement opportunities.
Decent Employment and Leadership Opportunities	• Develop initiatives to support women working in science, technology, engineering, and mathematics (STEM) roles, through scholarships, internships, and mentoring programs, and particularly target areas such as information technology (IT) where women are significantly underrepresented. • Support the collection of sex-disaggregated data on employment to evaluate the gender impact of labor and employment policies.
REDISTRIBUTE AND REDUCE UNPAID CARE AND DOMESTIC WORK	
Unpaid Care and Domestic Work	• Invest in the care economy, including public childcare and eldercare services. • Provide higher wages or other benefits for public sector childcare and eldercare workers who are predominately women, and often among the lowest-paid workers. • Develop and improve the use of sex-disaggregated data and gender statistics on unpaid care and domestic work through strengthening data collection instruments such as household surveys, labor force surveys, and time-use surveys.⁴²
A LIFE FREE OF VIOLENCE	
Gender-based Violence (GBV)	• Improve awareness of, and accessibility to, services that prevent and respond to violence against women and girls, including sexual harassment in public spaces. • Develop an integrated, nation-wide, GBV reporting system, including a hot line for reporting GBV, and accessing GBV-related services. • Develop a strategy to ensure that women's safety on public transport and in public places is included in public safety policies, urban development plans, and housing programs. Implement the strategy through appropriate resource allocation, including investments in urban infrastructure (for example, street lighting). • Create a social media channel that informs citizens about their legal rights, and the procedures to follow in a case of harassment.

Table 3: ILLUSTRATIVE KEY PERFORMANCE INDICATORS AND SUSTAINABILITY PERFORMANCE TARGETS FOR THE PRIVATE SECTOR

Examples of KPIs and SPTs are based on private sector gender commitments in the marketplace. Not all of the KPIs and SPTs listed below have been integrated into a Sustainability-linked Bond to-date. The KPIs and SPTs in this list are presented in no particular order and must be considered in the local context. The list is neither exhaustive nor prescriptive, nor does it imply a particular number or combination of indicators and targets relevant for each issuer. Rather, it reflects the range of indicators and targets that private sector issuers can consider when integrating gender equality into a Sustainability-linked Bond.

LEADERSHIP	
Representation & Remuneration	Sample KPIs: • Number or percentage of women across all levels of leadership in the enterprise or in specific leadership roles with low representation (board, management, other leadership) • Retention rate for women leaders • Size of the gender pay gap among leadership • Percentage of women in leadership, sponsorship, and mentoring programs Sample SPTs: • Increase gender diversity by a specified percentage or achieve gender parity across leadership roles (for example, the board, management, other leadership) by a specified date. • Improve the retention of women in leadership roles by a specified percentage and date. • Close the gender pay gap among leadership, including bonuses, by a specified date. • Increase gender diversity by a specified percentage or achieve gender parity in leadership, sponsorship, and mentorship programs by a specified date.
EMPLOYEES	
Representation & Remuneration	Sample KPIs: • Number or percentage of women in the workforce or in specific areas with low representation and among new hires and promotions • Retention rate for women in the workforce • Size of the gender pay gap • Percentage of women employees in training and development programs Sample SPTs: • Increase gender diversity by a specified percentage or achieve gender parity across the workforce, or in specific areas by a specified date. • Achieve gender balance in recruitment and promotions by a specified date. • Improve the retention of women in the workforce by a specified percentage and date. • Close the gender pay gap, including bonuses, by a specified date. • Increase gender diversity by a specified percentage or achieve gender parity in workforce training and development programs by a specified date.

Table 3, Key Performance Indicators, Private Sector continued: **Employees**

Safe, Supportive, & Respectful Workplace	Sample KPIs: • Availability of family-friendly policies/benefits and childcare for all employees (for example, paid leave, flexible work, and breastfeeding accommodation) • Active corporate certification related to gender equity in the workplace (for example, EDGE gender certification,⁴³ or the UNDP Gender Equality Seal)⁴⁴ • Availability of policies and processes that prevent and address gender-based violence for all employees Sample SPTs: • Offer employer-supported childcare and family-friendly policies/benefits to all employees by a specified date. • Obtain global certification related to gender equity in the workplace by a specified date. • Implement a comprehensive corporate system (beyond required minimums) to prevent and address gender-based violence that is accessible to all employees by a specified date.
SUPPLY CHAIN	
Representation & Participation	Sample KPIs: • Number or percentage of women-owned or led or gender-responsive suppliers, distributors, or retailers in the value chain • Volume of procurement purchases from women-owned or led or gender-responsive suppliers (percent of the total) • Number of women-owned or led or gender-responsive businesses pre-qualified for future tenders • Volume of sales from women-owned or led or gender-responsive distributors, retailers, or agents (percent of the total) Sample SPTs: • Increase percentage or number of suppliers, distributors, and/or retailers in the value chain that are women-owned or led or gender-responsive, by a specified date. • Increase the volume of procurement purchases from women-owned or led or gender-responsive businesses in the supplier base by a specified percentage or dollar amount and date. • Increase the volume of sales through women-owned or led or gender-responsive distributors, retailers, or agents by a specified percentage or dollar amount and date.
Skills Building & Support	Sample KPIs: • Number of women entrepreneurs or women in the value chain who have been provided with training • Number or percentage of suppliers, distributors, or retailers implementing livelihood/business skills training, mentoring programs, and so on, for women Sample SPTs: • Improve the livelihoods of women entrepreneurs or workers in the value chain by empowering, training, and/or mentoring a number or percentage of them by a specified date. • Establish livelihood/skills development or mentoring programs for a number or percentage of women suppliers, distributors, and/or retailers by a specified date.

Table 3, Key Performance Indicators, Private Sector continued: **Supply Chain**

Policies & Standards	Sample KPIs: • Percentage or number of businesses in the supply chain (suppliers, distributors, and/or retailers) that conduct gender assessments • Percentage or number of businesses in the supply chain that have adopted standards for gender responsive companies (for example, by signing the UN WEPs)⁴⁵ • Percentage or number of businesses in the supply chain that have implemented gender equity codes of conduct or gender policies (for example, policies on gender-sensitive recruitment and retention, gender-sensitive grievance mechanisms, and so on) Sample SPTs: • Increase the percentage or number of businesses in the supply chain that conduct gender assessments by a specified date. • Require all, or a percentage of businesses in the supply chain to adopt standards for gender-responsive enterprises by a specified date. • Require gender equity codes of conduct or gender policies from all, or a percentage of supply chain actors by a specified date.
PRODUCTS & SERVICES	
Representation in Customer/User Base	Sample KPIs: • Number or percentage of customers or users of products with a positive social impact that are women (for example, policyholders, students, mobile internet/money customers, and so on) • Number or percentage of women-owned small and medium enterprises (SMEs) in the loan portfolio Sample SPTs: • Increase the number or percentage of customers or users that are women or achieve a gender balance among customers by a specified date. • Increase the women-owned SMEs in the loan portfolio by a percentage or dollar amount by a specified date.
Targeted Offerings	Sample KPIs: • Number or percentage of product and/or service offerings designed, developed, or produced that will disproportionately benefit women • Number or percentage of products and/or services tailored to better meet the needs of women or increase access for women (for example, education and health programs, insurance, mortgages, transport, and so on) • Dollar amount or percentage of the portfolio or sales from products tailored to address the needs of women customers • Percentage, number, or dollar amount of investments that have a gender lens (for example, funds meeting the 2X Criteria)⁴⁶ Sample SPTs: • Increase the number or percentage of offerings designed, developed, or produced that will disproportionately benefit women by a specified date. • Increase the number or percentage of offerings tailored to better meet the needs of women, or increase access for women by a specified date. • Increase the dollar amount or percentage of the product portfolio or sales from products tailored to address the needs of women customers by a specified date. • Increase the percentage, number, or dollar amount of investments that have a gender lens by a specified date.

Table 3, *Key Performance Indicators, Private Sector* continued: **Products & Services**

Customer/User Experience	Sample KPIs: • Number of facilities that provide services targeting women (for example, women's health clinics) • Number of facilities upgraded to increase safety or access for women • Number or percentage of staff trained to address unconscious bias and better serve women customers' distinct needs Sample SPTs: • Build a specified number of facilities that provide services primarily for women by a specified date. • Upgrade a specified number of facilities to increase safety or access for women by a specified date. • All or a percentage of staff trained by a specified date to address unconscious bias and serve women customers' distinct needs.
COMMUNITY	
Representation	Sample KPIs: • Percentage of women participating in community assessments and stakeholder consultations (for example, when improving infrastructure) • Percentage of women participating in community support programs Sample SPTs: • Achieve a gender balance in community assessments and stakeholder consultations by a specified date. • Achieve a gender balance among participants in community support programs by a specified date.
Skills Building & Support	Sample KPI: • Number of girls or women in the community empowered, trained, or supported (for example, skills building, improving well-being, and improving livelihoods) • Number of community income generating programs led by women or number of women participants Sample SPT: • Empower, train, or support a specified number of girls and women in the community by a specified date. • Increase the number of women in the community leading or participating in income-generating programs by a specified amount and date.

Table 4: ILLUSTRATIVE KEY PERFORMANCE INDICATORS AND SUSTAINABILITY PERFORMANCE TARGETS FOR PUBLIC SECTOR

Illustrative KPIs and SPTs are based on a selection of public sector commitments to gender equality. The list below is neither exhaustive nor prescriptive, nor does it imply a particular number or combination of indicators and targets relevant for each issuer. Rather, it reflects the range of indicators and targets a public sector issuer may consider when integrating gender equality into a Sustainability-linked Bond.

SOCIOECONOMIC ADVANCEMENT AND EMPOWERMENT	
Access to Finance and Markets	Sample KPIs: • Number of women-owned SMEs accessing financial support and business development services • Number of social protection measures that cover self-employed women and men • Number of women-owned SMEs that access credit facilities at public banks Sample SPTs: • Increase the women-owned SMEs accessing financial support and business development services by a specified number and date. • Increase the number of social protection measures that cover self-employed women and men by a specified date. • Inclusion of a gender lens in the national financial inclusion strategy by a specified date. • Increase in women-owned SMEs that access credit facilities at public banks by a specified percentage and date.
Public Procurement	Sample KPIs: • Number or percentage of public procurement contracts allocated to gender-responsive enterprises • Number of gender-responsive due diligence processes adopted Sample SPTs: • Percentage increase in public procurement contracts allocated to gender-responsive enterprises by a specified date. • Adoption of gender-responsive due diligence processes throughout the procurement process by a specified date.
Decent Employment and Leadership Opportunities	Sample KPIs: • Number of women in the labor force in high growth sectors • Percentage of the pay gap between women's and men's wages/salaries in the public sector • Number of women and number of men working at all levels of state-owned enterprises Sample SPTs: • Percentage increase in women's labor force participation rate in high growth sectors by a specified date. • Enact pay equality laws and regulations by a specified date. • Reduction of the pay gaps at all levels of public administration by a specified percentage and date. • Improvement in the gender balance in leadership and management positions in state-owned enterprises by a specified percentage and date.

Table 4, *Key Performance Indicators, Public Sector* continued

REDISTRIBUTE AND REDUCE UNPAID CARE AND DOMESTIC WORK	
Unpaid Care and Domestic Work	Sample KPIs: • Number of policies adopted that ensure family-friendly workplaces and a well-resourced, subsidized care economy (childcare and eldercare) • Number of high quality, affordable (including subsidized) childcare and eldercare services available • Number of weeks of parental leave Sample SPTs: • Increase in the number of policies adopted to ensure family-friendly workplaces, and a well-resourced, subsidized care economy (childcare and eldercare) by a specified date. • Percentage increase in the availability of high quality, affordable (including subsidized) childcare and eldercare support by a specified date. • Extension of parental leave by a specified number of weeks and date.
A LIFE FREE OF VIOLENCE	
Gender-based Violence (GBV)	Sample KPIs: • Number of services (hotlines, response centers, safe houses, and so on) that prevent and respond to gender-based violence, including sexual harassment in public spaces. • Number of policies adopted that directly and indirectly address gender-based violence Sample SPTs: • Increase in the number of services that prevent and respond to gender-based violence, including sexual harassment in public spaces, by a specified date. • Adopt a national strategy to counter gender-based violence by a specified date.



Conclusion

The reality of the gender inequalities that persist across society today is worrying. The COVID-19 pandemic has and continues to disproportionately affect women. With less than a decade remaining to achieve the 2030 Sustainable Development Goals, financing solutions that drive gender equality must be accelerated.

The sustainable finance market has grown significantly, and investor appetite is high for products that address social issues. Social, Gender, Sustainability, and Sustainability-linked Bonds and Loans provide avenues to direct capital towards reducing the inequalities that persist between women and men; yet they are not being used to their fullest potential. This note provides guidance to the market of how sustainable debt instruments could be used to advance gender equality in both the public and private sectors. We hope it encourages stakeholders across capital markets to go beyond business as usual in addressing gender inequalities and unlock the funding opportunities that sustainable instruments present.

Annex:

Additional Resources

Understanding the local and sectoral context can help issuers to identify the most pressing gender gaps where they have an opportunity to make a difference, and to set sustainability performance targets that, given the context, are ambitious but achievable. The resources listed below contain information that may be useful for this purpose.

It is important to check the timeframe for when data were collected, as data can quickly become outdated. It is also important to carefully read the definition for each indicator, as some may seem similar, but have slight differences that impact their comparability.

Relevant sources include:

- [2X Criteria](#) — among others, investment criteria include [thresholds](#) related to women in leadership and women employees by sector.⁴⁷
- The Global Entrepreneurship Monitor's [2020/2021 Global Report](#) includes data on gender and entrepreneurial activity that are based on interviews with nearly 140,000 people in 46 economies.⁴⁸
- The [Global Findex database](#) includes sex-disaggregated data on financial inclusion (account ownership, savings, credit, and payment behavior), as well as up-to-date, cross-country data that are useful for benchmarking.⁴⁹
- The GSMA Mobile Gender Gap reports for [2020](#) and [2021](#) explore the key barriers preventing women's equal access to mobile phone ownership and mobile internet use, as well as the increase in women's smartphone ownership.⁵⁰
- [ILOSTAT](#) provides country labor statistics, including indicators on female employment by age, education, economic activity, occupation, status of employment (including management), institutional sector, and more.⁵¹
- The [OECD Gender Data Portal](#) provides sex-disaggregated data on education, employment, entrepreneurship, health, and development from countries that are members of the Organisation for Economic Co-operation and Development, as well as Brazil, China, India, Indonesia, and South Africa.⁵²
- The website [UN Gender Statistics](#) provides a collection of quantitative and qualitative indicators that address relevant issues related to gender equality and/or women's empowerment.⁵³
- [UN Women's Empowerment Principles Gender Gap Analysis](#) is a comprehensive tool that assists companies in identifying key indicators, strengths, gaps, and opportunities to improve their performance on gender equality.⁵⁴
- The [Women's Economic Empowerment and Equality \(WE3\) Dashboard](#) of the United States Agency for International Development provides data on women's economic, social, and political inclusion. The Dashboard allows users to assess the extent to which women participate in a particular economy, and compare this to regional, income group, and global averages.⁵⁵
- The [World Benchmarking Alliance](#) ranks apparel companies on gender equality across seven measurement areas within a company's value chain.⁵⁶
- The World Bank report [Women, Business, and the Law 2021](#) analyzes laws and regulations affecting women's inclusion in 190 economies.⁵⁷
- The [World Bank Enterprise Surveys](#) provide information on women's entrepreneurship and economic participation in the labor force by benchmarking female participation in firm ownership, management, and the workforce.⁵⁸
- The [World Bank's Gender Data Portal](#) provides the latest sex-disaggregated data and gender statistics on demography, education, health, access to economic opportunities, public life and decision-making, and agency.⁵⁹
- The World Economic Forum's [Global Gender Gap Index 2020](#) benchmarked 153 countries on their progress toward gender parity across four dimensions: Economic Participation and Opportunity, Educational Attainment, Health and Survival, and Political Empowerment.⁶⁰

ENDNOTES

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- 3 ICMA (International Capital Market Association). 2020. *Sustainability-Linked Bond Principles Voluntary Process Guidelines*. June 2020. Zurich: ICMA. <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Sustainability-Linked-Bond-Principles-June-2020-171120.pdf>.
- 4 For those who are new to the topic of bond markets and sustainable finance, suggestions for further reading can be found on the International Capital Market Association (ICMA) [Resource Centre](https://www.icmagroup.org/sustainable-finance/resource-centre/) website (<https://www.icmagroup.org/sustainable-finance/resource-centre/>), under the heading "Research and Learning". Also see ICMA (International Capital Market Association). 2021. *Guidance Handbook*. June 2021. Zurich: ICMA. <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/The-GBP-Guidance-Handbook-June-2021-140621.pdf>.
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- 6 The Social Loan Principles build on and refer to the Social Bond Principles administered by ICMA with a view to promoting consistency across financial markets.
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- 11 See SDG 5. "Achieve Gender Equality and Empower All Women and Girls". Division for Sustainable Development Goals, UN Department of Economic and Social Affairs. New York: United Nations. <https://sdgs.un.org/goals/goals>.
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- 21 Gender responsive budgeting (GRB) is a strategic policy approach that analyses central and local administrative budgets to assess gender financing gaps, identify actions to close them and ensure that national and local commitments to gender equality and women's empowerment are adequately funded. For more on Gender responsive budgeting and related tools refer to <https://gender-financing.unwomen.org/en>.
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- 28 2X Challenge. 2X Challenge: *Financing for Women*. <https://www.2XChallenge.org>
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- 31 SDG Target 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance (ibid).
- 32 SDG Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value (ibid).
- 33 Question 4-1 in [SLBP Related Questions](#) provides more information on the types of structural changes. ICMA (International Capital Market Association). 2021. *SLB Related Questions*. February 2021. <https://www.icmagroup.org/assets/documents/Sustainable-finance/Sustainability-Linked-Bond-Principles-Related-questions-February-2021-170221v3.pdf>
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- 35 Information on material improvement is available in Section 3 the publication, *SLBP Related Questions*. ICMA (International Capital Market Association). 2021. *SLB Related Questions*. February 2021. Zurich: ICMA. <https://www.icmagroup.org/assets/documents/Sustainable-finance/Sustainability-Linked-Bond-Principles-Related-questions-February-2021-170221v3>.
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- 43 As advised in the Sustainability-linked Bond Principles, issuers that select certification-based KPIs over which they have no direct influence, risk not achieving their target. See [Question 3-7](#) in the publication ICMA (International Capital Market Association). 2021. *Sustainability-linked Bond Principles, Related Questions*. Zurich: ICMA. <https://www.icmagroup.org/assets/documents/Sustainable-finance/Sustainability-Linked-Bond-Principles-Related-questions-February-2021-170221v3.pdf>.

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