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# Investing in Gender and Nature: Opportunities for DFIs and MDBs

## An Action Brief

### INTRODUCTION

Investing at the nexus of gender and nature presents a significant opportunity for development finance institutions (DFIs) and multilateral development banks (MDBs) seeking both financial returns and development impacts, especially as momentum builds around scaling finance to halt and reverse biodiversity loss, in line with the Kunming-Montreal Global Biodiversity Framework (GBF). Women are indispensable agents of change in advancing positive outcomes for nature and biodiversity, leading sustainability efforts across sectors such as agriculture, fisheries, finance, and energy. For example, as primary cultivators of staple crops and custodians of agrobiodiversity, women play vital roles in sustaining food systems, managing water and forests, and preserving traditional ecological knowledge. At the same time, it is critical to ensure that benefits derived from nature and ecosystem services are shared and accessed equitably, including by women.

In a rapidly evolving nature finance landscape, with major updates to approaches for tracking nature finance from MDBs released as recently as COP30, this action brief invites DFIs, MDBs, and impact investors to identify entry points to embed a dual nature-gender lens into their investment processes and operations. These incremental opportunities are informed by insights gathered through interviews conducted with key ecosystem actors<sup>1</sup>, including DFIs, MDBs, standard-setting bodies, and impact investors.

### THE OPPORTUNITY

There is an opportunity to scale investments that simultaneously generate positive outcomes for both women and nature. Through standard-setting initiatives like the 2X Challenge,<sup>2</sup> DFIs have shaped a global market approach to gender-lens investing (GLI). The 2X Criteria are now widely recognized as the industry standard for GLI, helping build consensus among different capital providers and showcasing the role of DFIs and MDBs in shaping the broader investment ecosystem. Similarly, MDBs have led underpinning efforts in nature finance, including the development of the MDB Common Principles for Tracking Nature-Positive Finance and the World Bank Nature Finance Tracking Methodology.<sup>3</sup>

As MDBs and DFIs increasingly integrate nature finance tracking and nature action into their operations, it is essential to ensure that a gender lens remains applied to this emerging asset class. By deploying capital through a dual gender-nature lens, DFIs and MDBs are well-positioned to continue playing a leading role in defining and shaping the investment ecosystem.

<sup>1</sup> This Action Brief is informed by interviews with stakeholders from 14 organizations, seven of which were DFIs and MDBs. The interviews were conducted between March and August 2025, and therefore do not reflect updates from COP30.

<sup>2</sup> The 2X Challenge, launched at the G7 Summit in 2018, is a commitment of development and multilateral finance institutions to invest in the world's women. See: <https://www.2xchallenge.org/>

<sup>3</sup> See: The MDB Common Principles for Tracking Nature-Positive Finance and The World Bank Nature Finance Tracking Methodology.

## THE WAY FORWARD

### Opportunity 1: Mainstream a dual gender-nature lens by leveraging existing frameworks.

Existing frameworks for GLI and nature finance—most notably the 2X Criteria and the World Bank Nature Finance Tracking Methodology—provide a strong foundation for integrating gender and nature considerations throughout the investment process. Investors should aim to embed gender and nature considerations throughout the investment lifecycle—from deal origination and due diligence to portfolio management.

1. **At the deal origination stage**, ensure that a dual lens is applied, either through close collaboration between gender specialists and nature and biodiversity specialists, or through training all members of a deal team to apply both a gender and a nature lens to deal sourcing. A gender lens should be applied to nature finance transactions early on and vice versa to more intentionally identify nexus opportunities.
2. **At the due diligence stage**, leverage existing frameworks, namely the 2X Criteria and the World Bank Nature Finance Tracking Methodology, to assess investments for gender and nature considerations.
3. **At the portfolio management stage**, ensure systematic collection of gender-disaggregated data for nature finance transactions. More gender- and nature-related data from investments would help build evidence for impactful investments at the intersection of gender and nature and create opportunities to share insights and experiences with the investment community.

As DFIs and MDBs institutionalize existing frameworks, they can progressively explore portfolio-level targets that integrate gender and nature outcomes.

### Opportunity 2: Explore innovative financial mechanisms for greater impact on gender and nature outcomes.

DFIs and MDBs may be able to pioneer innovative financial instruments to achieve both gender and nature outcomes, such as impact-linked financial structures. These could include interest rate adjustments tied to gender and/or nature-related outcomes, such as board or senior management gender composition, or public disclosure in alignment with Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. These mechanisms can strengthen accountability and align institutional incentives with gender and nature objectives. Illustrative examples include:

- An International Finance Corporation-facilitated blue loan of USD 160 million to Ecuadorian bank Produbanco in 2023 to improve access to finance for SMEs in the blue economy, including women-owned enterprises.
- Equity financing platforms such as the *African Forestry Impact Platform*<sup>4</sup> (supported by BII, FinnFund, and Norfund), which are integrating gender and nature targets in commercial ventures.
- Debt financing mechanisms, such as *sovereign-guaranteed climate resilience debt swaps* (supported by IDB and EIB) in Barbados,<sup>5</sup> which ensure funded climate action incorporates gender-lens considerations.

4 See: British International Investment - African Forestry Impact Platform - <https://www.bii.co.uk/en/our-impact/fund/african-forestry-impact-platform-investment-01/>

5 See: IDB, EIB Approve Guarantees to Support Climate and Fiscal Resilience in Barbados - <https://www.iadb.org/en/news/idb-eib-approve-guarantees-support-climate-and-fiscal-resilience-barbados#:~:text=The%20Inter%2DAmerican%20Development%20Bank,adaptation%20projects%2C%20while%20safeguarding%20other>

### **Opportunity 3: Expand technical assistance offerings to investees to support both capacity building and ecosystem building.**

DFIs and MDBs can expand their technical assistance (TA) offerings to build client capabilities to deliver on both gender and nature objectives. While many offer TA to advance gender action, similar offerings are needed to catalyze nature action. For example, TA can be delivered to develop biodiversity and ecosystem risk assessment tools, design and operationalize metrics and monitoring frameworks aligned with the Kunming-Montreal GBF, implement TNFD-aligned recommendations, and mainstream biodiversity safeguards. Further, gender and nature-related TA can be offered in a more integrated manner to intentionally unlock gender opportunities in nature finance transactions. This can include the development of gender indicators for monitoring biodiversity outcomes and the inclusion of gender considerations in environmental and social safeguards to mitigate risks and enhance co-benefits for women and communities.

Effective TA deployment is important across the investment lifecycle, from pre-investment through portfolio management. While early engagement can help structure bankable projects, build risk management capabilities, and ensure that gender and nature considerations are embedded from the outset, later-stage TA can support investees in realizing their targeted impact goals and advancing their risk management capabilities. Moreover, DFIs and MDBs can explore TA at the market level to address cross-cutting and emerging opportunities through research, training, innovation, and the development of harmonized frameworks or tools.

### **Opportunity 4: Leverage existing communities of practice to share and gather knowledge and lessons learned in investing at the nexus of gender and nature.**

DFIs and MDBs can strengthen their capacity to invest effectively at the nexus of gender and nature by leveraging existing communities of practice and platforms to share insights on investments delivering joint gender and nature outcomes. These groups can facilitate exchange and collaboration on emerging evidence, case studies, and lessons learned regarding methodologies, best practices, and innovations in gender and nature investments. Active involvement in these communities can accelerate collective learning and promote the application of gender and nature lenses to investments that are coherent, inclusive, and practically relevant.

## **CONCLUSION**

DFIs and MDBs have a critical role to play in promoting a gender-nature lens across the broader investment ecosystem. To drive positive outcomes for gender equality, nature, and biodiversity, these institutions and other investors should actively and intentionally integrate gender and nature considerations throughout their investment processes and, where feasible, into financial instruments. Emerging evidence and best practices on gender-nature outcomes should be shared with the broader impact investing and development finance community to foster greater momentum and alignment within the ecosystem.



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