



**Insights to inform DFAT's new  
International Gender Equality Strategy**



**Submitted by:  
Impact Investment Exchange, PTE.**

**September 18, 2023**



## What are international gender equality priorities?

The GII market has built steady momentum over the recent few years, in 2022 US\$33 million were earmarked towards gender bonds, an increase by 38% in 2021<sup>1</sup>. The fixed income capital pool is the largest market available for GII to tap into, however there is a need for a systematic, transparent and all-inclusive approach while designing, issuing and reporting impact of gender bond.

Categorically, gender bonds have received siloed treatment compared to Green, Social, Sustainability, and Sustainability-Linked (GSSS) bonds and are viewed as a subset of Social or Sustainability-linked bonds. The market had no set guidelines of principles for gender bond issuances, in 2022, less than 1%<sup>2</sup> of GSSS issuances reported gender equality as a key primary objective.

There is a timely need to have equal representation of the Global North and South to strengthen and build on the GII market momentum. Despite the Global South facing disproportionate impacts of climate change, the regions lack representation and say in informing formulation of sustainable guidelines and frameworks. The Global North's has been a clear hegemon in both, setting qualifying standards for gender bond issuances and in applying such standards while providing second party opinions. An intersectional view of gender in decision making roles is key to building a diverse and gender-responsive markets. This perspective accounts for unique regional challenges faced by marginalized groups such as indigenous persons, ethnic minorities (including refugee communities), the LGBTQIA+ and differently-abled persons.

Against the backdrop of the optimistic market outlook on GSSS issuances, investors risk aversion in GII grew in context to rising impact washing and green washing fines. In 2022 alone, over US\$8 trillion<sup>3</sup> was removed from sustainable investment tally.

---

<sup>1</sup> "Issuers increasingly turning to sustainable bonds to support gender equality goals", *Moody's Investor Services (2023), Sustainable Finance- Global*, [www.moody.com/web/en/us/about/how-we-work/gender-finance.html](http://www.moody.com/web/en/us/about/how-we-work/gender-finance.html)

<sup>2</sup> "Gender Bonds Haven't Been a Big Hit Globally, but a Japanese Bank May Change That." *Head Topics*, <https://headtopics.com/us/gender-bonds-haven-t-been-a-big-hit-globally-but-a-japanese-bank-may-change-that-22901199>.

<sup>3</sup> "Five trends that shaped sustainable finance in 2022 | Corporate Knights." *Corporate Knights*, [www.corporateknights.com/category-finance/five-trends-that-shaped-sustainable-finance-in-2022/](http://www.corporateknights.com/category-finance/five-trends-that-shaped-sustainable-finance-in-2022/)

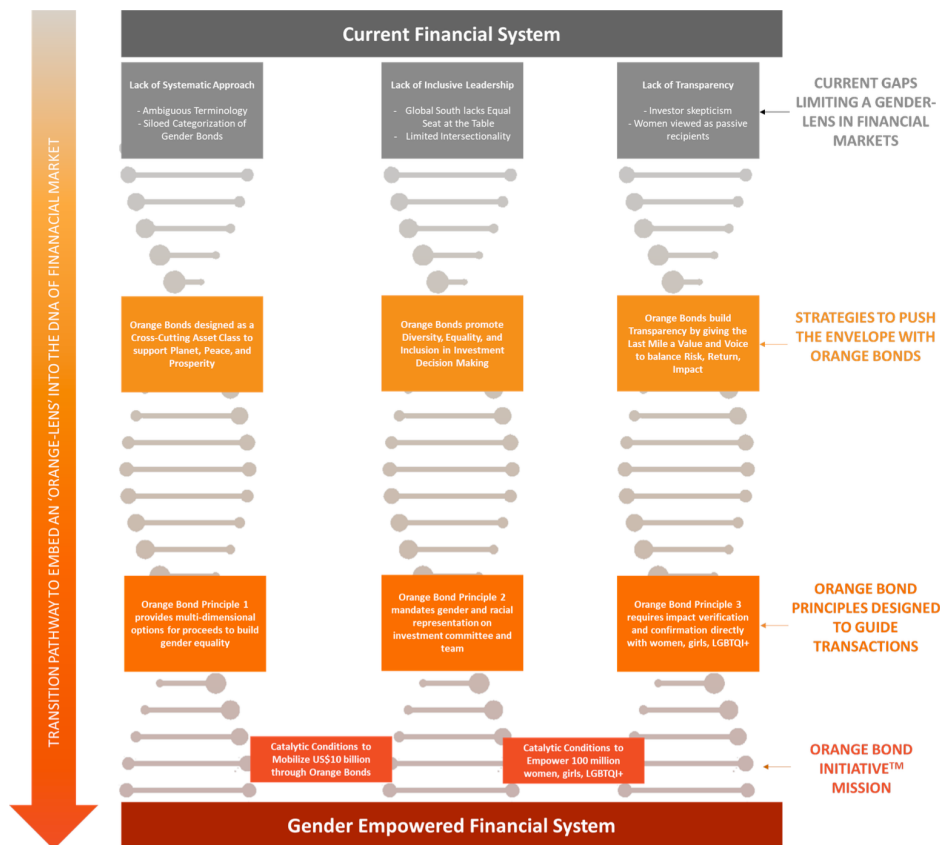


The aforementioned gaps need to be addressed in a timely manner in order to develop diverse, inclusive and vibrant gender empowered financial system to ensure positive peace, climate resilience, and economic prosperity.

## What are the most effective approaches for achieving gender equality globally?

Orange Bond Initiative™ (OBI) and Orange Movement™ were inceptioned at an opportune time, in order to help accelerate and scale up mobilization of fixed income investments to mainstream investments for gender equality. The OBI is the world's first asset class for GII aims to integrate gender equality in designing guiding frameworks and principles and aims to build an 'orange' ecosystem through data analytics and research, to eventually tap into multi-trillion-dollar debt capital markets to address broader GII and sustainable development financing gaps. The OBI's mission statement is to mobilize over US\$10 billion by 2030 and deploy the proceeds to empower ~100 million women, girls, and the LGBTQI+ community world over. The Initiative is driven by Steering Committee representatives, each of whom drive gender equality through their work spanning varying industries including IIX, Australian DFAT, the United States Development Finance Corporation (DFC), Nuveen, ANZ Bank, Shearman & Sterling, and water.org. The United Nations Capital Development Fund (UNCDF) is a member of the Orange Bond Initiative™ Advisory Council. In its attempt to build a vibrant and diverse and global 'Orange' ecosystem, the 'Orange Pledge' has over 73,000 signatories from 6 countries who have committed to uphold and promote the values, mission, and guidelines of the Initiative. Australia's active role in the initiative brought in 10% of organizational signatories 20% of individual signatories.

IIX published with [Orange Bonds Insights Paper](#) in early 2023 with comprehensive insights based on GII market sentiments with a Global South focus. Market gap analysis and primary data from stakeholder consultations inform the strategic rationale intent for the OBI and the formulation of the OBI principles and developed a unique 'Triple helix operationalizing framework' for building gender-empowered financial systems. The framework details out gender responsive strategies by setting definitive guidelines on capital allocation, diversity, equity and inclusion in decision-making roles, and a transparent, bottom-up impact reporting standard to inform financial decision making



(Source: IIX's Orange Bond Insights Paper, 2023)

The Insights Paper has recommendations applicable for a range of global stakeholders, pertaining to their capabilities in the GLI space and how they can support the broader Orange Movement in transitioning from isolated strategy to collective action.

## How can Australia best support efforts to achieve gender equality

Driving the OBI forward would be critical to achieving the goals set out by the triple helix framework. Catalytic funding support of DFAT is instrumental for catalyzing the ecosystem and scaling up 'Orange' Transactions to bring various forms of capital into GLI:

1. **Orange Bond Investor Engagement:** The supply of capital for Orange financial products will be developed through the creation of select groups of investors through the creation of Orange Investor Circles across Asia (Singapore, Hong Kong), Australia (Melbourne), Europe (Switzerland), and the U.S. (New York) alongside a global circle. In each location groups of several investors will act as ambassadors for Orange investing through the hosting of annual events and galvanizing institutional investors, family offices, high net worth individuals among others.



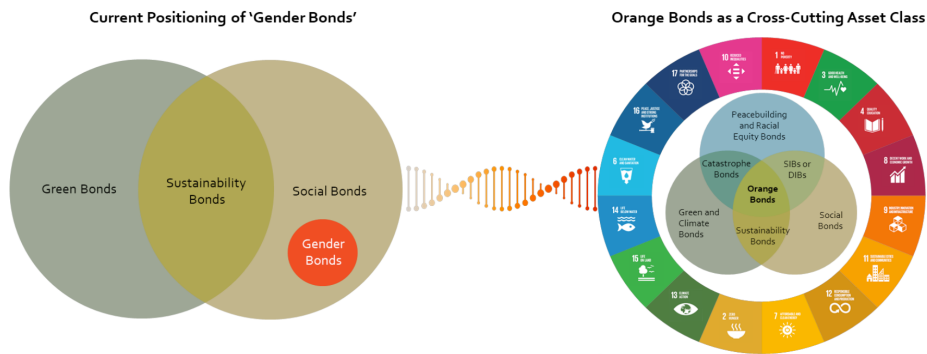
2. Shades of Orange rating system: In line with the development of research, the IIX Values™ platform and its Shades of Orange™ rating system will be further scaled up to include 20 new languages to expand the global reach of the platform to rural regions, countries, and communities. The platform builds in transparency and accountability into strategic and investment decisions making while also giving voice and value to the women impacted.
3. Supporting Orange Capital : The IGF Orange Loan Facility extended by DFAT set the foundation for IIX Orange Loans Facility. Identified MSMEs for OLF support will build a pipeline for potential Orange Bond issuances in regions of strategic importance to Australia such as ASEAN and the Indo-pacific islands. IIX will also provide technical assistance to Orange Bond portfolios by de-risking participation for crowing in new private investments and enhance capital access for growth of mature stage MSMEs.
4. Collaborative research and knowledge dissemination: Fostering collective action to enable knowledge exchange is key to catalyzing inclusive action for responsive GLI markets. The objective of such efforts is to keep cross-sectionality of gender at its core and on the accountable and transparent bottom-up impact monitoring system to bring opinions of traditionally underserved communities to the forefront of key decision-making processes. As a thought leader in sustainable gender investing, IIX regularly publishes blueprint papers, case studies, and market intelligence reports by leveraging primary market insights from its thriving network of partnerships.
5. Global events and publicity: Supporting events such as the Orange Forum that will help advance Australia's broader GLI agenda while also spurring the adoption of Orange Bonds as an asset class and encouraging further mobilization of capital to advance gender equality and achieve SDG 5 on a global scale

## What should the government/ DFAT consider when developing the new international gender equality strategy?

Following are two key considerations for DFAT to play a key role in mainstreaming investments for gender equality:

1. DFAT should explore the nexus of orange with other asset classes that drive economic prosperity, positive peace & planetary resilience.





(Source: IIX's Orange Bond Insights Paper, 2023)

A gender-lens can be applied to a range of existing bond structures and in line with a number of existing market standards such as ICMA Green Bond principles, UN SDG standards, ICMA social bond principles, among others. Orange Bonds by design are a cross-cutting asset class that goes beyond being a subset of Social Bonds to achieve outcomes and co-benefits related to planetary resilience, prosperity, social economic empowerment, peace and security, and overarching sustainability goals. The OBI supports exploring synergies between climate, green, and sustainability bonds and gender equality and recognizing that women as active agents to environmental issues and climate action.

2. DFAT is recommended to encourage transparency in GLI and leverage existing tools that were designed for the Global South. Instilling expectations for a transparent impact reporting processes lend a green signal to gender-responsive investments as safe long term investment pathways. IIX Values™ is a data-powered technology to facilitate the measurement, monitoring, and management of social and environmental impact and risks. IIX Values™ is integrated into the Orange Bond Verification process to support Orange Bond issuers and Approved Verifiers to conduct impact confirmation with women, girls, and other individuals in the target population through digital surveys sent directly to their mobile phones designed approach for impact and investor reporting.