



THE IPA OBSERVER

INVESTMENT PROMOTION AND FACILITATION MONITOR



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Investment Promotion and its Impact on Gender Equality: Moving the needle on SDG 5

Investment promotion is a government tool that can impact gender equality and women's empowerment (SDG 5) by influencing the type of foreign direct investment (FDI) that is targeted and enhancing its benefits.

At the same time, SDG 5 can strengthen a country's enabling environment for FDI by enhancing the available talent pool and know-how, the local supplier base, entrepreneurial ecosystems as well as social cohesion, important for economic development and key determinants for foreign investors..

This note looks at whether governments – specifically, institutions in charge of attracting investment like investment promotion agencies (IPAs) and special economic zones (SEZ) - are looking at gender equality as they strive to attract finance towards sustainable development objectives. The findings draw from a 2023 survey conducted by UNCTAD of IPAs and SEZs from across the world.¹ It builds on UNCTAD's first paper on investment promotion and gender based

on a survey conducted in 2020,² and aims to provide a snapshot of what is being done, serve as a reference, and provide examples that can help better understand the link between investment and gender.

Most surveyed IPAs and SEZs (75%) stated that they are promoting gender equality in some aspect of their work. More than half of those that promote gender are doing so as part of their investment promotion and facilitation activities, by targeting new investment projects and supporting existing ones to have a greater positive impact on gender equality. At the institutional level, agencies and zones are empowering women and promoting equality in-house (figure 1). When looking only at IPAs, 77% promote gender equality and women's empowerment in 2023 against only 45% in 2020. This represents an increase of 71%.³

Across their investment promotion and facilitation work, agencies and zones are focusing on 4 main ways of promoting gender equality:

- 1. Targeting investments with a potential positive impact on women,** by defining criteria and prioritizing investment leads accordingly (figure 2). Criteria used include potential employment opportunities for women (42%),

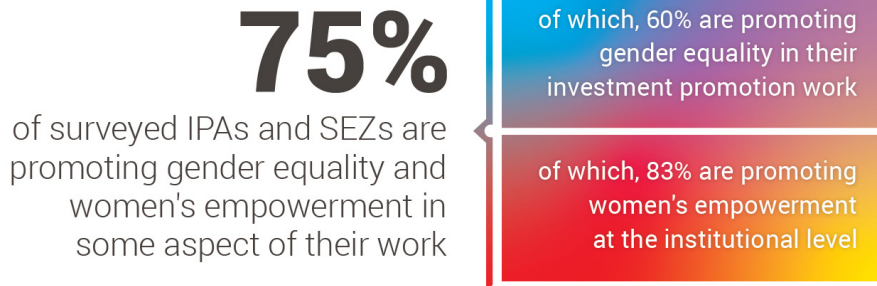
Note: This issue of the IPA Observer was prepared by Stephania Bonilla-Feret under the supervision of Paul Wessendorp and overall guidance of James Zhan. Inputs were provided by Natalia Guerra and Shexiu Huang.

¹ The survey was conducted between May and July 2023 and included 53 IPAs and 18 SEZs from 65 countries (19 from Africa, 16 from the Americas, 12 from Asia-Pacific and 18 from Europe). It was complemented by UNCTAD desk research and semi-structured interviews.

² (UNCTAD, 2020) [IPA Observer Issue 10 - Mainstreaming Gender Equality in Investment \(unctad.org\)](#)

³ (UNCTAD, 2020).

Figure 1. Percentage of IPAs and SEZs promoting gender and women's empowerment in their investment promotion activities and at the institutional level (respondents could choose both answers)

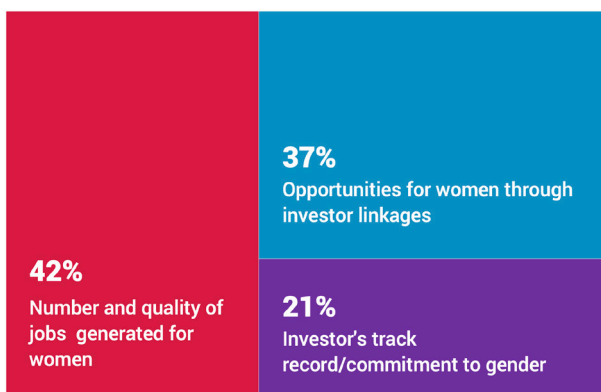


Source: UNCTAD

opportunities for women as suppliers through linkages between investors and the local economy (37%) and the investor's track record on gender equality (21%).

The Investment Office of Türkiye has a system to score prospective investment projects against all 17 SDGs, including SDG 5. A project will obtain a higher score if the company has been recognized for its gender equality commitments, whether it has a gender equality strategy or a commitment to employ women.

Figure 2. Prioritization criteria for investment projects used by IPAs and SEZs (percentage of IPAs and SEZs that are promoting gender equality, multiple answers possible)



Source: UNCTAD

Invest in Lyon, a sub-national IPA in France, recently pro-actively engaged with and secured the investment of a female-urinal manufacturer. The IPA states that this investment is in line with the city's gender and urban strategy, which seeks to ensure equal access for women to safe urban spaces with access to basic services.

2. Supporting existing investors to strengthen the impact of their operations on gender equality, by providing assistance to define and implement gender-related targets and increase the visibility of their efforts.

Invest Austria supports companies obtain a "gender equality seal" and organizes annual awards recognizing the work of companies across different fields related to gender. Past winners have been recognized for "breaking with hierarchies" and "providing support before, during and after family breaks."

Invest in Chile provides training and advice to existing investors to better measure and report on their environmental, social and governance activities and obtain certifications. They work with companies on gender-related targets and help identify indicators.

3. Reducing the gender skills gap in key sectors, particularly in technical areas important for climate related and digital FDI.

Copenhagen Capacity, the sub-national IPA in Denmark, runs targeted talent attraction campaigns such as "Women in Tech", that aims to increase women's representation in technology industries.

Konza Technopolis, an SEZ in Kenya, is committed to promoting digital skills for women and girls in line with the country's National Women Economic Empowerment Strategy. The zone has dedicated programmes to promote women in science, technology, engineering and mathematics (STEM).

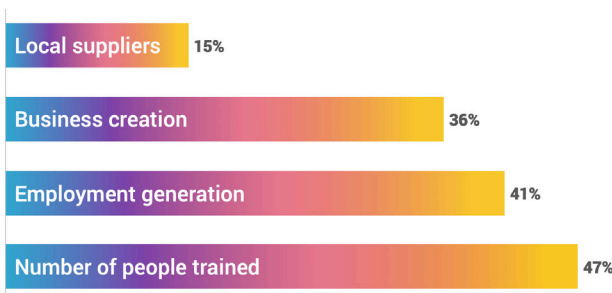
4. Strengthening women’s entrepreneurship, by facilitating capacity building, access to finance and connecting women entrepreneurs to local, regional and global value chains.

The *Rwanda Development Board’s* leads a programme that supports women in business, primarily in the agricultural sector, access government guarantee schemes and receive training to expand their access to markets.

Invest India’s entrepreneurship programme “Start-up India” has an accelerator programme for women entrepreneurs working in sustainability-related sectors.

While there are many examples of initiatives to promote gender, less than half of IPAs and SEZs compile sex-disaggregated data to monitor progress and impact, and a minority have dedicated budgets for gender-related programmes. Of the 53 surveyed institutions that are promoting gender equality and women’s empowerment in their work, only 41% are compiling disaggregated data by sex on the employment generated by investment projects. Likewise, a minority compile sex-disaggregated data on key economic indicators including local suppliers (15%), business creation (36%) and the number of people trained by their programmes (47%) which would allow them to monitor and report on their progress in this area more effectively (figure 3). Only 38% have a dedicated budget for specific staff or programmes related to SDG 5.

Figure 3. IPAs and SEZs promoting gender equality that compile sex disaggregated data (percentage of surveyed IPAs and SEZs, multiple answers possible)

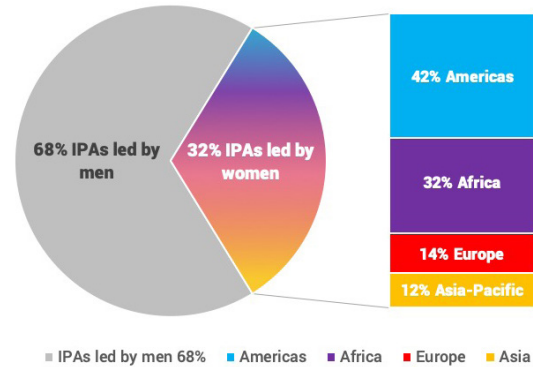


Source: UNCTAD

Internally, agencies and zones are supporting women’s advancement and promoting gender parity.

In July of 2023, 32% of 182 national IPAs in UNCTAD’s IPA database had a woman as head of the agency (figure 4), an increase from 21% in 2020.⁴ In 2023, 37% had a gender focal point.

Figure 4. Out of 182 national investment promotion agencies, 59 (32%) are led by women (July 2023)



Source: UNCTAD

APEXBrasil has formally announced its objective to achieving gender parity across the agency in its recent strategy, as a signal to investors that they are committed to SDG 5 both internally and externally.

Consorci Zona Franca de Barcelona, an SEZ in Spain, established a “Woman’s Council,” a consultative body that promotes equality between men and women in the industrial sector, with a special focus on companies within the zone.

IPAs and SEZs are also promoting inclusive work environments, including through training. 41% of surveyed institutions are providing capacity-building to their staff on topics including women in leadership, combatting gender biases in recruitment, preventing sexual harassment at work and closing gender pay gaps.

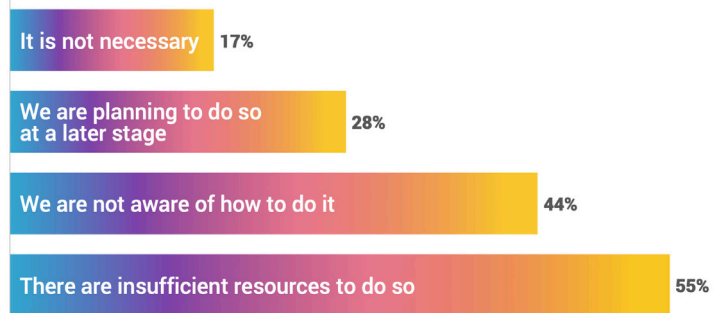
For those surveyed institutions that do not actively promote gender equality, “insufficient resources” is cited as the main reason (55%) followed by a lack of awareness on strategies to promote gender and women’s empowerment as part of their investment

⁴ (UNCTAD, 2020).

Figure 5. Top reasons for IPAs and SEZs for not promoting gender in any aspect of their work (percentage of surveyed IPAs and SEZs, multiple answers possible)

25%

of surveyed IPAs and SEZs are not integrating gender in their work. Top reasons stated to explain why:



Source: UNCTAD

promotion work (44%). 28% stated that they are planning to do so at a later stage, while 17% do not think that it is necessary to promote gender equality in investment promotion (figure 5).

Moving forward, IPAs and SEZs require support to promote, track progress and report on SDG 5. No less than 93% of surveyed respondents are interested in receiving training on promoting gender equality through their work. Since the formulation of the 2030 sustainable development agenda in 2015, UNCTAD regularly provides training and guidance to investment promotion officials on how to align their strategies and

operations to the SDGs. Before 2015, only a handful of pioneering institutions were giving special attention to gender equality and women's empowerment, but the demand for technical assistance in this area has grown. UNCTAD stands ready to provide such assistance.

Investment promotion strategies that apply a gender lens can contribute to inclusive investment climates and a more equitable distribution of the potential benefits of FDI. As the number of IPAs and SEZs that promote gender equality and women's empowerment grows, they are moving the needle on SDG 5 and on the 2030 sustainable development agenda.



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