

Achieving a Fund-Wide Gender-Sensitive Approach in the Green Climate Fund¹: Recommendations for the 6th Meeting of the GCF Board

With decision 3/CP.17, the Green Climate Fund (GCF) made history as the first global climate finance mechanism to include gender equality concerns at its inception by including specific commitments on gender in its Governing Instrument,² including by mandating the Fund to strive to maximize the impact of its funding for adaptation and mitigation while “taking a gender-sensitive approach” (para.3).

As the GCF Board moves forward in operationalizing the Fund and exploring options for a Fund-wide gender-sensitive approach, it must consider multi-pronged activities, wherein it 1) **meaningfully integrates gender considerations into ongoing policy decisions** on operational modalities under the Business Model Framework (BMF) and required for the initial resource mobilization efforts which are **scheduled for the 6th and the 7th GCF Board meetings** and 2) develops a **comprehensive gender action plan with a time-line and firm targets** for progress in achieving a gender-sensitive approach within the Fund.

At its Bali Meeting, the GCF Board is asked to take note of an options paper (GCF/B.06/13) presented by the Secretariat and recommend next steps. The proposal for recommended action by the Board should be amended (with new text suggested in **BOLD**) to read:

“It is recommended that the Board:

- (a) Takes note of the information presented in document GCF/B.06/13 Options for a Fund-wide Gender-sensitive Approach;*
- (b) **Requests the Secretariat to integrate gender considerations into the ongoing preparation of Board papers considered for decisions at its May 2014 meeting;** and*
- (c) Requests the Secretariat to prepare a ~~document~~ **gender policy statement and gender action plan, through consultations with relevant bodies and observer organizations, for consideration by the Board at its October 2014 meeting.**”*

Priority actions for the Board to take in Bali so that the GCF can make progress towards operationalizing a gender-sensitive approach include:

- Provide a **clear and explicit time-line and gender action plan/strategy** for how the recommendations put forth in the “Options for a Fund-Wide Gender-Sensitive Approach” document would be undertaken.
- Ensure that, in addition to the entry points and recommendations identified in the options paper, other Board decisions adequately integrate gender considerations. Consider consulting with an **identified reference/technical gender and climate change expert group** on various BMF background papers up for decision of the Board to help ensure such guidance, reports and recommendations are gender-sensitive.
- Ensure **gender and social expertise** is included among the staff of each **proposed main divisions of the Secretariat** as well as ensure that **advisory panels/experts groups are informed by gender and social expertise**, and have representation of men and women from diverse stakeholder groups and geographic regions.
- Establish **minimum requirements at the Fund level**, which need to be met by EEs, IEs, etc., on how the design of activities need to incorporate gender-sensitive aspects.
- Strengthen the gender sensitivity within the proposed results areas and indicators to **ensure performance indicators are gender-smart and utilize a mix of gender-sensitive quantitative and qualitative indicators.**
- Elaborate a **set of environmental, social and gender safeguards in conjunction with a GCF gender mainstreaming policy** as part of the criteria by which all entities that access GCF financing must abide.
- Develop **gender-sensitive criteria for project identification and fund allocation** for each funding window, including initial windows for adaptation and mitigation and make their consideration mandatory for approval.
- Mandate that countries **develop country coordinating mechanisms that have diverse composition with non-governmental representation** and which also have integral roles in proposal development and oversight.

¹ Authors: Elizabeth Eggerts (UNDP) and Liane Schalatek (Heinrich Böll Foundation North America) with input from the Global Gender and Climate Alliance (GGCA) Climate Finance Working Group. Contact in Bali: Liane Schalatek, Heinrich Böll Foundation North America (liane.schalatek@us.boell.org)

² Explicit gender reference in the GCF Governing Instrument are included under I. Objectives and Guiding Principles, Paragraph 3; II. Governance and Institutional Arrangements, Paragraphs 11 and 21; V. Operational Modalities, Paragraphs 31; XII. Stakeholder Input and Participation, Paragraphs 71.

Organized under the key agenda topics of the 6th GCF Board Meeting (BM), the following sections provide more detailed concrete recommendations on how to make progress toward a gender-sensitive approach in the GCF. In cases where recommendations correlate directly to draft decision text and topics put forth in the background documents, the applicable location of such text is noted next to the recommendation in parenthesis.

Options for a Fund-Wide Gender-Sensitive Approach (GCF/B.06/13)

- Provide a more **clear and explicit time-line and gender action plan and/or strategy** for how the recommendations put forth in the document would be undertaken. Key decisions on the GCF BMF, including in all the eight policy areas where decisions are required for resource mobilization efforts to start, are scheduled to be completed in BM6 and BM7 before the Board meeting in October as well as before the more detailed gender statement is currently scheduled to be completed. As such, to operationalize “a gender sensitive approach”, as noted in the GCF Governing Instrument, continuous and more concrete action from the Secretariat in incorporating gender considerations into Board preparation papers and draft decision for BM7 specifically are needed simultaneously to drafting a comprehensive and ambitious gender policy statement. *(Section V)*
- Ensure that, in addition to the entry points and recommendations identified in the options paper, other Board decisions (e.g. country ownership and particularly efforts to define best practices and guide country coordination and multi-stakeholder engagement efforts, the initial results management framework and performance indicators, the work program on readiness and preparatory support, the initial approval process for funding etc.), which are important at the current stage of the Fund’s development for making progress on a Fund-wide gender-sensitive approach, adequately integrate gender considerations. To help in this work, **consider consulting with an identified reference/technical gender and climate change expert group on various BMF background papers up for decision of the Board to help ensure such guidance, reports and recommendations are gender-sensitive.**
- **‘Balanced participation’ should also include a wide range of stakeholders (government, CSOs, IPs, NGOs, etc.) and be gender-sensitive**, as participation involves more than just involving women and men in consultations. Ask the Secretariat to develop and apply gender-sensitive engagement rules for liaising with and managing the Fund’s relationships with stakeholders and observer organizations by reaching out to civil society, the private sector and international organizations, ensure genuine and effective interactions with a broad range of stakeholders. Critical in this process is ensuring that women are adequately represented in any formal Secretariat-led consultations and their roles, levels of power and constraints are taken into account when liaising and managing relationships and designing and conducting consultations. Stakeholders also need to be able to attend as well as meaningfully participate, and raise their voice in such discussions. Thus, capacity building activities may need to be provided. *[Para 11(d)]*
- When developing guidelines on project-level for gender-sensitive activities, **attention needs to be taken to ensure budgeting allotments for gender sensitive activities account for all phases of programming**, including design, implementation, monitoring and evaluation, with specific resources earmarked for gender, as appropriate. Some discussions on this point only highlight implementation. Climate Investment Funds’ (CIF) programs and projects that allocated dedicated resources and funds to ensure that gender considerations were included have shown to be more successful in their gender mainstreaming efforts. *[Para 11(f)]*
- **Provide adequate resources in the budget of the Independent Secretariat for an internal GCF gender infrastructure to include gender and social experts**, gender capacity building efforts, as well as resources for information sharing and outreach activities. *[Para 10(i)]*
- **During project/program approval process, utilize a gender checklist or a gender analysis for a criterion for approval.** More comprehensive tools, other than just a gender question in any initial program/project concept note to determine the gender elements of such a program/project, should also be drawn upon. Terms, such as “not all projects would be expected to have gender elements” (para.21) should be avoided. Most if not all project/program proposals involve and note the role of stakeholder input and participation or provide a description on beneficiaries for any project or program. Thus, per the GCF Government Instrument, such activities needs to involve the “input and participation of stakeholders, including private-sector actors, civil society organizations, vulnerable groups, women and indigenous peoples”, and thereby must be gender-sensitive and would involve gender elements. *(Para 21, Section 4.3)*
- **Ensure gender and social expertise is included among the staff of each of the proposed main divisions of the Secretariat** (country programming, mitigation and adaptation, PSF, external affairs and support services). Additionally, **provide regular training for GCF staff on gender and climate change.** In this process, strive for gender balance (para 21

in GCF Governing Instrument) among the Independent Secretariat staff as diversity in leadership and broad expertise in decision-making creates opportunities for transformative change and can help ensure that the GCF effectively addresses complex climate change challenges, including the diverse needs and capacities of those impacted by and able to combat climate change. (*Section 3.1*)

- **Minimum requirements should be established at the Fund level, which need to be met by EEs, IEs, etc., on how design activities need to incorporate gender-sensitive aspects** (i.e. be it in guidelines, templates, etc.). Examples of such Fund-level gender policy guidance and requirements can be drawn from the GEF Policy on Gender Mainstreaming as well as the Adaptation's Fund reporting revised templates annexed to its operational, policies and guidelines. (*Para 22, Section 4.3*)

Additional Result Areas and Indicators for Adaptation Activities (GCF/B.06/03)

- **Put people at the center of all indicators on adaptation (don't relegate them to a sector approach) and strengthen the concepts of gender equality and women's empowerment within the proposed additional results areas and indicators for adaptation activities.** As currently written, most of the proposed results areas do not make explicit connections to beneficiaries or people-centered interventions and to concepts of gender equality and women's empowerment. As adaptation is particularly relevant for vulnerable groups (i.e. poor, women, youth), cross-cutting issues, such as gender equality and women's empowerment, can help ensure that women, as essential stakeholders, are fully considered and represented and that gender roles and dynamics, including constraints and capacities are taken into account and proactively addressed in program/project design, implementation and monitoring and evaluation.
- **Ensure that performance indicators of the Fund address gender equality explicitly**, for example by focusing on beneficiaries of intervention and the "utility of use" of climate-resilient infrastructure and by disaggregating household reference. Currently indicators listed in Annex II, "Extended and additional adaptation result areas and related performance indicators" are gender neutral, wherein they do not explicitly account for or measure the differentiated impacts and potential benefits between men and women. (*Annex II*)

Initial Results Management Framework of the Fund (Progress Report) (GCF/B.06/04)

- While the initial results management framework does propose sex-disaggregated indicators, more focus should also be placed on making proposed performance indicators gender-smart (e.g. not referring to "people", but to men and women and addressing beneficiary groups in some detail). In this work, **develop and utilize a mix of gender-sensitive quantitative indicators** (e.g. number of female-headed households with access to low carbon modern technologies) and **qualitative indicators** (indicating changes in processes or governance frameworks or public participation) for both mitigation and adaptation. (*Annex III*)
- **Ensure that reporting on the gender-sensitive impact of GCF funded activities is mandatory.** It is not enough to suggest to leave it up to implementing and executing entities to pick at least one co-benefit to measure. A gender-sensitive approach is not a co-benefit, but a cross-cutting approach to the Fund's work and has to be measured at both the implementing level as well as on the Fund portfolio aggregate level for all GCF interventions in adaptation and mitigation. (*Section 6.2*)
- **Revise the proposed paradigm-shift indicators for mitigation to not just measure the costs and volume of GHG emissions avoided, but also how such aggregate Fund mitigation activities contribute to improving and securing the livelihood and quality of life of men and women.** Rather than focusing on the volume of leveraged finance, the focus should be on necessary policy shifts to fundamentally change the way the societies and men and women interact with the environment and each other. (*Section 5.1*)

Policies and Procedures for the Initial Allocation of Fund Resources (GCF/B.06/05) and Initial Proposal Approval Process, Including the Criteria for Programme and Project Funding (Progress Report) (GCF/B.06/08)

- **Ensure that the proposed two-tier allocation system for the GCF facilitates a gender-sensitive approach** and helps guarantee effective allocation of resources to benefit vulnerable populations. For example, specifically earmarked reserve funds for women and marginalized groups within each of the GCFs' thematic funding windows could be set aside. The GCF Board could also channel resources through complementary funding mechanisms such as a small grants facility to support women's empowerment and gender equality through small-scale community-based activities in which women in developing countries are more frequently engaged. Such set-aside funds have to be understood as a complement to, but not a substitute for, addressing gender-based criteria across the Fund. *(GCF/B.06/05, Para 9-11)*
- **In the first tier, address the current global underfunding of adaptation, given that women are disproportionately affected by climate change impacts in developing countries**, by ensuring a balanced allocation between mitigation and adaptation and set cumulative Fund commitments for adaptation at no less than 50 percent of overall funds (the target range is not acceptable). Allocation for adaptation should be prioritized for vulnerable country groups, namely SIDS, LDCs, and African states as identified by the Board. Given the heavy climate burden that women in these poorest countries carry (some 116 states and thus the majority of Fund eligible countries), the initial target floor allocation for these countries must be significantly higher than the recommended 10 per cent initially. *(GCF/B.06/05, Para 15 and 17)*
- **In the second tier, develop gender-sensitive criteria for project identification and fund allocation for each funding window and facility**, including the initial windows for adaptation and mitigation, and make their consideration mandatory for approval. When establishing criteria, a too narrow focus on economic efficiency must be avoided in favor of criteria acknowledging a broader sustainable development context. Ensure gender considerations and gender differentiated impacts and benefits are noted within the criteria definitions and indicators, particularly in terms of measuring transformational potential. *(GCF/B.06/05, Para 15 and GCF/B.06/08, Section 3.4)*
- **For the Private Sector Facility (PSF), such criteria must address existing barriers to access to finance for women in recipient countries**. They should also engage with women-run private sector micro, small and medium enterprises as well as private sector businesses, companies and investors who are gender-sensitive in their work, and have established inclusive sustainable business practices, investment strategies, carbon reduction targets, etc. *(GCF/B.06/05, Para 16)*
- **Revise the Initial Proposal Approval Process recommendations for decisions at BM7 to integrate and reference stakeholder input and participation in the project and programme approval cycle** in line with the mandate of the Governing Instrument paras. 51 and 71 and acknowledging women's special contribution. *(Annex I)*.
- **Ensure that gender expertise is represented in a possible technical advisory panel** that would assist the Secretariat with assessing project and programme proposals. *(GCF/B.06/08, Para 34)*

Terms of Reference for the Independent Evaluation Unit, the Independent Integrity Group, and the Independent Redress Mechanism (GCF/B.06/06)

- **Ensure that the mandate and commitment to a Fund-wide gender-sensitive approach is reflected in the terms of reference (TOR) of the Independent Evaluation Unit (IEU)** by requesting the IEU to periodically evaluate GCF gender results and by ensuring that the evaluation panel includes social and gender expertise to review the results of Fund interventions for their gender equality merit. *(Annex II)*
- **Mandate a GCF Independent Redress Mechanism which will allow affected individuals (not just a group) to seek to have their complaints heard and seek redress in accordance with international best practice**. Allow complaints to be received in a variety of formats, including in native languages or video formats or in person to accommodate gender-differences with respect to access to information and communication technology and literacy levels. Ensure that non-compliance with the mandate for a gender-sensitive approach to GCF funding in the preparation, design and implementation of GCF-funded project and programs as well as an open violation of the gender equity and women's empowerment safeguard of the GCF is cause for a compliance review, conflict resolution and redress. *(Annex IV)*

Country Ownership (GCF/B.06/07)

- **Ensure GCF supported activities [including under the Private Sector Facility (PSF)] are gender-sensitive, developed with the full and meaningful participation of all relevant stakeholders, including women,** and aligned with national climate and development plans in applying the principle of country-ownership and implementing the no-objection procedure. In order to allow for information of and consultation with stakeholders in country on proposed activities, the timeframe to communicate a country's no-objection must be extended beyond the three weeks suggested with active approval required. Private sector funding proposals must be subject to the same active no-objection procedure as public initiatives. *(Annex I and Annex II)*
- **Mandate that countries develop best practice country coordinating mechanism (CCMs) with an integral role in proposal development and oversight, drawing on the experience for example of the Global Fund which sets requirement for its diverse composition with significant non-governmental representation.** Develop Fund guidance beyond voluntary guidelines that ensures a diverse range of national and local stakeholders, including women's and civil society groups and NGOs, are included in country coordination processes leading to a determination of a recipient country's funding priorities as well as are informed about the application of the no-objection procedure. The application of the no-objection procedure by the a national designated authority (NDA) or a focal point should in itself not be understood as a confirmation or substitute for inclusive and participatory stakeholder and the selection of countries' NDA or focal point should take their capacity to facilitate such multi-stakeholder processes into account. *(Section 4.1. and Annex III)*

Guiding Framework and Procedures for Accreditation, including the Funds Fiduciary Principles and Social and Environment Safeguards (Progress Report) (GCF/B.06/09)

- **Consider experience with and a commitment to gender-responsive funding implementation a criterion for the accreditation of national and multilateral implementing entities and support national entities to build the necessary capacity to do so.** In addition, to promote participatory country-led processes, require national designated authorities and implementing entities to have gender expertise, seek a gender balance on their staff and conduct gender-sensitive consultations at all project cycle stages, wherein women, women's cooperatives and organizations and other vulnerable and marginalized groups are included as key stakeholders. Where these requirements are not fulfilled, accreditation should be provisional with a grace period to improve their ability to fulfill the gender criteria. *(Annex I)*
- **Ensure that gender and social expertise is provided to the Board's team on accreditation** tasked to finalize the development of the guiding framework for the accreditation process of the Fund by BM7. *(Section II)*
- **Elaborate a set of environmental, social and gender safeguards in conjunction with a dedicated GCF gender mainstreaming policy as part of the mandatory criteria** by which all entities that access GCF financing must abide. These standards need to be consistent with accepted human rights conventions, covenants, and declarations, such as the UNDHR, UNDRIP, and ILO Conventions, among others and environmental law, respect collective property rights, free, prior and informed consent (FPIC) and explicitly reference gender equality. Apply these criteria fund-wide in a coherent funding approach, including in the PSF, to ensure that women are not negatively affected by PSF investments in developing countries, especially large-scale ones.
- **Improve on the suggested initial social and environmental safeguards by strengthening language referring to disadvantaged and vulnerable groups** (and list them explicitly as women, children, disabled people, traditional communities, and indigenous peoples) and avoiding terms such as "disproportionate adverse effects" which seem to imply an acceptance of some violation of the rights of women and disadvantaged and vulnerable groups as a result of GCF funded activities. *(Annex I)*
- **Institute and require sub-national, national and multilateral implementing entities to have a gender-sensitive complaint and redress mechanism in place** that are capable of addressing violations against social and environmental safeguards and policies, at the implementing entity level, which allows civil society stakeholders, including women, to raise complaints and grievances and have them addressed by gender experts.

Detailed Work Programme on Readiness and Preparatory Support (GCF/B.06/14)

- **Provide readiness and preparatory support to strengthen the capability of recipient countries' national statistical systems to collect and analyze sex--disaggregated data** relevant to GCF funding and measuring its effectiveness in being equitably accessible and beneficial to both women and men.
- **When providing readiness support to the private sector, ensure that micro small- and medium-sized enterprises (MSMEs), which are disproportionately owned by women, are prioritized.** Focus particularly on building the capacity of local financial intermediaries in developing countries to increase their products and programmes available specifically for women-run private sector MSMEs as well as private sector businesses, companies and investors who are gender sensitive in their work, and have established inclusive sustainable business practices, investment strategies, carbon reduction targets, etc. (*Section II*)
- **In readiness and preparatory support and any corresponding programme of work, provide dedicated financial resources and capacity building and other support as necessary** to ensure the 1) meaningful engagement of women and other marginalized groups in in-country multi-stakeholder preparatory processes for identifying the appropriate NDA or establish country coordinating mechanisms that elaborate national priorities for low-emission and climate-resilient development; and 2) articulation of gender-responsive programmatic approaches within such strategies and national development plans. (*Section 3.1 and 3.2*)

Additional Modalities That Further Enhance Direct Access, Including Through Funding Entities (GCF/B.06/15)

- **Give non-state and sub-national actors, including civil society groups and communities, the opportunity to directly access and act as implementing entity** (for grant funding) under special accreditation provisions with the Fund for example via a GCF small grants facility for women and marginalized groups as an option and preferred access modality. (*Section 3.4*)
- **Ensure that GCF environmental and social safeguards including the provisions on gender equality and women's empowerment apply to and are implemented by all GCF-accredited implementing entities and intermediaries.** A GCF operational understanding of intermediary must include the responsibility and capacity of those intermediaries to guarantee compliance with GCF safeguards through different levels of intermediation including financial blending, financial structuring or on-lending. (*Section 4*)

Financial Terms and Conditions for Grants and Concessional Loans (GCF/B.06/16)

- **To help promote the shift to low-emission and climate-resilient development pathways, the terms and conditions of instruments deployed by the Fund for mitigation and adaptation should consider women's empowerment and gender equality** as an important results area in its own right, especially for full and incremental cost grant financing for mitigation and adaptation activities under the GCF.
- **In addition to gender, include environmental, social and human rights safeguards in the terms and criteria for grants and concessional loans** and also apply them consistently to sub-lending by implementing entities to financial intermediaries.