

Making Progress toward a Gender-Sensitive Approach in the Green Climate Fund¹: Recommendations for the 5th 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 Anchored as a crosscutting issue in its section on objectives and guiding principles, the Governing Instrument urges the Fund to strive to maximize the impact of its funding for adaptation and mitigation while “taking a gender-sensitive approach” (para.3). Gender equality is now widely being regarded as a **driver of transformational change** as well as a necessary **prerequisite for achieving sustainable and effective low-carbon and climate-resilient development**. Gender equality is also a matter of **making smart and effective financing choices** to address climate change and its differential impacts on men and women.

As the GCF Board moves forward in operationalizing the Fund guided by the Governing Instrument, it must consider how to integrate a “gender-sensitive approach” in its business model framework (BMF) and other relevant operational policies in order to promote, in the context of sustainable development, the paradigm shift toward low-emission and climate-resilient pathways, which addresses climate change as a human-made problem requiring both behavioral change and technical solutions. **Gender equality concerns need to be addressed concurrently with the BMF, other key operational policies and decisions regarding the Fund’s structure as part of the paradigm shift the GCF seeks to support.** A gender-sensitive approach in the GCF should therefore build on effective gender mainstreaming practices of existing funds and financing instruments and expand them in its processes and governing structures as necessary in order to achieve a truly transformational impact.

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

- Approve a gender decision in Paris, which highlights concrete ways forward in operationalizing a gender-sensitive approach and mandates the GCF Secretariat to develop a gender mainstreaming policy for consideration by the Board at its next meeting in early 2014.
- Fully and meaningfully integrate the concept of gender equality and women’s empowerment as cross-cutting issue into the Fund’s initial results areas, including by applying gender-sensitive performance indicators.
- Include gender equality considerations in planning and reporting instruments, monitoring, evaluation and auditing procedures as key elements of an effective results management framework.
- Elaborate a set of environmental, social and gender safeguards in conjunction with a dedicated gender mainstreaming policy as part of the mandatory criteria by which all entities that access GCF financing must abide.
- Consider experience with and a commitment to gender-sensitive funding implementation a criterion for the accreditation of national and multilateral implementing entities and intermediaries.
- Stipulate gender-sensitive consultations with women and men in recipient countries as a requirement at all project cycle stages — conceptualization, design, implementation and monitoring and evaluation.
- Develop gender-sensitive criteria for project identification and fund allocation for each funding window and facility. Also consider specific set aside funding specifically for women and marginalized groups and channeling resources through complementary funding mechanisms, such as a small grants facility.
- Ensure that gender and social expertise is included in each proposed division of the Independent Secretariat and strive for gender balance among the Independent Secretariat staff. Provide adequate resources in the budget of the Independent Secretariat to support gender experts, internal gender capacity building efforts, as well as resources for information sharing and outreach activities.

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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 5th GCF Board meeting, the following sections provide in more detail 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.

Business Model Framework

(I) Initial Result Areas and Performance Indicators (GCF/B.05/02)

- Acknowledge that the initial result areas of the Fund have to fully and meaningfully integrate the concepts of gender equality and women’s empowerment as cross-cutting issues in order to promote a paradigm shift towards low-emission and climate-resilient development in the context of sustainable development. A gender-sensitive approach requires 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. *(para 7, Draft Decision Annex I para d)*
- Ensure that performance indicators of the Fund in all initial result areas address gender equality explicitly in a cross-cutting way as one of multiple benefits [crucial co-benefit] of GCF funding. *(Draft Decision Annex I para e)*
- 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. This can be accomplished by 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 indicators which assess the transformative impact of Fund activities, such as in terms of land and title rights and allocation of and investment in agriculture and energy inputs and resources for women. *(Draft Decision Annex I para e)*

(II) Results Management Framework (GCF/B.05/03)

- Include gender equality considerations in planning and reporting instruments, as they are key elements of an effective results management framework (RMF). This can be achieved through developing gender guidelines or gender action plans which include gender-responsive criteria for programme design and performance, beginning with a mandatory up-front gender analysis to establish, inter alia, effective baselines for gender-responsive RMFs.
- Require all data collected and used by the GCF integrates gender-specific variables is disaggregated by sex and expand current key criteria definitions to include gender equality considerations. Specifically, expand development co-benefits, as referenced in Annex I para c (iii), to include gender equality indicators. Create gender -responsive measurable and verifiable indicators to monitor, evaluate, and track progress of projects and programming. Encourage participatory monitoring efforts, including women as key stakeholders, during implementation at the local level as suggested under para. 57 of the Governing Instrument. *(Draft Decision Annex I para a, c and e)*
- Promote gender-responsive budgeting, monitoring, evaluation and auditing procedures and timely comprehensive reporting on participation of women and other vulnerable and marginalized groups in the development of country-led strategies. When supporting the scaling up of proven technologies and activities that deliver clear results (see Annex I para b), ensure activities that are supported have demonstrated results in promoting gender equality and women’s empowerment. *(Draft Decision Annex I para b and c)*
- Draw on a network of gender experts, such as a gender advisory group, to monitor gender-sensitive capacity building activities and provide technical support, including the identification and documentation of good practices from other relevant funds. *(Draft Decision Annex I para g)*

(III) Allocation (GCF/B.05/05)

- 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, with a recommended allocation of no less than 50 percent of overall funds in support of adaptation

efforts. Allocation for adaptation should be prioritized for vulnerable country groups (SIDS, LDCs, Africa). (*Draft Decision Annex I, paras a and b*)

- Develop gender-sensitive criteria for project identification and fund allocation for each funding window and facility, including the initial windows for adaptation and mitigation. 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. (*Draft Decision, Annex I, para c*)
- Consider a multi-tiered allocation in the GCF to facilitate a gender-sensitive approach and to help 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.

(IV) Country Ownership/No-Objection Procedure (GCF/B.05/06)

- 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 and priorities in applying the principle of country-ownership and implementing the no-objection procedure. (*Draft Decision Annex I para a, g and b*)
- Ensure a diverse range of national and local stakeholders, including women's and civil society groups and NGOs are included in the national decision-making process 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 processes determining national funding priorities for GCF support. (*para. 5 and Draft Decision Annex I paras a, f and g*)

(V) Financial Instruments/Terms and Criteria for Grants and Concessional Loans (GCF/B.05/07)

- 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. (*Draft Decision Annex I, paras a and b*)
- 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. (*Draft Decision Annex I, para b*)

(VI) Access Modalities/Accreditation Criteria and Procedures (GCF/B.05/08)

- To help facilitate and enhance country-ownership, and ensure that the Funds' accreditation process accommodates different capacities and capabilities, standards and criteria for accreditation should be differentiated according to the type of activity that may be undertaken. This would help increase Fund accessibility to countries and other potential groups (e.g. women's, grassroots and civil society organizations) who wish to implement smaller, less costly and more targeted projects. (*para 24, Draft Decision Annex I para a*)
- 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 only provisional with a grace period to improve their ability to fulfill the gender criteria. (*para 64, Draft Decision Annex I para c and i*)

- Include at least one member with expertise in the application of gender equality considerations and social and environmental safeguards in a GCF accreditation panel. Ensure gender expertise is provided to any Board oversight and review committees and panels tasked with the development of the guiding framework for the accreditation process of the Fund. (*para 53 and 67-69, Draft Decision Annex I para d and g*)
- 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 international human rights and environmental law, respect collective property rights, free, prior and informed consent (FPIC) and 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. (*Draft Decision Annex I para c*)
- 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 both the GCF institutional and implementing entity level, which allows civil society stakeholders, including women, to raise complaints and grievances with the GCF redress mechanism and have them addressed by gender experts. (*para 64 and 70, Draft Decision Annex I para c*)
- Give state, non-state and sub-national actors, including civil society groups and communities, the opportunity to directly access funding without intermediaries as an option and preferred access modality. Support women's cooperatives and organizations and other vulnerable and marginalized groups both to engage in participatory country-led processes for the design and implementation of GCF finance (such as National Designated Authorities) and to apply for finance directly for adaptation and mitigation activities, for example via a small grants facility for women and marginalized groups.

Initial Staffing and Structure of the Secretariat (GCF/B.05/10)

- Request and support a leadership role of the new Executive Director of the Independent Secretariat to build a strong top management commitment to realizing a gender-sensitive approach in all of the GCF's operations, including by appointing a gender focal point who reports directly to the Executive Director.
- 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. (*Draft Decision Annex I para c, Annex IV*)
- 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.
- Mandate the GCF Independent Secretariat to develop a gender mainstreaming policy and related gender action plan that are in alignment with relevant international commitments—including on human and women's rights, labor standards and environmental law—to be reviewed and updated periodically.
- Ask the Secretariat to development 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. (*Annex II para 7*)

Guidelines for and Establishment of Committee and Panels and their Terms of Reference (GCF/B.05/12 and GCF/B.05/13)

- Allow for adequate representation of men and women, including in leadership roles, in all GCF decision-making and governing bodies, including Board, sub-Committees and working groups, in accordance with the Governing Instrument mandate to give due consideration of gender-balance in GCF Board composition (para. 11).
- Ensure diverse geographic representation among committee and panel members to reflect variance in climate change impact and experience. For developing countries, focus efforts to ensure Least Developed Countries (LDCs) and Small Island Developing States (SIDS) are adequately prepared and represented to take part in committee activities. *(Draft Decision Annex I para a and b)*
- Include gender expertise and gender experts in all committees and panels. Such expertise should be representative of geographical locations and experiences. *(Draft Decision Annex I para b)*
- Ensure that **the Private Sector Advisory Group (PSAG)** addresses the needs of women entrepreneurs in developing countries – a majority of whom are engaged in micro, small and medium sized enterprises providing services to communities – and the obstacles they are facing in accessing sufficient capital, credit and information about financing. Mandate that of the eight private sector representatives and two civil society representatives to be selected several have relevant experience in addressing women’s investment needs for low-carbon and climate resilient business development, for example through work experience with local banks, cooperatives or micro-lending institutions. For the composition of the PSAG consider also gender balance and geographic representation, especially from LDCs and SIDS. *(ToR Draft Decision Annex I para k)*

Modalities for Readiness and Preparatory Support (GCF/B.05/14)

- 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. *(Draft Decision Annex I para b)*
- When engaging with private sector, particularly for small- and medium-sized enterprises (SMEs) and local financial intermediaries in developing countries, require such engagement to include consultation specifically with women-run private sector SMEs 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. *(Draft Decision Annex I para d(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 country-led preparatory processes for identifying national priorities for low-emission and climate-resilient development; and 2) implementation of gender-responsive programmatic approaches within such strategies and national development plans. *(Draft Decision Annex I para f and b)*

Information Disclosure and Observer Participation (GCF/B.05/Inf.05)

- Fully disclose project-related information as the default, with non-disclosure to be justified only in exceptional circumstances, to ensure transparency and accountability of PSF investments and their adherence to such safeguards and standards.
- Make Board proceedings fully transparent and allow for webcasting, with key documents to be shared for stakeholder review and input in advance of meetings.
- Allow active observers, in building on existing precedents, to make interventions during Board meetings as issues arise, add agenda items, request expert input and participate in all Board working arrangements, including those conducted in between official Board meetings. Such representation by active observers should be encouraged to be gender-balanced and gender-informed.