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Climate Finance Allocation Practices to Support Gender Responsive Energy Transitions: GCF Case-Study

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Introduction

Over the last 15 years, the international climate finance institutions have been undergoing transformations to address the need for scaled-up and effective investments (Gomez-Echeverri 2013). In parallel to this, policy-makers, development organisations, civil society, women's groups and scientists have been advocating that climate investments made with the consideration of gender equality and women's empowerment issues enhance development impact and facilitate transformation to sustainable development (European Institute for Gender Equality 2016; Kronsell 2013; Tanaka and Bhandari 2016; UN WOMEN 2016; Raney et al. 2011).

The Green Climate Fund (GCF) is the largest multilateral climate finance fund, which is the financial mechanism created under the United Nations Framework Convention on Climate Change (UNFCCC) to support transformational projects aimed at low-emission and climate-resilient development that deliver beyond business-as-usual approaches

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in developing countries. The Governing Instrument of the GCF states that the fund will aim at maximising impact of its funding including inter alia by taking a gender sensitive approach. This statement is in line with the UNFCCC Decision 8/CP.19 (2014) that the extent of gender sensitive approaches defines the effectiveness of the funds disbursed by climate finance funds.

The inclusion of women and overall integration of gender issues into the GCF is guided by the existing Gender Policy (introduced in 2015), which highlights the importance of pursuing low-carbon and climate-resilient development based on the principles of gender equality. The Gender Policy specifies that resource allocation for adaptation and mitigation projects and programmes has to contribute to gender equality and women's empowerment (GCF/B.09/23: 88 2015). This complementarity is also in line with Sustainable Development Goals, which the GCF's Gender Policy follows.

Furthermore, the updated GCF Gender Policy¹ states that climate change initiatives are more sustainable and effective if women's empowerment considerations are integrated into the design and implementation of projects (GCF/B.20/07 2018).

While there is clear recognition of the importance of gender equality at the international treaties and fund's level, there is little knowledge on how the GCF's policies and operating frameworks shape resource allocation practices that support gender equality and women's empowerment. The study, which this chapter is part of, takes the first step in analysing resource allocation practices for supporting women's empowerment outcomes using the example of the GCF energy generation and access portfolio. The study looks specifically at how women's empowerment considerations vary across different types of energy investment categories in order to understand gender responsiveness patterns across these categories and potential factors that could influence the gender responsiveness of investments.

¹The chapter was finalised in October, 2019. At that time the updated GCF's Gender Policy was not adopted. The policy was adopted during the 24th Board Meeting of the GCF and could be accessed from this link: <https://www.greenclimate.fund/sites/default/files/document/gcf-gender-policy.pdf>. This does not change in any significant way the findings presented in this chapter.

The findings of the study reported here provide insights for the climate finance community (including policymakers, project developers and beneficiaries of climate finance) on existing gaps for gender responsive energy transitions. The study identifies opportunities for further research to improve gender responsiveness of climate finance and effectiveness of climate finance funds' gender policies and resource allocation practices.

Problem Statement

Women and women's organisations have been increasingly recognised as important actors within climate finance governance (Figueres et al. 2013). There are a number of studies linking the engagement of women and women's organisations with good climate governance (Wakefield 2017), more inclusive decision-making that considers diverse vulnerabilities and needs (Kronsell 2013), and effectiveness and efficiency of climate finance (UNDP 2013; Adams et al. 2014; Wong 2016; Schalatek 2018), including through the involvement of women in specific sectoral interventions to support climate change mitigation and adaptation (Mishra and Pede 2011; Siulemba and Moodley 2014; Marshall et al. 2017; Jerneck 2018; Mcleod et al. 2018).

Besides contributing to climate finance governance through participation, women are often perceived as targeted beneficiaries of climate justice. On the other hand, some researchers look beyond women's vulnerabilities and perceive women as agents of change who own traditional knowledge (Salehi et al. 2015), provide significant contribution to economies (Doss et al. 2011), and drive transformation and innovation (Alston 2013; Arora-Jonsson 2011; Resurrección 2013; Tuana 2013; Wong 2016).

Climate finance funds play an important role in mobilising and disbursing resources to support low-carbon and climate-resilient development. The GCF is the largest climate finance fund and the main operating entity under the UNFCCC financial mechanism with an overall initial pledged capitalization of over USD 10 billion. The GCF is perceived as an innovative climate finance mechanism, including allowing engagement with non-party stakeholders and civil society in decision-making (Bowman and Minas 2018). This links with the recognition that women's involvement in decision-making and access to resources is necessary to address inequalities

and vulnerabilities that are exacerbated by climate change (Capello and Harcourt 2009; Cameron et al. 2013; Bonewit and Shreeves 2015; Colenbrander et al. 2018; Arend and Lowman 2011; Shonkoff et al. 2009; Bond 2012; Kronsell 2013; Randall 2016). As a consequence, women are recognised as a key stakeholder by the Governing Instrument of the GCF, which was approved by the UNFCCC Conference of the Parties.² Furthermore, the GCF Gender Policy calls for a gender sensitive approach and explicitly notes that climate finance disbursed by the GCF needs to contribute to gender equality and women's empowerment (GCF/B.09/23 2015). The objectives of this chapter are to:

- review gender mainstreaming approaches of the GCF;
- analyse existing practices for the allocation of climate finance to support women's empowerment outcomes within the context of energy generation and access portfolio;
- define gender responsiveness patterns of the GCF energy generation and access portfolio (using women's empowerment considerations as a proxy indicator of gender responsiveness) across various investment categories that are defined by the scale of technologies, type of implementing entities, and sectoral approaches;
- highlight possibilities for further research that would enable a more nuanced understanding of gender mainstreaming challenges in this type of context.

I argue that while GCF Gender Policy provides a guiding framework that incentivises gender responsive climate finance and advocates for women's empowerment, there are a number of circumstances that may influence the scope of gender mainstreaming.

There is an increasing need to understand the role and contribution of various institutional, capacity, and finance factors that could affect gender mainstreaming practices in climate finance investments. This knowledge would be necessary for improving gender mainstreaming practices and increasing the effectiveness of climate finance.

² https://www.greenclimate.fund/documents/20182/1246728/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235 (Accessed 27 October, 2019)

Methodology

The policy analysis section of the study is concerned with a broader review of existing policies and guidelines of the GCF that support gender responsive resource allocation. The considerations for women's empowerment are assessed more specifically within the context of the energy generation and access portfolio. The energy generation and access portfolio presents the largest investment portfolio of the GCF, in terms of both the total number of projects and the volume of investments. As of February 2019, the energy and access portfolio covered 40% of total GCF (equivalent of USD 2 billion) (GCF/B.23/Inf.1 2019).

Gender responsiveness as a concept is based on broader gender equality principles and an ability of a given investment to address specific needs not only for women, but also for men, boys, and girls (GCF/UN Women 2017). However, this study is focused on women's empowerment issues only, and, specifically, how current resource allocation within the energy generation and access portfolio of the GCF supports women's empowerment results.

There is neither a commonly accepted broader definition of women's empowerment nor a consensus on how women's empowerment can be measured in the academic literature (Raj 2017). Nevertheless, some women's empowerment indicators have been developed and widely applied by the development organisations, including the UN and international aid agencies (Malhotra et al. 2002; Chung et al. 2013; Sundström et al. 2017).

The study reported here uses the concepts of gender sensitive and gender responsive approaches, using the definitions noted in the GCF's interim Gender Policy and the updated Gender Policy. Specifically, the existing Gender Policy notes a gender sensitive approach as a "consideration of women and men's potential contribution to societal changes, as well as methods and tools used to promote gender equity, reduce gender disparities, and measure the impact of climate change and other development activities on men and women" (GCF/B.09/23: 85 2015). The updated Gender Policy notes that "gender-responsive means that instead of only identifying gender issues or ensuring a do no harm approach, a process will substantially help to overcome historical gender biases in line with the language used in UNFCCC decision Paris Agreement and Lima Work Programme" (GCF B.20/07: 4 2018).

Table 9.1 Women empowerment results areas in climate investments

Impact area	Description
Economy	The investment project creates specific opportunities for women's access to energy services and provides access to financial and development opportunities associated with clean energy markets.
Education	The investment project provides educational opportunities for women in clean energy sector.
Governance	The investment project creates opportunities for women's involvement in the decision-making processes for the implementation of project and broader climate finance decisions at the national/ regional/ local levels
Health	The investment project creates health or well-being related outcomes and benefits
Access to information	Women are involved in consultations related to the implementation of projects and climate investments

Adapted from Chung et al. (2013)

Table 9.1 presents a framework for analysing gender responsiveness of GCF projects and investments in line with their potential to deliver women's empowerment outcomes across select impact areas, that is, the creation of economic opportunities, improved access to education, increased participation in decision-making and information, and improved access to health services. The proposed assessment framework is also in line with the GCF guidelines, which refer to and provide examples of specific economic, capacity, governance, and participatory results associated with climate investments (GCF/UN Women 2017).

A review of the GCF portfolio of projects targeting energy access has been undertaken by the author. As of June 2019, there were 32 energy generation and access projects. For each project, screening of the public information has been completed. Specifically, completed funding proposals, gender assessments, and gender action plans (GAPs) have been studied using content and thematic analysis methods. Furthermore, in-depth analysis of the GCF project documents has been conducted to provide insights into how women's empowerment considerations are integrated across various categories of investments within the GCF energy portfolio.

Themes of Analysis

GCF energy investments have been grouped into the three key categories to support the analysis of gender responsiveness patterns across different types of investments and projects.

1. **Sectoral approach:** Mitigation versus cross-cutting

The distinction between mitigation and cross-cutting projects is important from the perspective of acknowledging differences in narratives and possibilities for women's empowerment outcomes (Morgan and Waskow 2014; Williams 2016; Wong 2016; Ebi 2009; Roberts 2009; Marshall et al. 2017).

As per the Governing Instrument of the GCF, the fund will have thematic funding windows for adaptation and will apply an integrated approach for cross-cutting projects. The GCF's Results Management Framework clearly refers to low-carbon and climate-resilient results areas and provides a basis for selecting specific funding windows and labelling projects as mitigation, adaptation and/or cross-cutting (e.g. see Annex 9.1). While all energy generation projects contribute to the mitigation results areas, some energy investments are presented as cross-cutting interventions, which besides Green House Gas Emissions (GHG) reductions deliver certain resilience benefits.³

2. **Scale:** Small scale versus utility scale

Utility-scale projects imply that energy generated by a project feeds into the grid. However, there is no agreement on the size of a project that can be regarded as utility scale. The categorisation proposed for this study is based on the definition given by the United States Department of Energy⁴ and (Pearl-Martinez 2014), which refer to projects with larger than 10 MW developments as utility-scale projects.

3. **Implementing entities:** (a) direct access versus international access and (b) public versus private

³ <https://www.greenclimate.fund/what-we-do/projects-programmes> (date of access: 25 October, 2019).

⁴ <https://www.energy.gov/eere/spsc/renewable-energy-utility-scale-policies-and-programs> (dates of access: 25 October, 2019).

The GCF's Governing Instrument distinguishes between two types of accredited organisations, that is, international and direct access entities, and highlights specific opportunities for the private sector.

Direct access entities are represented by national or regional organisations from the public and private sector, who are nominated by National Designated Authorities (NDAs). The GCF considers that the role of direct access entities is to enhance country ownership and to ensure better alignment of climate investments with national climate change needs.

Countries can access climate finance through a range of international organisations (including Multilateral Development Banks, UN agencies, or international private companies) which are often operating across a number of countries and regions.

Approach to Content Analysis

To support the content analysis of gender responsive patterns, the study utilises two variables, that is, (1) specific references, indicating project commitments, in the project documents and (2) targets in the results framework and gender action plans related to women's empowerment outcomes across five impact areas, for example, education, health, governance, access to information, and economy. It is worth noting that the distinction between targets and references is important from the perspective of accountability and the likelihood that women's empowerment outcomes will materialise. Targets demonstrate the presence of specific commitments to support women's empowerment, while references point to general acknowledgment of an opportunity to create women's empowerment outcomes.

For the analysis of references, the texts of full funding proposals, gender action plans, and gender assessments are screened for the presence of the words "women" and/or "female". In addition, the fragments of texts associated with the use of the search word are analysed to understand the relationship between the search word and specific impact areas highlighted in Table 9.1.

For the analysis of targets, the projects' results frameworks, including those in projects' gender action plans, are analysed for the presence of the

words “women” and/or “female”. Similarly, to the analysis of references, identified targets, which refer to women, are further analysed to identify the relationship of women related targets to the women’s empowerment results areas.

Reflection on Methodology and Its Limitations

It is worth noting that the GCF energy access and generation has a significant potential to contribute to the reduction of energy poverty given its ambition to improve access to clean energy sources (discussed further in section “[Review of the GCF Framework for Supporting Gender Just Transitions](#)”). Within this context, the purpose of the study is to assess how improving access to energy is framed with the consideration of women’s empowerment issues, which should be one of the resource allocation criteria according to the GCF’s interim Gender Policy.

The methodology provides insights into the policy tools and frameworks that support gender responsive climate finance allocations and into the gender responsiveness patterns across different types of energy investments.

However, the following limitations exist, which need to be taken into account for further interpretation and use of the findings of this study:

1. The methodology helps identify evidence of consideration of women’s empowerment through specific references and targets in climate finance project design. However, it does not allow the evaluation of the extent of gender responsiveness and the quality of women’s empowerment outcomes as per the five impact areas (as above). Further in-depth analysis of the quality of empowerment outcomes within specific project contexts would be beneficial for a nuanced understanding of women’s empowerment impacts of climate investments.
2. The study is based on the assumption that activities proposed within project design will materialise and deliver women’s empowerment outcomes. On the other hand, there is a possibility that project activities could be re-shaped and result in limited or potentially greater

women's empowerment outcomes in light of changing circumstances during the project implementation course.

3. The methodology is concerned with women's empowerment issues only, which are presented as a proxy indicator of gender responsiveness. However, gender equality considerations integrated in project design need to be analysed for the broader assessment of gender responsiveness.
4. The study is limited to the analysis of publicly available project documents, which do not present the full package of information required for the approval of a funding proposal.

Review of the GCF Framework for Supporting Gender Just Transitions

The GCF is a multilateral fund, which encourages country ownership and increased participation of civil society, including women's organisations and gender related groups. From the perspective of the disbursement of climate finance, the following operational principles are outlined in the GCF Governing Instrument:

- Climate finance is disbursed through accredited entities, including international and direct access entities.
- Resource allocation needs to be made with the consideration of additionality to support investments using a results-based approach; and
- Additional capacity building resources need to be provided to enable countries to directly access the fund, meet the fund's requirements and develop project pipelines.

While the GCF Gender Policy presents an overarching framework for gender mainstreaming, there are other operational policies that support gender mainstreaming practices, that is, the Environmental and Social Safeguard Policy (GCF 2018a) and Indigenous Peoples Policy (GCF 2018b). Both policies prescribe the inclusion of a gender perspective while designing project activities and estimating potential impact, as well

as gender responsive stakeholder engagement for the preparation and implementation of projects.

The initial GCF Gender Policy was adopted in 2015 along with the three-year GAP. The objectives of the GAP are to Achieve greater, more effective, sustainable, and equitable climate change results; contribute to reducing the gender gap of climate change-exacerbated social, economic, and environmental vulnerabilities; and ensure that women and men will equally benefit from activities supported by the fund (GCF/B.09/23 2015). The policy clearly links gender mainstreaming efforts with more sustainable gender equitable climate change results and makes explicit references to the importance of a gender sensitive approach and need for women's empowerment (GCF/B.09/23 2015).

The GCF Gender Policy mandates that gender considerations need to be mainstreamed through the investment cycle, including accreditation, provision of readiness support, and project implementation.

The discussion below reviews specific practices that support gender mainstreaming across the above mentioned areas.

Gender Considerations in Accreditation Practices

The GCF disburses climate finance through accredited entities and the accreditation is designed to ensure that entities acquiring and implementing climate finance have specific knowledge and experience that can be utilised to mobilise climate finance on the ground.⁵

For accreditation, interested entities are required to have policies, procedures, and competencies in place to demonstrate that they are capable of integrating gender issues within projects funded by the GCF. Lack of gender experience or/and insufficient gender policies postpone accreditation, and entities who are not able to meet the GCF's standards may be accredited conditionally, which implies that disbursements could not be made until an accredited entity addresses existing Gender Policy and/or expertise gaps. As concluded by an independent study (E Co 2018), by introducing a gender accreditation standard, the GCF brought attention

⁵ GCF website, Accreditation, Assessment: <http://www.greenclimate.fund/gcf101/getting-accredited/accreditation-process#faq-why-does-gcf-use-accredited-entities> (Date of access: 25 October, 2019).

to the consideration of gender issues and the need for the increased capacities of international, regional, national, and sub-national organisations for gender mainstreaming.

Gender Mainstreaming Through Readiness Support

It is widely recognised that accessing and implementing climate finance requires capacities, procedures, and systems to enable climate finance programming, budgeting, monitoring, and reporting. Readiness support offers resources to build the capacities of national governments and regional, national, and sub-national entities who may be implementing climate finance projects on the ground (so called direct access entities).

The GCF's Readiness and Preparatory Support Programme provides grants and technical assistance for strengthening the institutional capacities of National Designated Authorities (NDAs), focal points, and direct access entities (DAE) for accessing climate finance from the GCF. Countries are eligible for readiness support, and at least half of the readiness support is intended to target countries considered to be particularly vulnerable to climate change impacts, including the least developed countries (LDCs), small island developing states (SIDS), and African States (GCF 2018b).

Among the key areas of readiness support are climate finance programming and national adaptation planning; the development of institutional capacities and coordination mechanisms to program climate finance; engagement of stakeholders, including the integration of gender issues in consultations; the accreditation of direct access entities.

According to the Independent Evaluation of the Green Climate Fund's Readiness and Preparatory Support Programme (RPSP) (GCF 2018a), the extent of gender mainstreaming has varied within the GCF readiness portfolio. The evaluation concluded that RPSP support had an effect on advancing gender equity and inclusiveness in climate adaptation and mitigation more broadly. Furthermore, the evaluation found that the role of the GCF Gender Policy is perceived as important for bringing attention to gender issues and increasing gender mainstreaming efforts;

however, the awareness and capacity of countries to integrate gender issues is still low.

In line with the Readiness and Preparatory Support Guidebook, the following gender mainstreaming approaches within readiness proposals may be utilised⁶:

- Gender sensitive framing of project objectives, activities, and targets
- Allocation of resources for gender responsive activities
- Inclusion of gender experts in budgets and procurement plans

Based on the analysis of the text of the Readiness and Preparatory Support Guidebook, the following gender related outcomes are noted:

- Creation of gender balanced coordination mechanisms, which include gender machineries
- Development of gender sensitive stakeholder engagement mechanisms
- Provision of training on gender mainstreaming and the development of gender mainstreaming outcomes
- Development of gender responsive policies and strategies
- Assessment of gender sensitive vulnerabilities to climate change

Gender Considerations for Resource Allocation in Full Funding Proposals

The decisions on allocating funds and supporting specific investments are made with the consideration of the investment framework, which was adopted by the Board's decision GCF/B.07/06. The investment criteria include (1) country ownership, (2) paradigm shift potential, (3) sustainable development potential, (4) impact potential, (5) needs of recipients, and (6) efficiency and effectiveness. The investment framework has been reviewed by the GCF Secretariat and a small number of updates to the investment framework were proposed in GCF/B.09/07 (2015) and

⁶ https://www.greenclimate.fund/documents/20182/574766/Guidelines_-_Readiness_and_Preparatory_Support_Guidebook.pdf/9eea580f-a109-4d90-b281-c54695114772 (25 October 2109).

GCF/B.20/Inf.14 (2018). While the six main investment criteria have remained unchanged, additional details have been developed in regards to the investment criteria indicators. For instance, according to the latest update (GCF/B.20/Inf.14 2018), a women and gender perspective is recognised only within the context of one investment criteria, that is, sustainable development potential. Specifically, the document notes that funding proposals must identify at least one positive co-benefit in addition to the impacts of the project. Gender empowerment, the creation of jobs, poverty alleviation, and enhancement of income and financial inclusion especially among women are noted as potential co-benefits.

The GCF's Result Management Framework (RMF) has been under ongoing development and review (GCF 2016). The expected results of investments are considered as one of the key criteria for allocating resources for mitigation, adaptation, and cross-cutting investments (GCF 2014). According to an evaluation of the existing results framework (GCF 2018c), the existing indicators do not encourage a gender responsive project design, but are mainly concerned with gender sensitive reporting. The GCF Gender Policy prescribes that:

- All climate investments should be screened for gender sensitivity at the various stages of the project preparation, appraisal, approval, and monitoring process, by the relevant bodies, for example, NDAs, accredited entities (AEs), the Secretariat.
- All climate investments should include a mandatory initial socio-economic and gender assessment.
- Accredited entities should conduct gender equitable stakeholders' consultations for the design and implementation of investments, and women and men should be provided with equitable opportunity to be included in decision-making.
- All climate investments should include a gender perspective in the application of the mandatory project/programme social and environmental safeguards.

An overall conclusion of the content analysis of the existing policy frameworks is that women's empowerment is clearly noted as an ambition of the GCF Gender policy. However, the language of the policy is

prescriptive and does not imply that consideration of women's empowerment outcomes is mandatory.

Furthermore, according to the GCF Gender Mainstreaming Guidelines (GCF 2017), there is a recognition that the GCF's resource allocation practices need to be guided by the potential to deliver women's empowerment outcomes. On the other hand, there is little evidence on how this ambition is reflected in the investment framework, which lack references to specific women's empowerment results.

Findings of Energy Portfolio Analysis

As of February 2019, the GCF has supported 32 projects which target energy access and generation. Figure 9.1 shows representation of different categories of investments in the GCF energy portfolio.

In relation to investments in energy access and generation, all projects in this investment category contribute to reduced emissions through increased low-emission energy access and power generation (in tonnes of carbon dioxide equivalent (tCO₂eq) reduced or avoided from gender sensitive energy access and power generation (as per GCF results area 1.0;

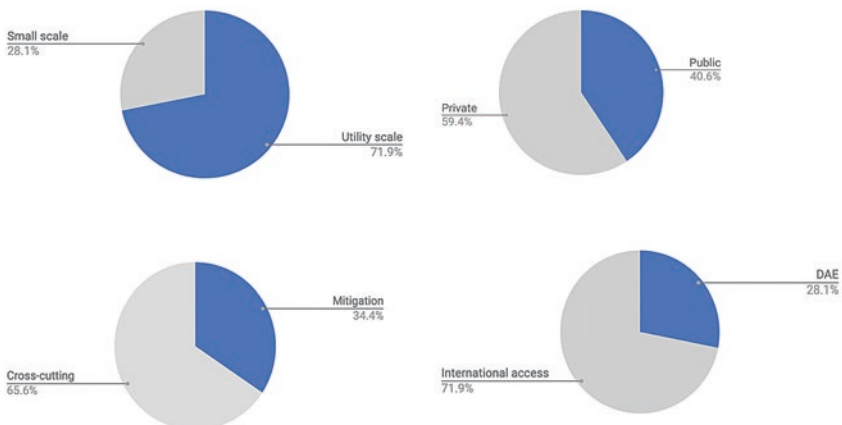


Fig. 9.1 Overview of the GCF energy generation and access portfolio. (Source: Author's analysis)

(GCF 2016)). Additionally, 28 projects out of 32 aim at increasing the number of small, medium, and large low-emission power suppliers, including an increase in the number of households and individuals (males and females) with improved access to low-emission energy sources (GCF results area 6.0). Improving access to clean energy is critical for addressing energy poverty and has various value propositions from the perspective of women’s empowerment (Deloitte 2014). However, further analysis of the project documents shows that in many cases women’s empowerment benefits are not fully explored and/or recognised.

Figure 9.1 shows that at least half of the GCF energy projects do not commit to measurable women’s empowerment targets. Education appears to be the most popular area, with 50% of the GCF energy projects committing resources and setting targets to support the development of skills and knowledge among women. Economy is the second area with a relatively high level of commitments to support gender responsive lending, creation of employment opportunities, and development of women led businesses (Fig. 9.2).

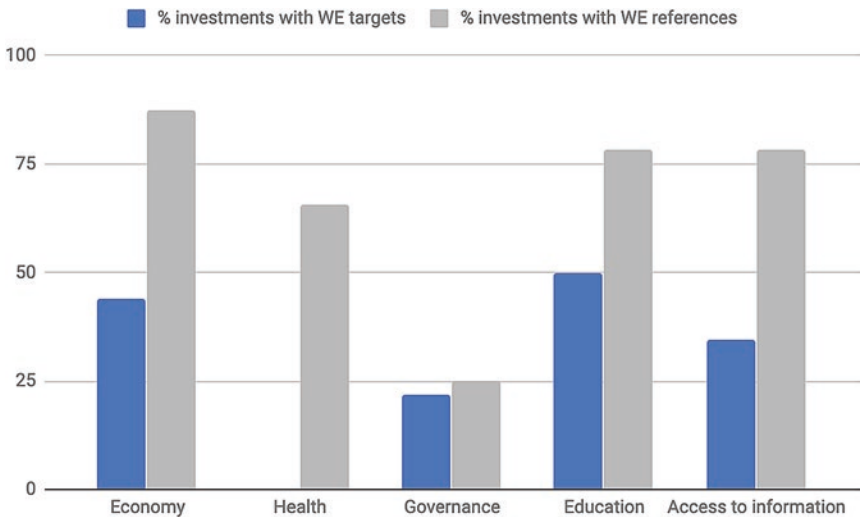


Fig. 9.2 Analysis of GCF energy portfolio from the perspective of women’s empowerment. (Source: Author’s analysis)

Health appears to be the least accountable area for women's empowerment in the design of energy projects—none of the projects track or target gender specific health impacts. However, about 65% of the GCF energy projects provide clear references to health benefits associated with improved air quality and, in some cases, improved access to health services in conjunction with improved infrastructure, for example, the construction of roads that improve access to health care.

Economic opportunities for women are well referenced in the design of energy projects—87% of projects referred to economic opportunities for women as a result of investment.

Education and access to information are also popular areas, where climate finance provided by the GCF creates opportunities for women's empowerment, that is, around 75% of investments refer to educational opportunities or inclusion of women in consultations related to the implementation of investments.

Women's empowerment in governance areas is rarely targeted or referenced. Frequently, the inclusion in decision-making is interchangeably used with the involvement of women in consultations. However, it is not clear whether projects are committed to engaging women in the steering processes and in shaping key decisions associated with a project.

Comparison of Small- and Utility-Scale Energy GCF Investments from the Perspective of Women's Empowerment

Both utility-scale investments and small-scale investments acknowledge empowerment outcomes across five impact areas. Based on the content analysis (Annex 9.1), the design of small-scale investments is more oriented towards less served beneficiaries including small enterprises, women, individuals in remote areas, and more vulnerable communities.

For instance, in the case of economic empowerment, utility-scale projects promote gender equality activities in the workplace and gender balanced employment practices, provide equal access to services such as energy, water, and housing, in some cases with specific attention to female-headed households. In terms of the access to energy, most

utility-scale investments use gender disaggregated targets to comply with the requirements of the GCF Gender Policy, for instance, 50% of men and 50% of women benefitting from generation of clean energy. However, these targets are reflective of the demographics of consumers benefitting from dispatched clean energy through the grid and the approach does not imply that an investment will undertake specific measures to support the needs of women.

Based on the analysis of the GCF energy portfolio (Annex 9.1), small-scale investments also provide employment opportunities for women. However, they propose more focused activities, in comparison to utility-scale investments, supporting the development of women led businesses and entrepreneurs and reduce energy poverty in remote areas not connected to the grid. The ability of small-scale energy investments to provide the most remote regions with energy creates a wide array of co-benefits related to improved well-being and health (e.g. through access to medical facilities).

Where empowerment of women through education is concerned, both utility-scale and small-scale projects aim at increasing awareness on gender equality and providing training to support the development of technical knowledge and skills among women.

Overall, small-scale projects refer to and target women’s empowerment including through education, provision of economic opportunities and health benefits, and governance approaches more frequently than utility-scale projects (Fig. 9.3). The only result area where

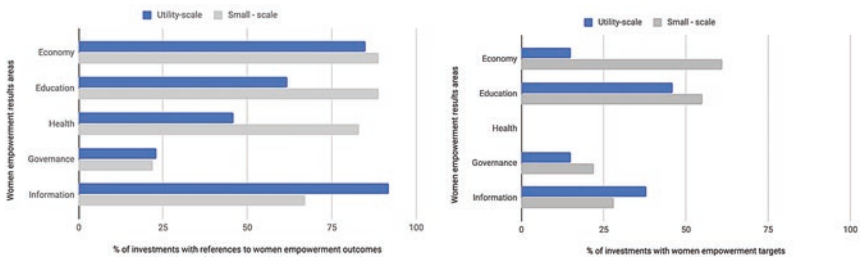


Fig. 9.3 Variations in the integration of women’s empowerment issues in energy generation projects implemented at utility and small scales. (Source: Author’s analysis)

utility-scale energy projects are better than small-scale projects at integrating women's empowerment outcomes is access to information. The large-scale utility projects are frequently associated with higher environmental and social risk categories, and therefore have stricter regulations concerning the disclosure of information and the engagement of local stakeholders (GCF 2018a). This situation can explain the higher sensitivity in this area of utility-scale investments in comparison to small-scale investments.

Comparison of Climate Investments Implemented by Different Types of Accredited Entities from the Perspective of Women's Empowerment

Besides a clear distinction in the reach of operations (national/regional vs. international), accredited entities could be represented by private or public organisations and be different in terms of the value of the projects for which they are accredited by the GCF. Based on the analysis of the GCF entity portfolio,⁷ DAEs are accredited to implement projects under USD 50 million, which appear to be lower risk investments. On the other hand, international access entities implement investments over USD 50 million, which appear to be a greater risk than those in the portfolio of DAEs (Fig. 9.4). In line with the findings of the analysis of the energy generation and access portfolio, almost 60% of projects are implemented by private sector entities.

As noted by the GCF,⁸ DAEs frequently have less developed capacities and experience with climate finance. To address capacity gaps, the GCF provides technical assistance and resources to support direct access entities including to meet the requirements of the GCF Gender Policy as well as to increase the DAEs knowledge about gender mainstreaming.

⁷ As of October 2019, the GCF website refers to 88 accredited entities, of which 51 are direct access: <https://www.greenclimate.fund/how-we-work/tools/entity-directory>

⁸ https://www.greenclimate.fund/documents/20182/194568/GCF_in_Brief__Direct_Access.pdf/8112c210-54a6-44bc-a084-ef25e71dc965 (Date of access: 25 October, 2019).

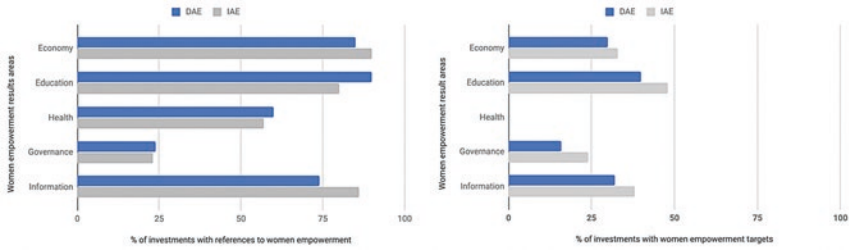


Fig. 9.4 Variations in the integration of women's empowerment issues in energy generation projects implemented by international and direct access entities. (Source: Author's analysis)

Within the GCF energy portfolio, nine projects out of 32 are implemented by direct access entities, of which only two projects target large-scale technologies. The majority of direct access modalities within the energy access and generation portfolio are implemented by private sector organisations, that is, eight out of nine entities are represented by the private sector.

DAEs appear to consider, more frequently than international access entities, women's empowerment issues through education (Fig. 9.4). However, international access entities have more frequently than DAEs targets for the delivery of educational outcomes. DAEs, in comparison to international access entities, fare slightly better in acknowledging the impact of investments on women's health and well-being.

On the other hand, international access entities more frequently than DAEs target women's empowerment outcomes in governance, economic development, and access to information.

The analysis of projects that are implemented by private and public entities clearly points that public sector projects recognise better women's empowerment issues in project design (Fig. 9.5). A large percentage of public sector projects include references and targets to women's empowerment across five results areas, while the most striking differences with IAEs are in education, governance, and access to information.

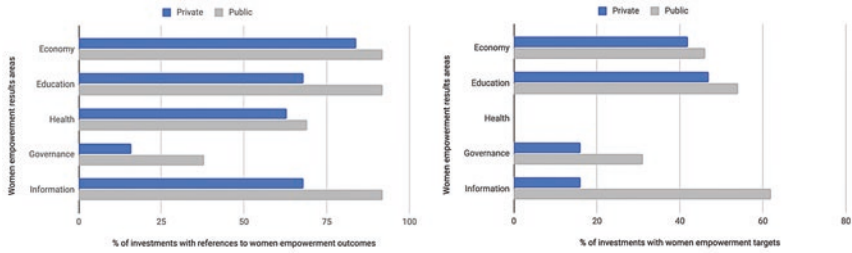


Fig. 9.5 Variations in the integration of women's empowerment issues in public versus private energy generation projects. (Source: Author's analysis)

Comparison of Climate Investments Implemented in Strictly Mitigation Energy Projects Versus Cross-Cutting Energy Projects

In contrast to strictly mitigation type of projects, cross-cutting projects address climate vulnerability and increase the resilience of infrastructure and built environment, livelihoods of people and communities and improve health, food, and water security. Only 11 projects in the current GCF energy portfolio aim at providing access to energy and delivering additional resilience outcomes. Out of these 11 projects, only four projects target utility-scale energy technologies.

As is shown in Fig. 9.6, the design of energy investments which are labelled as strictly mitigation appear to be more committed to women's empowerment through the development of specific targets for the provision of educational and economic opportunities. These type of energy investments also have better acknowledgment of women's empowerment issues than those investments classified as cross-cutting, which is evident through the presence of specific references to potential economic, education, and health benefits, as well as improved access to information.

In terms of health, projects with additional resilience benefits refer more frequently to health benefits for women associated with climate investments. Furthermore, cross-cutting energy projects more frequently include targets and references to women's empowerment through governance approaches and access to information.

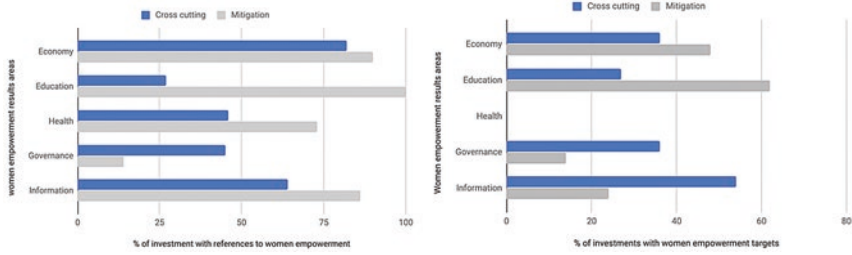


Fig. 9.6 Variations in the integration of women’s empowerment issues in cross-cutting versus strictly mitigation energy generation projects. (Source: Author’s own analysis)

Discussion

The GCF governance instrument and the investment framework define key avenues through which the investment and resource allocation decisions are being made. The GCF Gender Policy provides opportunities for gender mainstreaming across the avenues mentioned in section “[Review of the GCF Framework for Supporting Gender Just Transitions](#)”, which are guided by gender sensitive accreditation practices, capacity building support, and project development. While women’s empowerment is noted as one of the outcomes of GCF finance, there is limited recognition of this perspective in the GCF investment framework. Among six GCF investment criteria, only one criterion (sustainable development potential) acknowledges opportunities for women’s empowerment.

The GCF Gender Policy has sensitised climate finance by suggesting that GCF’s investments need to demonstrate women’s empowerment outcomes and encouraging accredited entities to integrate gender responsive activities within the design of projects. However, based on the results of the study, the framing of the policy is recommendatory which could explain why only a very small share of energy projects are committed to specific and measurable targets to support the achievement of women’s empowerment outcomes within the GCF energy portfolio.

For instance, 60% of GCF energy projects failed to present targets for the economic empowerment of women, similarly 80% of projects do not include targets for women's empowerment in the governance area; 50% have no targets for women's empowerment through education; 75% have no measurable commitments for women's access to information. This could be explained by the absence of strict requirements for specific and measurable targets, as well as capacities of implementing entities and limited knowledge of methodologies for calculating project impacts on women's empowerment.

Based on the analysis results of the GCF energy portfolio, there are considerable variations in how economic, education, governance, women's empowerment outcomes, as well as health benefits and access to information for women, are integrated within the design of energy projects. The outcomes vary by type of entities and within different scales of energy technologies. This finding points to the conclusion that gender responsiveness of climate finance, and specifically energy investments, may depend on a number of factors, which could influence the scope of interventions to support the delivery of women's empowerment outcomes. These factors may include the scale of technology targeted by the investment and capacities of implementing entities.

Based on the content analysis of the GCF energy portfolio, there is evidence that small-scale investments appear to be more considerate of women's empowerment outcomes in comparison to utility-scale investments.

On average investments implemented by international entities appear to be more frequently committed to women's empowerment targets in comparison to DAEs. However, DAEs appear to have better acknowledgment, than international entities, of women's empowerment outcomes in education and health. Indeed, DAEs may lack capacities for integrating gender issues within investment design, nevertheless they are likely to have better understanding of national contexts and women's needs.

Another key observation is that public sector entities have a better rate of commitments and references to women's empowerment results in comparison to private sector entities. This finding suggests that a more in-depth exploratory study would be necessary to understand comparative advantages of public sector entities and explore how private sector entities could be encouraged to be more gender responsive.

Conclusion

The study reviews the approaches for increasing gender responsiveness of climate finance disbursed by the GCF and conducts an assessment of the energy access and generation portfolio to understand the extent of integration of women's empowerment considerations within the GCF energy investments.

The GCF Gender Policy provides a policy framework that covers the various operational areas of the GCF, starting with the provision of a readiness support program, to ensuring that accredited entities are committed to gender mainstreaming and increasing overall gender sensitivity of project design. On the other hand, the updated Gender Policy, which is under review, acknowledges the need for more gender responsive interventions that would be additional to a gender sensitive approach and allow for more tangible results related to gender equality.

Project design is indicative for assessing resource allocation practices and understanding the potential of investment for achieving gender responsive impacts and delivering women's empowerment outcomes. There are indications that attention to gender issues within project design

has increased since the adoption of the Gender Policy. However, the approach to women's empowerment is mostly cursory and accredited entities do not appear to commit to measurable targets to support women's empowerment.

The study found the most significant variations in the extent of considerations of women's empowerment issues can be observed while comparing public and private sector projects and projects that target utility- and small-scale technologies. A detailed analysis of the quality of gender mainstreaming approaches within individual investments is needed to allow for a more nuanced assessment of various challenges associated with the range of implementation modalities. Specifically, the following issues could be further investigated to understand gender mainstreaming gaps and approaches for increasing the gender responsiveness of climate finance across different types of investment categories:

1. technical approaches for increasing the gender responsiveness of utility-scale energy investments, especially to promote women economic empowerment;
2. for improving gender responsiveness of climate investments, an analysis of the strengths and weaknesses of different types of accredited entities, including the factors which influence direct access entities and public sector entities to be more gender responsive;
3. methodologies for estimating and projecting the impact of climate finance on women's empowerment, including approaches for integrating health and well-being related women's empowerment targets in energy investments.

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