Global Climate Finance Landscape

GLOBAL CLIMATE FINANCE ARCHITECTURE

Climate finance remains central to achieving low-carbon, climate resilient development. However, a definition of the term "climate finance" is yet to be internationally agreed. The UNFCCC (n.d. (d)) defines climate finance as, "local, national or transnational financing – drawn from public, private and alternative sources of financing – that seeks to support mitigation and adaptation actions that will address climate change."

Under Article 4.3. of the United Nations Framework Convention on Climate Change (UNFCCC), developed countries committed to provide funding for the "agreed full incremental costs"[9] of climate change in developing countries. One of the key focus areas of the UNFCCC has been towards creating mechanisms and instruments for climate finance globally and ensuring transfer of these funds from developed to developing countries.

> In COP 15 (2009), through the Copenhagen Accord, developed countries pledged US$30 billion in 'fast start' finance from 2010 to 2012, with a pledge to increase the financing to US$100 billion annually by 2020.

> At the COP 16, the Standing Committee on Finance was established under the UNFCCC to assist the COP in meeting the objectives of the Financial Mechanism of the Convention. The Standing Committee on Finance is tasked with, among other things, preparing a biennial assessment of climate finance flows, the fourth of which will be published in 2020 and will detail flows from 2017 to 2018.

> At COP 21 in Paris (2015), developed countries failed to make significant new public finance pledges. However, under the Paris Agreement, it was agreed that in 2025 a new collective goal for climate finance from the present floor of US$100 billion per year will be set.

> Some initial decisions were taken at the COP 24 in Katowice as part of efforts to agree on the Paris Rulebook. However, no agreement was reached even at the COP 25 in Madrid (2019); this was pushed forward to the COP 26 in Glasgow (Scotland) scheduled for November 2021.

Following these decisions, a number of channels have become active through which the global climate finance flows. These include:

1. Multilateral climate funds that are dedicated to addressing climate change;
2. Bilateral development assistance established by several developed countries;
3. National government budgets;
4. Privately channelled climate funds; and
5. Regional and national funds created to accept global funding and channel these funds around the region.

Figure 5-1 presents an overview of the climate finance architecture, focusing on public financing mechanisms.

The adaptation finance architecture includes finance flows and mechanisms from private finance, public finance, resources from development finance institutions and, increasingly, from insurance and risk pooling mechanisms. The green colour in Figure 5-1 highlights the funds which are dedicated to or have high focus on adaptation.

Climate Finance Definitions Adopted by Various Agencies Collating Information on Climate Finance

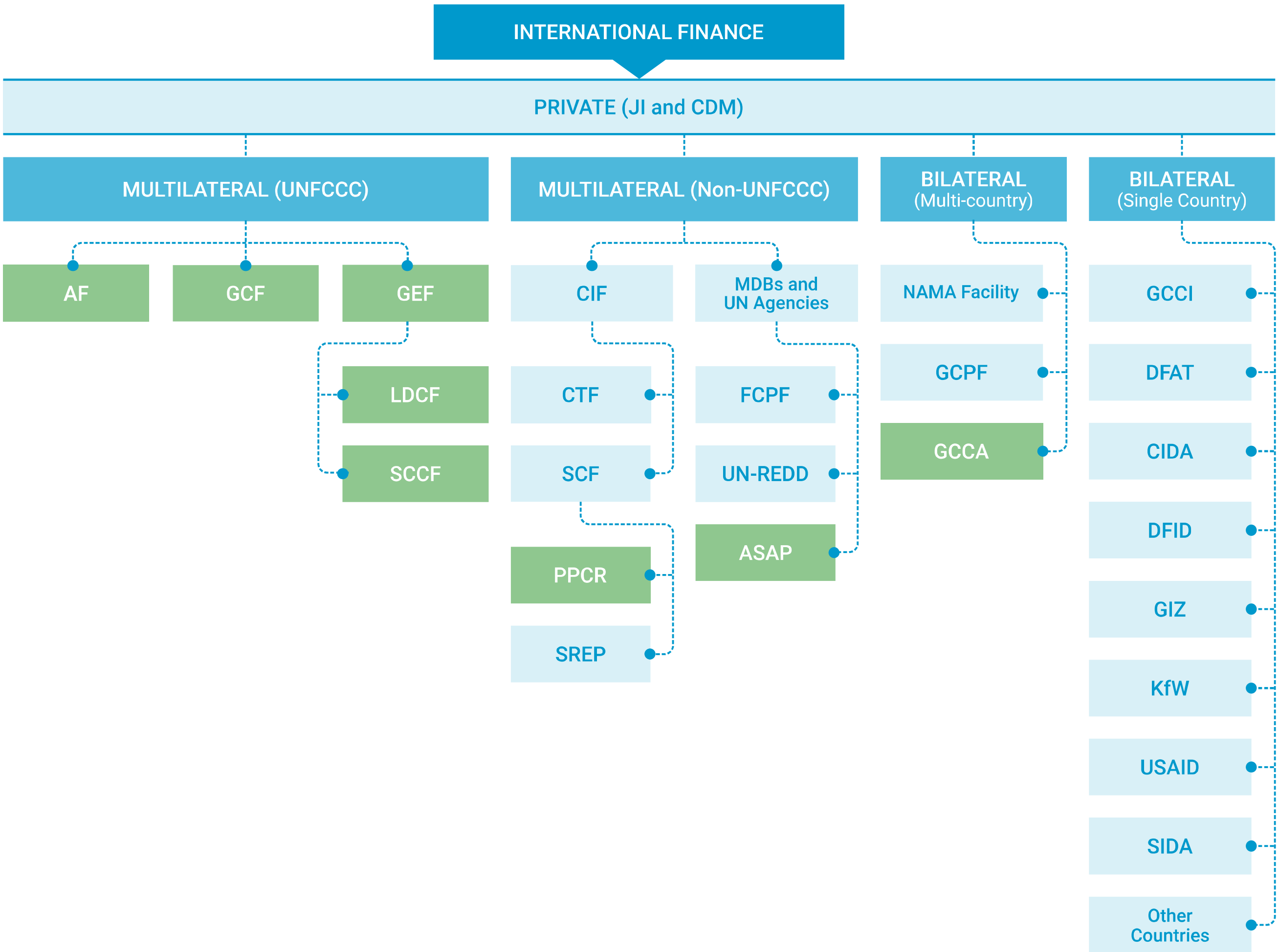
Overseas Development Institute (ODI) and Heinrich-Böll-Stiftung (HBS) Climate Fund Update (CFU) (Watson and Schalatek 2020a) define climate finance as, *"the financial resources mobilized to fund actions that mitigate and adapt to the impacts of climate change, including public climate finance commitments by developed countries under the UNFCCC."*

The Women Empowerment and Development Organization (Hall, Granat and Daniel 2019) refers to it as *"a broad, overarching term that can encompass public, private and philanthropic flows of funds toward climate change actions, as well as the systems that structure the ways these funds are distributed."*

The Global Landscape of Climate Finance (CPI 2019) adopted the working definition of climate finance as, *"Climate finance aims at reducing emissions, and enhancing sinks of greenhouse gases and aims at reducing vulnerability of, and maintaining and increasing the resilience of, human and ecological systems to negative climate change impacts."*

9. Meaning the additional costs of transforming business-as-usual fossil-fuel dependent economic growth strategies into low-emission climate-resilient development pathways.

FIGURE 5-1: GLOBAL INTERNATIONAL CLIMATE FINANCE ARCHITECTURE



AF	Adaptation Fund
GCF	Green Climate Fund
GEF	Global Environment Facility
LDCF	Least Developed Countries Fund
SCCF	Special Climate Change Fund

CIF	Climate Investment Funds
CTF	Clean Technology Fund
SCF	Strategic Climate Fund
PPCR	Pilot Programme on Climate Resilience
SREP	Scaling Up Renewable Energy Programme
MDB	Multilateral Development Banks
FCPF	Forest Carbon Facility Fund
REDD	Reducing Emissions from Deforestation and Forest Degradation
ASAP	Adaptation for Smallholder Agriculture Programme

NAMA	Nationally Appropriate Mitigation Action
GCPF	Global Climate Partnership Fund
GCCA	Global Climate Change Alliance
GCCI	Global Climate Change Initiative (US)
DFAT	Department of Foreign Affairs and Trade (Aus)
CIDA	Canadian International Development Agency
DFID	Department for International Development
GIZ	German Technical Cooperation
KfW	German Development Bank
USAID	US Agency for International Development
SIDA	Swedish International Development Cooperation Agency

Source: Adapted from Watson and Schalatek (2020a).

CLIMATE FINANCE REQUIREMENTS

The overall climate finance need is estimated to run into hundreds of billions of US$ annually after 2023 (Schalatek 2019a). The IPCC special report of global warming of 1.5 degrees Celsius projected annual average investment needs in the energy system alone of approximately US$2.4 trillion between 2016 and 2035 (IPCC 2018). Global Commission on Adaptation (GCA 2019) estimates that investing US$180 billion annually from 2020 to 2030 in resilience could generate trillions worth of economic returns. UNEP (2016) in the Adaptation Gap Report estimates that the annual cost of adaptation could range from US$140 billion to US$ 300 billion by 2030.

Earlier, the Human Development Report (UNDP 2011) projected that the cost of the climate change response by 2030 could range from US$249 billion to US$1,371 billion annually. Another study by World Bank (2010) estimated that costs of adaptation alone would be in the range of US$75 billion to US$100 billion per year between 2010 and 2050.[10] Now, ten years after these assessments were done, the climate finance needs are much higher than those anticipated by these studies.

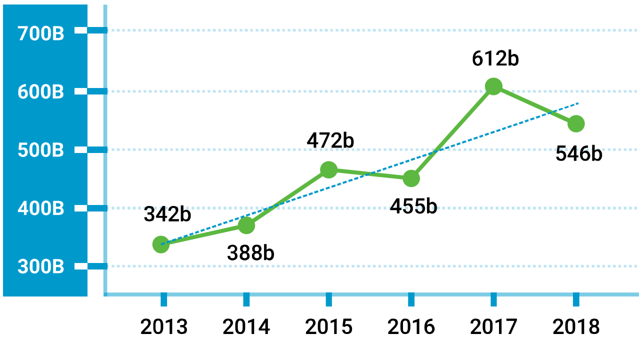
TRAINER'S TIP

The next section focuses on the flow of global climate finance flows collated from various reports. The figures are updated as available for up to 2019. The trainer should update the figures to the latest available options. Also, highlight country-specific figures, if participants are from the same country.

GLOBAL CLIMATE FINANCE FUND FLOWS

Against these requirements for climate finance, the progress was quite slower than needed due to persistent barriers and disincentives, especially until 2015. Reinforcing the same, the Paris Agreement acknowledged that developed countries must continue to take the lead in mobilizing climate finance (Schalatek 2019a). After the Paris Agreement, climate finance saw some growth with annual investments crossing the US$0.5 trillion mark for the first time in 2017 and 2018, as seen in Figure 5-2. Annual flows rose to US$579 billion, on average, over the two-year period of 2017-2018, representing a US$116 billion (25 per cent) increase from 2015 to 2016 (Buchner, et al. 2019).[11]

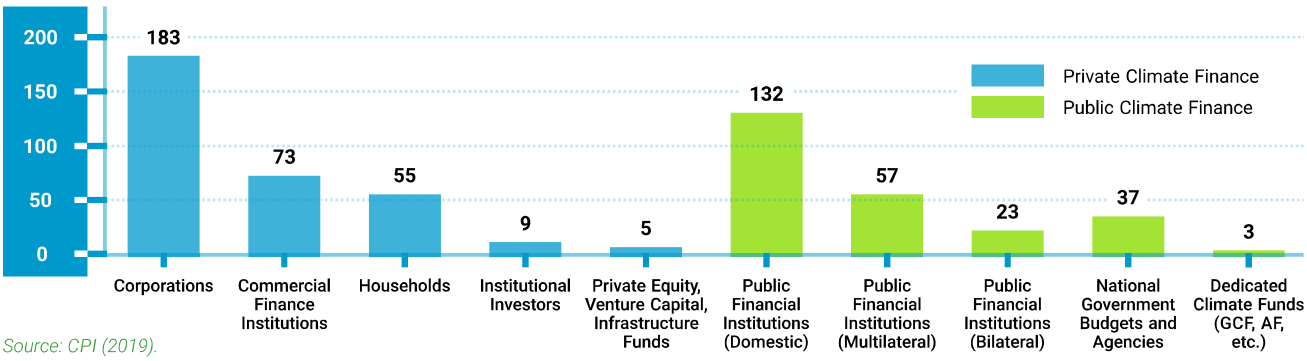
FIGURE 5-2: TOTAL GLOBAL CLIMATE FINANCE FLOWS, IN US$ BILLION (2013-2018)



Source: Buchner, et al. (2019).

Furthermore, less than half of these commitments come from public climate finance – which includes – government (national) budgets, domestic financial institutions, bilaterial finance, multilateral development finance institutions, dedicated climate funds like Green Climate Fund (GCF), Adaptation Fund (AF), Global Environment Facility (GEF) and others (see Figure 5-3 for break up of 2017-18 flows).

FIGURE 5-3: BREAK UP OF GLOBAL CLIMATE FINANCE FUNDS IN US$ BILLION (2017-2018)



Source: CPI (2019).

10. Assuming the Earth's average surface temperature will be about 2°C warmer by 2050.

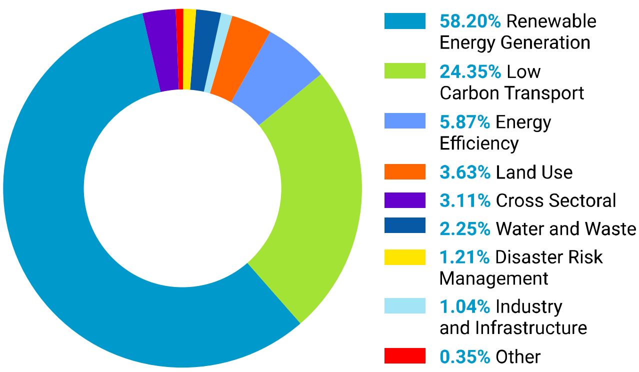
11. Although it needs to be noted here that just under one quarter of the increase in climate finance tracked in 2017/2018 is due to the incorporation of new data sources into the landscape, including EV charging infrastructure investments; private investment in sustainable infrastructure; and use of proceeds of bonds issued by the private sector and regional and municipal governments.

Within the public climate finance flows, more than three-quarters is raised and spent domestically. The share of multilateral Domestic Financial Institutions (DFIs), bilateral assistance and dedicated climate funds, which form a major chunk of the promised climate finance from developed to developing countries, is less. As envisioned in various climate agreements, it is important to increase the flow of international public climate finance from developed to developing countries. As of now, however, most estimates point to the fact that this is well below the promised US$100 billion benchmarks in the Paris Agreement. Of the total international flows, only US$72 billion flowed from Organisation for Economic Co-operation and Development (OECD) to non-OECD countries in the period 2017-2018, accounting for 12 per cent of tracked climate finance (Buchner, et al. 2019).

From the civil society's perspective, it is also important to understand the instruments of climate finance. In the period 2017-2018, grants accounted for only 5 per cent of the total climate finance at US$29 billion. Almost 60 per cent of tracked grants in the period 2017-2018 were made internationally, and 40 per cent domestically (Buchner, et al. 2019). Another major limitation is that most funds have not been established to consider local stakeholders; and the structure is generally geared to large-scale projects and to entities which can then channel the funds to others.

In terms of sectoral allocations, as shown in Figure 5-4, renewable energy generation continues to receive the most priority with US$337 billion in the period 2017-2018, followed by low-carbon transport at US$141 billion and energy efficiency at US$34 billion. Among the adaptation sectors, agriculture and land-use received US$ 21 billion, while water and waste management also had a major share of US$13 billion. Disaster risk management received only US$7 billion (Buchner, et al. 2019).

FIGURE 5-4: SECTORAL ALLOCATION OF CLIMATE FINANCE IN 2017-2018



Source: Buchner, et al. (2019).

CLIMATE FINANCE IN ASIA

Given the low level of international public climate funding, it is also important to identify the major recipient-countries, especially within Asia. CFU (Watson and Schalatek 2020b) data review for 18 countries in Asia shows that from 2003 to 2019, a total of US$4.9 billion for 530 projects and programmes have been approved by 18 multilateral climate funds and initiatives. The largest contributions are from the Clean Technology Fund (CTF) focused on increasing penetration of low carbon technologies, which approved a total of US$1.7 billion for 34 projects, mostly in the form of concessional loans. Climate Finance Update compiled the fund flow in Asia, which is reproduced in Table 5-1.

However, the distribution was very uneven. A considerable amount – 62 per cent of finance (US$3 billion) – was for mitigation projects mainly related to large-scale renewable energy, energy efficiency and transport. Adaptation projects and programmes in the region receive only about a third of mitigation financing amounts (US$1 billion).

In terms of countries, India, Indonesia, China and Vietnam have together received 56 per cent of the funding approved for Asia since 2003 (see Figure 5-5). The largest project in the region approved to date is the US$195 million Rajasthan Renewable Energy Transmission Investment Program, closely followed by the US$175 million Solar Rooftop PV programme, both supported by the CTF in India. In 2019, the GCF also approved its largest project in 2019 with US$100 million in China for a green financing development fund.

ADAPTATION FINANCE

Another critical element of the global climate finance flows is that most of the tracked finance continues to flow for mitigation activities. As per CPI, mitigation finance accounted for 93 per cent of total flows in 2017-2018, or US$537 billion annually on average (Buchner, et al. 2019). Adaptation finance made up to just 5 per cent of the tracked finance flows. Although at US$30 billion in 2017-2018, it increased by 35 per cent from US$22 billion in 2015-2016. The rest amounting to US$12 billion was for dual benefit projects.

Almost all of the adaptation funding is from public finance, with only US$0.5 billion of adaptation finance from private sources (Buchner, et al. 2019).The largest sources of approved funding for adaptation projects are dedicated climate finance initiatives like the Green Climate Fund (GCF), the Pilot Program for Climate Resilience (PPCR) of the World Bank's Climate Investment Funds (CIFs), the Least Developed Countries Fund (LDCF) administered by the Global Environmental Facility and the Adaptation Fund (Watson and Schalatek 2020c).

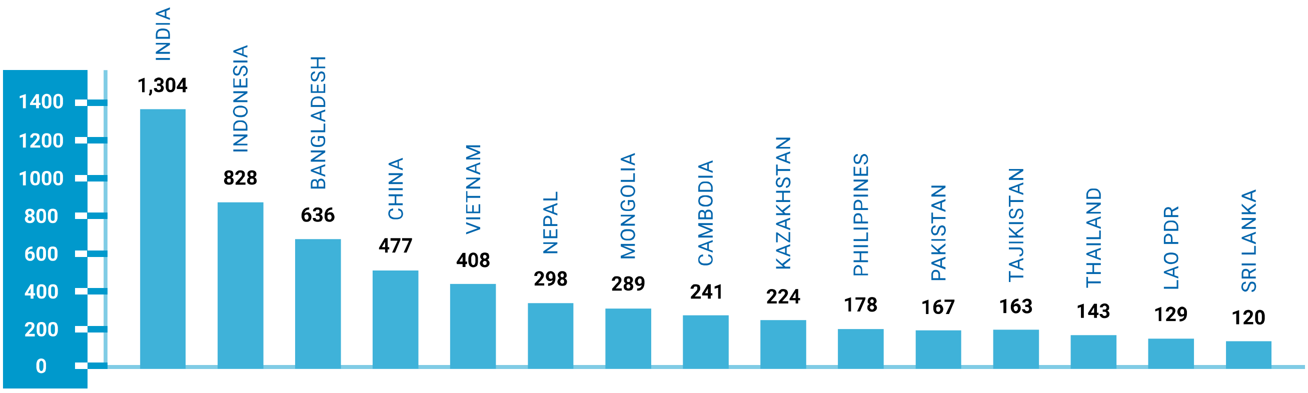
The Climate Finance Update (Watson and Schalatek 2020c) further highlights how developed countries' contributions to adaptation funds remain low compared to those funds supporting mitigation. At a global level, adaptation remains underfunded. Currently, about 24 per cent of the financing approved since 2003 flowing from the dedicated climate finance initiatives that CFU monitors supports adaptation actions, a proportion that remained largely stagnant over the past year. Table 5-2 brings together the details of the major multi-lateral funds supporting adaptation.

TABLE 5-1: FUNDS SUPPORTING ASIA 2003-2019 IN US$ MILLION

FUND OR INITIATIVE	AMOUNT APPROVED (MILLION US$)	PROJECTS APPROVED
> Clean Technology Fund (CTF)	1,670.0	34
> Green Climate Fund (GCF)	1,099.1	26
> Global Environment Facility (4,5,6,7)	871.8	178
> Pilot Program for Climate Resilience (PPCR)	284.3	20
> Least Developed Countries Fund (LDCF)	220.9	44
> Scaling-Up Renewable Energy Program for Low-Income Countries (SREP)	144.8	11
> Forest Carbon Partnership Facility (FCPF)	107.6	16
> Global Climate Change Alliance (GCCA)	87.6	11
> Adaptation Fund (AF)	75.3	26
> Forest Investment Program (FIP)	69.4	6
> Adaptation for Smallholder Agriculture Programme (ASAP)	62.2	6
> Global Energy Efficiency of Renewable Energy Fund (GEEREF)	47.8	6
> Special Climate Change Fund (SCCF)	47.2	13
> Partnership for Market Readiness (PMF)	32.3	13
> UN-REDD Programme	29.4	8
> MDG Achievement Fund	25.0	3
> BioCarbon Fund	15.0	1
> Indonesia Climate Change Trust Fund (ICCTF)	14.2	63

Source: Watson and Schalatek (2020b).

FIGURE 5-5: TOP 15 RECIPIENT COUNTRIES OF CLIMATE FINANCE IN ASIA (AMOUNT OF FUNDING APPROVED IN US$ MILLION)



Source: CFU (n.d.)

TABLE 5-2: MULTILATERAL FUNDS SUPPORTING ADAPTATION FINANCE (2013-2019, US$ MILLION)

FUND	PLEDGED	DEPOSITED	APPROVED	PROJECTS APPROVED
> Green Climate Fund (GCF)	10,319.6	8,144.7	1,288.1	52
> Least Developed Countries Fund (LDCF)	1,463.5	1,411.5	1,161.0	263
> Pilot Program for Climate Resilience (PPCR)	1,144.8	1,144.8	988.1	67
> Adaptation Fund (AF)	956.6	890.7	720.5	207
> Adaptation for Smallholder Agriculture Programme (ASAP)	381.7	330.3	291.2	42
> Special Climate Change Fund (SCCF)	377.4	369.0	279.4	68
> Global Environment Facility Trust Fund 7 (GEF 7)	654.2	654.1	48.3	8

Source: Watson and Schalatek (2020b).

Adaptation Finance in Asia

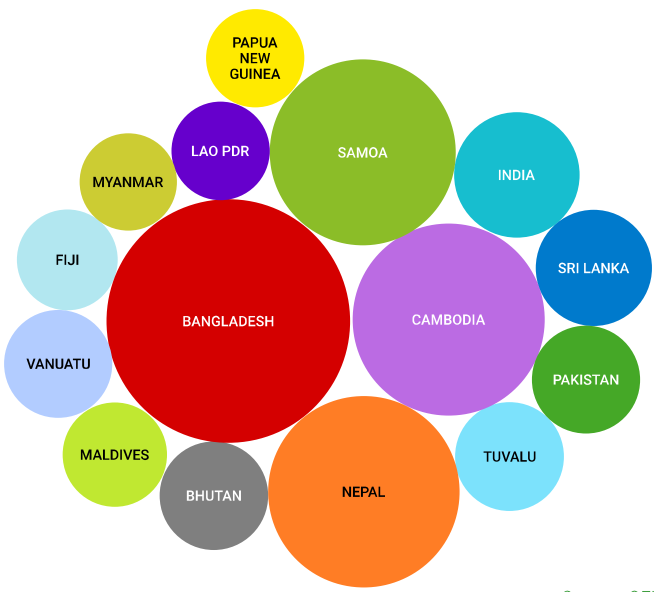
While overall details on adaptation finance are not available, CFU tracks adaptation finance from all multilateral funds. CFU (Watson and Schalatek 2020b) data show that almost 42 per cent of these were directed to Sub-Saharan Africa; 16 per cent to East Asia and the Pacific; 15 per cent to Latin America and the Caribbean; and 14 per cent to South Asia. The update also highlights that the top 20 recipients of adaptation finance (out of over 122 countries) received 45 per cent of the total amount approved. Top 10 recipients Bangladesh, Niger, Zambia, Cambodia, Tanzania, Nepal, Mozambique, Samoa, Bolivia and Tajikistan received more than US$100 million each since 2003. Interestingly, all except Tanzania are PPCR recipient countries.

Within Asia, Bangladesh, Nepal, Cambodia, Samoa and India have been the top recipients of adaptation finance. Figure 5-6 highlights the share of various Asian countries in adaptation finance. The largest amounts for adaptation projects are being provided to support programmes in Bangladesh, Cambodia and Nepal by the Pilot Program for Climate Resilience (PPCR) for a total approved amount of US$284 million and the Least Developed Countries Fund with total approved amount of US$221 million (Watson and Schalatek 2020b).

FIGURE 5-6: ADAPTATION FINANCE IN ASIA AND THE PACIFIC*

COUNTRY	AMOUNT OF FUNDING APPROVED (US$ MILLION)
BANGLADESH	214.6
CAMBODIA	133.3
NEPAL	132.2
SAMOA	122.3
INDIA	54.2
SRI LANKA	49.2
PAKISTAN	44.2
TUVALU	43.9
BHUTAN	41.9
MALDIVES	38.8
VANUATU	38.1
FIJI	37.4
MYANMAR	36.2
LAO PDR	36.1
PAPUA NEW GUINEA	35.6

Recipients (Bubble Chart)



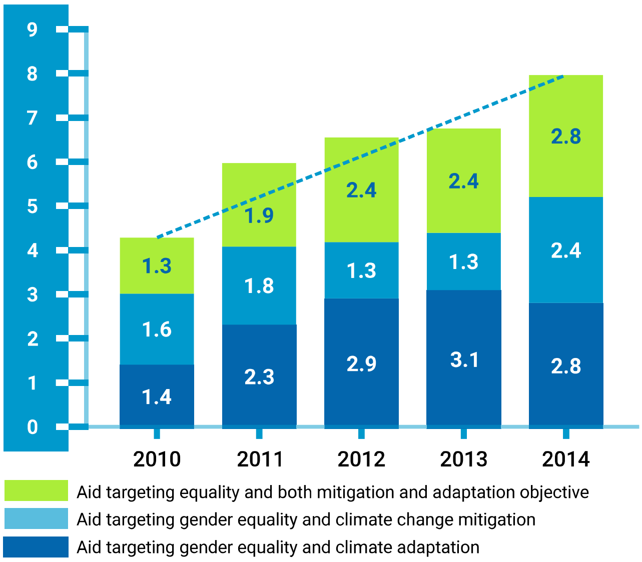
Source: CFU (n.d.).

*Funds Covered: Least Developed Countries Fund; Pilot Programme for Climate Resilience; Adaptation Fund; Adaptation for Smallholder Agriculture, Special Climate Change Fund; and MDG Achievement Fund.

GENDER IN GLOBAL CLIMATE FINANCE

Gender in global climate financing mechanisms has progressed only in recent years largely as a result from persistent advocacy of women's organizations and the growing recognition of the need for projects to integrate gender to increase efficacy and effectiveness. As a result, we have seen some changes, but there is still a long way to go. Worldwide, only limited climate finance integrated or addressed women's rights and/or gender equality, also within limited sectors and geographical locations. Of the US$26 billion of Overseas Development Assistance (ODA) that was focused on climate change in 2014, only US$8 billion (31 per cent) also supports gender equality. This is an increase from the US$4.4 billion in 2010 (Figure 5-7) (OECD 2016).

FIGURE 5-7: TRENDS IN DEVELOPMENT ASSISTANCE COMMITTEE MEMBERS CLIMATE RELATED ODA TARGETING GENDER EQUALITY (US$ BILLION)



Source: OECD (2016).

The integration was higher in adaptation only projects (41 per cent) compared to mitigation only projects (18 per cent). There is an uneven distribution within the sectors, with strongest focus on gender equality being in agriculture (59 per cent), followed by water (39 per cent). Although energy projects constitute the largest share of all bilateral climate aid, only 8 per cent of the energy projects integrated gender (OECD 2016).

These trends are not so surprising, given that in spite of UNFCCC mandate to increase gender balance in governance, female representation in the governing bodies of the major climate funds was, on an average, just 22 per cent in 2015 (Habtezion 2016).

Another important limitation is that while 19 per cent of all gender-responsive bilateral climate aid (US$1.4 billion) was channelled through civil society organizations, a large majority (14 per cent or US$1 billion) went to donor country-based NGOs. Only a very small amount (2 per cent of US$132 million) went to CSOs in developing countries (OECD 2016). There must be a focus on reviewing the projects of donor country-based NGOs; and they need to be held more accountable for gender mainstreaming.

Recommendations: **A critical advocacy point for strengthening gender-responsive climate finance also raised by OECD DAC is the need for simplified funding mechanisms to enable women's organizations to access climate finance. Women's organizations should take this up as an advocacy point in all national and international climate finance forums.**

Key Adaptation Funds and Scope for CSO Engagement

Amidst these limitations in the global climate finance architecture, there is very limited scope for CSOs, especially women's organizations, to have direct access to the funds. However, there are other ways that CSOs, especially women's organizations, can engage in enabling gender-responsive climate finance. Some of the key adaptation funds which have a strong gender component/ action plan are discussed here, outlining the scope for CSOs and women's organization to engage in the same.

ADAPTATION FUND

Established in 2001 under the Kyoto Protocol of UNFCCC, the Adaptation Fund (AF) aims to increase the climate change adaptation capacity of the most vulnerable communities in developing countries. It finances climate change adaptation and resilience activities that are based on country needs, views and priorities. The fund is fully operational since 2010 (Adaptation Fund n.d.). As of 1 January 2019, the AF is now mandated to serve the Paris Agreement, in line with the newly approved 5-year Medium-Term Strategy 2018-2022, based on pillars of Action, Innovation, and Knowledge and Sharing (Hall, Granat and Daniel 2019).

The fund is financed through a 2 per cent levy on the sale of emission credits from the Clean Development Mechanism of the Kyoto Protocol and in part by government and private donors (Adaptation Fund n.d.). However, given the low carbon prices, currently it is heavily dependent on the voluntary contributions from government and private donors. A similar automated funding source from a new carbon market mechanism is now under consideration (Watson and Schalatek 2020a).

The fund is managed by the AF Board, which meets three times a year, generally in Bonn (Germany). The Board is composed of 16 members and 16 alternates representing Parties to the Kyoto Protocol. Majority of members, about 69 per cent, represent developing countries (Adaptation Fund n.d.).

The fund was set up for countries to be able to directly access financing and manage all aspects of climate adaptation and resilience projects, from design through implementation to monitoring and evaluation. Countries can access funding through accredited Implementing Entities that are able to meet agreed fiduciary as well as environmental, social and gender standards (Adaptation Fund n.d.). These AF-accredited Implementing Entities can be national, regional or multilateral. To date, there are 17 National Implementing Entities (NIEs), four Regional Implementing Entities (RIEs) and 11 Multilateral Implementing Entities (MIEs).

Recommendations: **The AF's accreditation process is shorter and simpler. Once accreditation is complete, NIEs can submit proposals for projects and programmes. Small Grants with less than US$1 million are in fact approved only in a one-step process. However, this option is available only for select organizations (if the country does not have an NIE and has not crossed the US$10 million funding ceiling).**

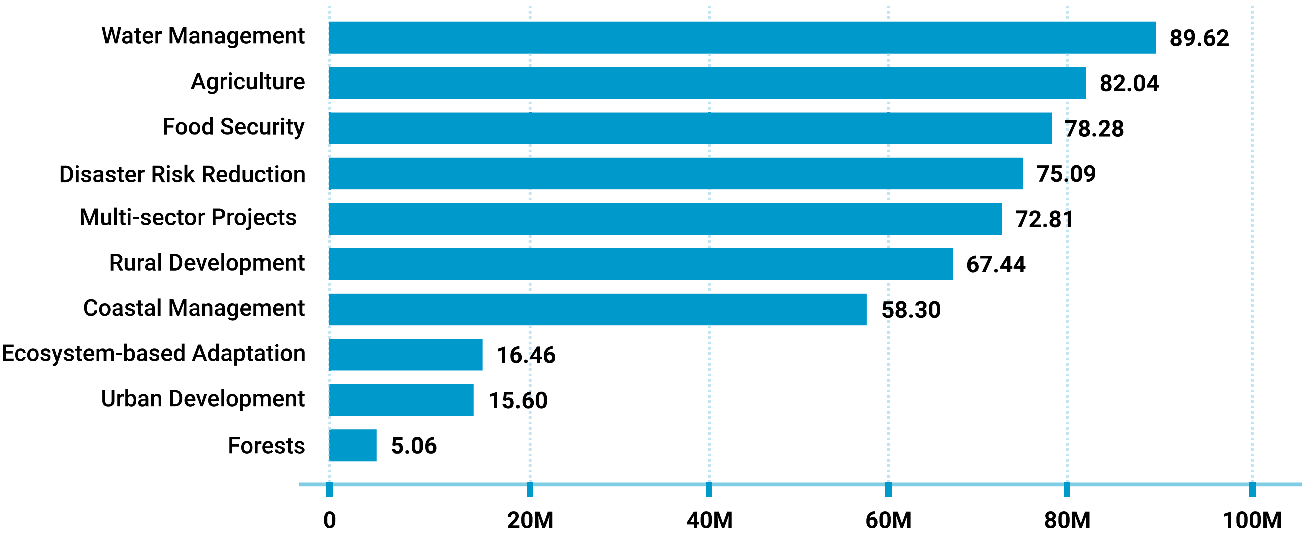
After the Adaptation Fund Board decides to accredit an entity considering the recommendation by the Accreditation Panel, the entity can submit a concept or a full project proposal. Parties seeking financial resources from the Adaptation Fund must submit their project and programme proposals through accredited National, Regional or Multilateral Implementing Entities. Proposals will be reviewed with respect to specific criteria available in the Operational Policies and Guidelines. Proposals are accepted three times a year: twice before the biannual Adaptation Fund Board meetings and once during an intersessional review cycle. (Adaptation Fund n.d.). The adaptation fund provides support across multiple sectors. Figure 5-8 brings together the sectoral grants provided under the adaptation fund.

In addition to the project grant, the Adaptation Fund also supports three other types of grants:

A. Readiness Grant Funding – small grants available under the Climate Finance Readiness Programme to help NIEs provide peer support to countries seeking accreditation with the Fund and to build capacity for undertaking various climate finance readiness activities. The AF readiness grants also support implementing entities to provide technical assistance to build their capacity on gender, particularly to support gender integration in proposal design and development.

Recommendations: **Women's organizations can provide technical assistance to existing NIEs through the readiness programme. Reach out to the NIEs directly and advocate for leveraging women's organizations as consultants and trainers as part of the grant.**

FIGURE 5-8: ADAPTATION FUND INVESTMENTS BY SECTOR IN US$ MILLION



Source: Adaptation Fund (2019).

B. **Innovation Grants** – of up to US$250,000 to NIEs, starting with the first request for proposals under a set-aside of US$2 million, was launched in December 2018. These small grants are awarded to vulnerable developing countries through two routes: directly through NIEs particularly to those countries that have accredited NIEs, and through an NIE aggregator delivery mechanism to other entities (organizations, groups, associations, institutions, businesses, agencies, others) that are not accredited with the Fund. Supported by United Nations Development Programme (UNDP) and United Nations Environment Programme (UNEP), approximately 45 grants of up to US$250,000 are expected to be awarded to non-accredited entities in the second round in 2020.

Recommendations: **Women's Organizations can directly apply for funding under the innovation grant under the thematic area of "Advancement of gender equality (women and girls' empowerment)".**

C. **Learning Grants** – a new funding window for NIEs to access learning grants. Learning Grants build on the Fund's recently revised Knowledge Management Framework and Action Plan (approved in 2016). The grant amount that can be accessed by an accredited NIE is up to a maximum of US$150,000 per project/programme.

In 2011, the AF first established a gender policy and action plan that guides its work, followed by a new Environmental and Social Policy in 2013 which has a specific principle on "gender equity and women's empowerment" (Hall, Granat and Daniel 2019). In 2015, a Board-mandated review of the integration of gender considerations in Adaptation Fund policies and procedures highlighted the limited progress in a comprehensive gender equality approach. Afterwards, it was decided that the Fund should develop its own gender equality policy (Schalatek 2019b). A human rights-based Adaptation Fund Gender Policy and a multi-year gender action plan (FY2017-2019) was adopted after a consultative process in March 2016 and updated in March 2021 (Adaptation Fund 2021). In 2017, a Guidance Document for Implementing Entities on Compliance with the Adaptation Fund Gender Policy was also created to provide Implementing Entities with practical guidance on how to achieve and assess compliance with the AF Gender Policy throughout the project cycle (Adaptation Fund 2017). The new Adaptation Fund Medium-Term Strategy (2018-2022), approved in 2017, also prominently highlights gender equality as a cross-cutting issue to achieve the Fund's mission and builds on the policy to also include new gender-related funding windows (Adaptation Fund 2018).

One of the concrete recommendations for Implementing Agencies as part of the Gender Policy, Gender Action Plan and The Guidance Document is active consultations with both women and men, and the need for targeted efforts to include national women's machineries (including women's organizations and networks, local women's cooperatives and gender experts) in these consultations.

Recommendations: **Women's organizations can take this guidance to AF Implementing Entities in their country to promote the machinery (and women's organizations) and their inclusion as stakeholders throughout all stages of the project/programme cycle.**

The plan also mandates the secretariat to establish a roster of gender expert consultants. As of February 2019, the secretariat is working to identify other organizations to develop and host the roster for broader use across climate finance mechanisms. The AF also developed a dedicated Knowledge and Learning thematic webpage on gender with materials available on the AF Gender Policy and programming, sharing guidance and experience in project implementation.

Recommendations: **This roster will provide opportunities for women's regional organizations to participate in the Fund's financed projects/programmes contributing to gender considerations throughout the project lifecycle.**

CLIMATE INVESTMENT FUND

Established in 2008, the Climate Investment Funds (CIFs) is administered by the World Bank in partnership with five regional development banks including the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD) and the Inter-American Development Bank (IDB). The CIF was originally created to trigger investments at scale in both developing and middle-income countries, specifically empowering "climate-smart growth and transformation." A total of US$8 billion was pledged directly to the CIF by 14 contributor countries. Currently, the CIF supports 72 countries across sectors like energy, climate resilience, transport and forestry (CIF n.d.).

The CIF comprises two funds:

a. The Clean Technology Fund (CTF); and
b. The Strategic Climate Fund (SCF), with three programs:
    1. The Pilot Program for Climate Resilience (PPCR);
    2. Scaling Up Renewable Energy in Low-Income Countries Program (SREP); and
    3. The Forest Investment Program (FIP).

Under the CIF, countries must first apply to become a "pilot country" of one of the four programs. Once approved, each country must develop an investment plan (IP) for that program. Development of an IP is a process often involving many rounds of consultations with different types of stakeholders to determine the investment details and explicitly stating expected contributions from the CIF and other sources. The IPs must be approved by the CIF Trust Fund Committee before countries work with the MDBs to develop projects for funding (Hall, Granat and Daniel 2019).

Recommendations: **Country IPs provide an entry point for women's organizations to engage in the process. In countries where there is already an IP, organizations can engage during updating of IPs.**

The CIF did not include any mandates for gender considerations at its inception. However, a 2013 comprehensive CIF gender review confirmed that the CIFs needed to do much more to address gender considerations systematically (Schalatek 2019b). To address this, in 2014, the CIF recruited a specialist on gender and social issues. Subsequently, the CIF developed Gender Action Plans (GAP) that were approved and implemented across three phases. A 2017 CIF gender progress report showed improvements for most CIFs under the CIF Gender Action Plan. However, the gender-responsiveness of the CTF continued to lag behind (Schalatek 2019b). The latest CIF Gender Action Plan, Phase 3 (FY 2021-2024), was approved in June 2020. The GAP-3 will continue its emphasis for "gender-transformative impacts in the key areas of asset position, voice and resilient livelihood status of women through gender-responsive institutions and markets" (CIF 2020). The CIF Gender Policy, adopted in 2018, also provides a governance framework to "advance equal access to and benefit from CIF-supported investments for women and men in CIF pilot countries." (CIF 2018).

The CIF also now includes gender equality as a co-benefit and core criteria in FIP and the SREP, while other CIF programs are expected to assess the gender dimensions during their technical reviews. The PPCR and FIP also explicitly indicate women and women's groups as key stakeholders who should be consulted for the preparation of IPs and project design (Burns and Granat 2020).

Recommendations: **Women's organizations can engage in stakeholder participation like civil society organizations to bring forth voices of women-leaders from the community.**

Further, the PPCR also includes gender experts in country missions or outreach to women's groups as key stakeholders in consultations in the programme planning stage (Schalatek 2019b).

Recommendations: **Women's organizations can connect directly with CIF country focal points in the IP creation process. The relationships can be further strengthened for potential engagement in regional and global stakeholder meetings.**

The CIF Governance structure also includes the role of "active observers" across each of the CIF programs. Observers hold a seat on the trust fund committees, alongside donor and recipient governments. The structure aims to ensure each committee has a diverse representation of stakeholders from civil society, indigenous peoples and the private sector, from developed and developing countries. In 2011, following the first term of CIF observers, the election process for new observers specified that, "Special effort will be made to recruit and select observer organizations that are represented by women and/or that focus on women's involvement in addressing the challenges of climate change." (CIF n.d.). The 2018 Gender Policy also introduced a new category of "gender representatives" to the CIF for all Trust Fund Committees and Sub-Committees to be selected from among existing sets of CIF observers (CIF 2018). The CIF local stakeholders and observers' engagement processes have been reported to have been effective in enabling changes in the investment plans (IPs) (Consensus Building Institute 2020) and can be a strong advocacy tool for CSOs to engender CIF investments in the country.

Recommendations: **Women's organizations and gender experts can specifically engage in CIF governance by applying to become an observer of one or more of the CIF programs through a nomination and voting process.**

In 2015, the CIF established the Stakeholder Advisory Network (SAN) to "strengthen the partnership of non-state actors with climate finance entities to advance the agenda of climate smart development through collaboration, research, advocacy, networking and partnerships." The SAN is currently hosted by the CIF, and membership is open to all stakeholders engaged as observers to multilateral climate finance funds. The SAN network is steered by a governing committee made up of civil society members and Indigenous Peoples, as well as private sector representatives (CIF n.d.).

Recommendations: **THE SAN Concept note does not include explicit mentions of gender or women, but women's organizations can engage with the CIF as a SAN member.**

GREEN CLIMATE FUND

The Green Climate Fund (GCF), established in 2010, became fully operational with its first projects approved at the end of 2015. The GCF serves as an operating entity of the financial mechanism of both the UNFCCC and the Paris Agreement and is expected to become the primary channel through which international public climate finance will flow over time. By December 2019, the GCF's first formal replenishment (GCF-1) resulted in pledges from 29 countries of funds amounting to US$9.8 billion (GCF n.d.).

The GCF's approach to climate finance seeks to "promote a paradigm shift to low-emission and climate-resilient development.... (with) particular attention to the needs of societies that are highly vulnerable to the effects of climate change." (GCF n.d.).

TRAINER'S TIP

It would be even more useful for CSOs to hear about these processes directly from someone involved in the GCF at the country level. It is recommended to invite the national designated authority (NDA) focal point or national accredited institution representative for this session to share the country-specific process information, experiences, opportunities and challenges for CSOs. This would also provide a networking opportunity to the participants. You can begin the session with the viewing of this short film on Green Climate Fund available at *https://www.youtube.com/watch?v=hiQ-Gs8NW3s* followed by the discussion.

Developing countries can access the GCF through MDBs, international commercial banks and UN agencies, as well as directly through accredited National, Regional and Sub-National Implementing Entities. By October 2020, the implementing partner network of the GCF grew to 99 Accredited Entities (GCF n.d.).

The GCF is also set to be one of the largest financers of adaptation projects by devoting 50 per cent of its initial resource mobilization to adaptation. Half of this is expected to be going to the SIDS, LDCs and African states (GCF n.d.). The GCF would also have an Asia focus as reflected in the approval of 26 projects (US$1.1 billion) and 45 readiness programmes (US$45 million) so far in the region. The 2019 GCF approvals make up 62 per cent of the US$400 million in new approvals for the region which include also projects from the CTF, Adaptation Fund, GEF and Least Developed Countries Fund (Watson and Schalatek 2020b).

The key features of the GCF include its country-driven approach. Each country has a National Designated Authority (NDA), often a ministry of finance or environment, with a designated focal point to serve as the representative between an NDA and GCF. NDAs serve as each country's "interface" with the GCF and are fundamental to the GCF's funding processes and ways of working, from accessing readiness support to signing off on every funding proposal submitted to the GCF Board with activities for that country (GCF n.d.).

Recommendations: **A critical entry point for women's organizations is to engage with the country NDA and DAEs. This should give insights into what proposals are being developed and to be able to influence the same. Women's organizations can also partner with them for technical assistance and grants under the readiness programmes.**

The GCF disburses funding through an accreditation system where any organization submitting a funding proposal must be an Accredited Entity (AE) (GCF n.d.). This system was designed to ensure that AEs, particularly those that only work on the national level, "possess the type of specialist knowledge and experience that can be best utilized to mobilize climate finance on the ground." AEs, which can be private, public, non-governmental, regional, or national in their scope and operation, can be considered as one of two different types:

A. **Direct Access Entity (DAE)** – a sub-national, national or regional organization that needs to be nominated by developing country NDA or focal points which may be eligible to receive GCF readiness support.

B. **International Access Entity (IAE)** – UN agencies, multilateral development banks and international financial institutions which need not be nominated by any NDA.

As part of the accreditation process, the GCF Secretariat also assesses the "gender-responsive capacity" of applicants by ensuring all AEs have a proven track record and are capable of complying with the GCF Gender Policy.

Recommendations: **Women's organizations can also seek accreditation so they can submit projects as AEs, enabling ownership of the project design and implementation so there is more flexibility in proposal scope, timing, and collaborators.**

The GCF is uniquely positioned as "the first climate finance mechanism to mainstream gender perspectives from the outset of its operations as an essential decision-making element for the deployment of its resources" (Hall, Granat and Daniel 2019). The governing instrument for the GCF also includes several references to gender and women in the Fund's governance and operational modalities, including on stakeholder participation, and anchors a gender mainstreaming mandate prominently under its funding objectives and guiding principles. It mandates gender balance for its staff and Board (Schalatek 2019b).

GCF's first Gender Policy and Gender Action Plan (2015-2017) was approved in March 2015. In November 2019, the GCF Board also approved an updated Gender Policy and Gender Action Plan (GAP 2020-2023). The policy (2019) reinforces GCF's commitments to promote gender equality throughout its activities and institutional framework (GCF 2019a). The Gender Action Plan (2019b) highlights five priority areas for gender mainstreaming covering the following aspects:

Priority Area 1: Governance
Ensure gender parity and include gender competence in all key advisory and decision-making bodies, including the Accreditation Panel, the independent Technical Advisory Panel and the Secretariat. GCF will also help strengthen NDAs and focal points, and AEs for furthering the GAP through the Readiness and Preparatory Support Programme.

The GCF has a capacity-building component – its readiness and preparatory program – to help countries become ready to secure and manage climate finance, which can be leveraged for more gender-responsive climate finance.

In 2017, the GCF adopted the Simplified Approval Process Pilot Scheme (SAP) for small-scale activities (US$10 million or less requested from the GCF), and streamlined the review and approval process. NDAs and AEs can submit SAP concept notes.

Recommendations: **Women's organizations can leverage these relationships to become partners in conceptualizing these smaller-scale initiatives.**

Priority Area 2: Competencies and Capacity Development
Focus will be on increasing awareness on gender policy and GAP as well as training of NDAs/focal points, AEs, and delivery partners on how to interpret and operationalize GCF's gender and climate change toolkit.

Recommendations: **Women's organizations can engage with NDAs/focal points and accredited entities to provide capacity and technical expertise on gender, climate change and taking forward the GAP.**

Priority Area 3: Resource Allocation, Accessibility and Budgeting
As part of this, GCF will require AEs to submit funding proposals that contain gender assessments and project-level gender action plans, which include implementation budgets.

Recommendations: **Women's organizations can engage with accredited entities for undertaking gender analysis and provide capacity and technical expertise preparation of gender-responsive project proposals and project-level GAPs.**

Priority Area 4: Operational Procedures
AEs will be required to undertake a mandatory initial gender assessment and develop a project-level gender action plan, complementary to the environmental and social safeguards (ESS) requirements.

Expectations for a gender assessment are part of both the concept note template and the full project proposal template guidance documents. The GCF project proposal template requires entities to describe the project's gender programming; submit a gender and social assessment comprehensive enough to show the differentiated needs of men and women, boys and girls, the elderly, and other social groups; and often, include a gender and social inclusion action plan (GAP).

Also, gender-equitable and inclusive stakeholder engagement and consultations will need to be conducted and documented throughout the design and implementation of the project/programme.

Recommendations: **Women's organizations should be part of and also facilitate such stakeholder consultations.**

Priority Area 5: Knowledge Generation and Communications

There would be a particular focus on development and dissemination of communication material on gender and climate change for all stakeholders, including public outreach activities at national and grassroots levels. The GAP also envisions country-level multimedia campaign on gender and climate change.

Recommendations: **Women's organizations can engage with country specific teams to be an active part of these campaigns and outreach activities.**

The GCF also has many civil society groups following it, and their collective input has weight with decision-makers and implementers. Two active observers, elected by civil society to represent developing and developed countries, are able to speak at the Board meetings. Furthermore, the national-level machinery for the GCF should consult with and engage civil society, though experiences show that this engagement currently varies widely by country (WEDO 2017).

Recommendations: **Women's organizations can become official observers of GCF by applying for observer status when calls for accreditation are periodically issued.**

Women's Organizations and Climate Finance: Additional Strategies and Examples for Engagement

Relationships with Environment and Climate Change Ministries – Women's Organizations are usually engaged with ministries of gender or women's affairs. However, government units overseeing climate financing and the representatives to the funds are usually ministries of the environment or finance. It is important for women's organizations to connect their work with the concerned ministries.

Engage in Public Consultations – Environment policies and laws in many countries/funds call for public consultative processes as part of environment and social safeguard processes. CSOs can map such processes in their own countries, especially understanding how and when the consultation is publicized. This information can then be used to disseminate the information on the consultative process among women, encouraging them to participate in these processes. CSOs can themselves also participate in these processes and highlight the gender concerns in upcoming projects.

Join the NGO Networks and CSO platforms dealing with the different climate funds – Civil society organizations following the work of the Adaptation Fund have formalized their work through the Adaptation Fund NGO Network. In 1995, the GEF CSO Network was established. The GEF regularly holds Consultation Meetings with the Network prior to the GEF Council Meetings. The GEF CSO Network also has regional meetings and Expanded Constituency Workshops to strengthen participant knowledge of GEF. There is also a GCF-CSO mailing list which supports CSOs to stay abreast of GCF developments, and reviewing and providing feedback on proposed policies and procedures as well as the funding proposals and applications for accreditation. Women's organizations should join these given platforms to begin with.

Creating a Climate Finance Community – In April 2018, Prakriti Resources Center in Nepal hosted an "Orientation Program on Gender and Climate Finance," with Climate and Development Dialogue Members. This program included information on climate change in Nepal, climate finance and the GCF, gender integration in climate change and Nepal's NDA's role. In May 2019, Climate Watch Thailand, and Thailand Climate Network came together in a CSO Dialogue with the Thai National Designated Authority, the Ministry of Natural Resources and Environment. The purpose of the meeting was to discuss a CSO engagement mechanism so that we civil society organizations could be involved in GCF project preparation and monitoring.
In August 2018, the Asia Pacific Forum on Women, Law and Development (APWLD) invited grassroots women's organizations to apply for grants of up to US$3,000 to hold a workshop/dialogue between a variety of GCF national-level stakeholders (GCF board members, GCF secretariat, CSOs monitoring GCF, National Designated Authorities and Country Focal Points, project specific departments and organizations, Accredited and Direct Access Entities of GCF and other related NGOs advocating GCF). The grantees were supported to a regional training to catalyze their work. Organizing and participating in such events can enhance CSO understanding and capacity on how to engage with the GCF.

DISCUSSION POINT

Ask the participants if they are aware of the adaptation finance mechanisms active in their countries and the entities that are implementing projects on behalf of the funds (as accredited entities, national implementing entities, etc. according to the fund). Ask them if they know who are the current gender focal points, and if they have interacted or been a part of any consultative processes. Ask them to share examples of any experience they have had of successfully engaging with any of the stakeholders for gender inclusion.

TABLE 5-3 FACILITATOR CLUES

FUND	BANGLADESH	CAMBODIA	VIETNAM	INDIA	INDONESIA
AF – DA	> Secretary, Ministry of Environment, Forest and Climate Change	> Deputy Director General, Ministry of Environment of the Kingdom of Cambodia	> Deputy Minister, Ministry of Natural Resources and Environment	> Joint Secretary, (Climate Change) Ministry of Environment and Forests	> Director General of Climate Change, Ministry of the Environment and Forestry, Republic of Indonesia
AF – NIE				> National Bank for Agriculture and Rural Development (NABARD)	> Partnership for Governance Reform in Indonesia (Kemitraan)
CIF – AGENCY	> Asian Development Bank	> Asian Development Bank	> Asian Development Bank	> Asian Development Bank	> Asian Development Bank
CIF – FOCAL	> Gender focal point within the national climate change directorate/division				> Gender focal point within the national climate change directorate/division
GCF – NDA	> Economic Relations Division, Ministry of Finance			> Ministry of Environment, Forests and Climate Change	
GCF – DAEs	> IDCOL > PKSF			> NABARD > SIDBI	