

FAQs - Gender Equality Lab Stream

November 2022

How will the Lab evaluate whether advancement of gender equality is a core objective of the financial instrument?

This evaluation will be made on a case-by-case basis, dependent on the context in which the financial instrument is being designed and operated. At a minimum:

- Gender considerations must be integrated across the design, operations, and implementation of the financial instrument (for an explanation of how to apply a gender lens to different sectors and themes refer to the [2X Gender & Climate Notes](#))

AND

- Ideas must have a direct impact on, and specific outcomes for, gender equality and women empowerment. This could include (but is not limited to) financial instruments that:
 - Facilitate access to finance for women entrepreneurs, producers, or women-led SMEs delivering climate solutions
 - Promote diverse leadership and inclusive employment practices in climate mitigation and adaptation investments
 - Promote the design and uptake of goods and services targeted to the needs and disproportionate climate risks faced by women, such as insurance tools
 - Target women as end users, consumers, and borrowers, for example, in climate-resilient infrastructure investments
 - Are founded on strong gender analysis and use this to identify a project pipeline and mainstream gender equality in investment processes

Do women need to be the exclusive target of my financial instrument, to qualify for this Lab stream?

Women do not need to be the sole target of a financial instrument to be eligible for this stream. Please refer to examples of gender-responsive climate finance instruments below.

What are some compelling examples of gender-responsive climate finance instruments?

- The [InsuResilience Investment Fund](#), managed by impact investment manager BlueOrchard, works with microfinance institutions to expand access to and use of climate disaster insurance to reduce the vulnerability of micro, small, and medium enterprises, as well as low-income households. It has two sub-funds: the equity sub-fund: invests in insurers and brokers actively building the market for climate insurance; and the debt sub-fund: lends to financial institutions and aggregators in return for participation in the development and distribution of climate insurance. The debt sub-fund is gender-responsive because it specifically targets women as end-users, encourages insurance providers to collect gender-disaggregated data, and provide plans that recognize men and women's differentiated risks.
- [Root Capital](#) provides credit and capacity building to small, sustainable agricultural businesses in developing economies, focusing on increased access to finance and

tailored loans to gender-inclusive and women-led businesses. Each financial instrument is tailor-made to address the particular needs of the agricultural business and community, including options for impact-linked financing and microloans. This is a great example of tailoring financial services products to target women as end-users.

- [Water Equity](#) is an asset manager with an exclusive focus on investment opportunities in the water and sanitation sector, particularly affordable financing for household-level solutions and climate-resilient infrastructure. It is a particularly good example of addressing the disproportionate climate impacts faced by women, as 97% of individuals directly supported by the investments are women and the fund has a unique understanding of the compound issues of gender impacts and climate adaptation and resilience.
- The [Clean Cooking Fund](#) is a blended finance vehicle, part of the World Bank's Energy Sector Management Assistance Program, that focuses on results-based financing mechanisms to incentivize supply-chain actors, spur market development, and pay for the public co-benefits of health, gender equality, and climate. The thesis of the fund is that eradicating cooking poverty would be a triple-win for public health, women's empowerment, and the environment/climate. The fund's diverse impacts make it unique - universal access to clean cooking results in emissions mitigation, from the move away from traditional cooking fires, the reduction of health risks from smoke inhalation, and the gains to women's productivity and equality.
- The Brazilian paper and pulp company [Suzano](#) recently issued a sustainability-linked bond with an interest rate penalty if it fails to meet its stated sustainability targets. There is a required KPI for both gender and climate, with a target of 30% or more leadership positions filled by women, and a target for reducing water withdrawal intensity; the penalty of a step-up applies if either KPI is not met. This is an example of a financial instrument where achievement of climate goals and gender diversity goals are both core objectives.

What are examples of climate finance instruments that would NOT be considered gender-responsive climate finance instruments for this stream?

Given below are theoretical examples of financial products that would not be considered eligible as gender-responsive climate finance instruments for the Lab's Gender Equality stream.

- Existing off-grid solar company that wants to focus on marketing its products to women.
 - In this case, gender considerations are only included as an add-on to an existing product/distribution system, rather than centering gender equality in the development and implementation of the financial product.
- A consulting or technical facility targeting learning and capacity building for gender diverse entrepreneurs
 - If a consulting/ technical facility lacks a corresponding financial instrument with expected returns, it is not eligible for Lab support. While technical assistance can be a part of increasing access to finance, to qualify for this Lab stream,

there must be a financial instrument that is also aligned to climate change mitigation or adaptation in addition to advancing gender equality.

- A renewable energy development platform collects gender-disaggregated data on energy use by end-consumers
 - Collection of gender-disaggregated data alone is insufficient to make a climate-finance instrument gender-responsive. Gender must be integrated in the design and implementation of the climate finance instrument.
- A climate fund aims to assess on-the-ground climate needs to identify financing gaps, but uses only on aggregated, community-level data for this.
 - In this case, the fund fails to adequately assess the different climate impacts faced by different genders. A key part of this Lab stream is to address the disproportionate climate impacts faced by women and gender-diverse communities. Failing to account for these would lead to a pipeline of projects that does not fully incorporate gender considerations.

What is the Lab's understanding of gender equality?

The Lab adopts a non-binary and intersectional understanding of gender equality, which includes women, LGBTQ+ persons, and other gender-diverse groups.

Are there any special steps in the application process for proponents applying to this stream?

To submit an idea for this stream, proponents must submit their idea through the general Lab application, available [here](#). Once the proponent selects the gender equality stream as the applicable stream, the proponent will be prompted to respond to questions specific to this stream. There are no additional steps to be followed. Please note that the idea should also meet the Lab's overall, general [criteria](#).

I don't have a gender specialist on-board, and I have not done a gender analysis. Can I still apply to this stream if my intention is to develop a gender-responsive climate finance instrument?

Conducting a gender analysis or having a gender specialist on-board is NOT a prerequisite to apply to this stream. However, advancement of gender equality must be a core objective of the financial instrument. The Lab does welcome instruments at different stages of development; evaluation of the progress made on integrating gender considerations in the financial instrument would be done in context of the overall stage of development of the instrument.

Do I need to have a track record in gender-responsive climate finance to apply to this Lab stream?

A track record in gender-responsive climate finance is not a prerequisite. The Lab welcomes applications from climate finance practitioners that are moving towards applying a gender lens and gender equality practitioners that are moving towards applying a climate lens for their financial instruments. In the past, the Lab has supported first time fund managers, NGOs developing first-of-a-kind financial instruments, and other new innovations.

What resources are useful to learn more about gender-responsive climate finance?

Here are some resources to get you started:

- [2X Climate Finance Task Force Toolkit](#) (A toolkit enabling investors to identify opportunities and mitigate risks in gender and climate finance)
- [Mainstreaming Gender in Green Climate Fund Projects](#) (A practical manual to support the integration of gender equality in climate finance)
- [Gender & Climate Investment: A Strategy for Unlocking a Sustainable Future](#) (A report that supports growth of the field by raising awareness of an integrated gender and climate lens and building the business case for mainstreaming gender-smart climate finance)

For additional resources, refer to the GenderSmart [Resources Library](#)

For additional FAQs, refer to the main Lab FAQs for proponents [here](#).