



In partnership with  
**Canada**

# FACTSHEET

## GENDER-RESPONSIVE CLIMATE FINANCE WINDOW

*This Design Funding Window supports the design and launch of blended finance solutions targeting the climate-gender nexus in emerging markets worldwide.*

### WHY THE CLIMATE-GENDER NEXUS?

Climate change is not gender neutral. Women and girls are disproportionately impacted by the negative effects of climate change. This is because they are over-represented in the informal sector, have less access to finance and education, and are more exposed to gender-based violence in the aftermath of climate-risk events.

As a result, some of the most effective ways to combat climate change are gender-related. According to GenderSmart's report, [Gender & Climate Investment: A Strategy for Unlocking a Sustainable Future](#), "...women's expertise, leadership, purchasing power and lived experience can help unlock gender-smart and climate-smart opportunities." For instance, companies that have gender-balanced leadership tend to have better climate governance and are more likely to proactively pursue sustainability. An analysis by Sasakawa Peace Foundation of 11,000+ companies found that a critical mass of 30% of women on a company's board made a difference to climate governance, innovation and emissions growth rates: 0.6% compared to 3.5% for companies with no women on their board (GenderSmart, 2021).

While there has been a growing awareness of the climate-gender nexus over the past decade, to date few practical solutions exist to address it. This Window aims to build the field by developing a pipeline of bankable blended finance solutions targeting the climate-gender nexus.

### WHY DESIGN FUNDING?

[Blended finance](#) solutions can accelerate private sector investment for climate mitigation and adaptation, as well as gender equality, as they efficiently use scarce public and philanthropic funding to de-risk gender-responsive climate investment opportunities. However, they can be complex and time-consuming to structure and execute, often involving diverse stakeholders with differing priorities and incentives. Investors and intermediaries are also interested in experimenting with blended finance models in nascent fields such as the climate-gender nexus. High research and design costs can deter the development of these solutions.

Design Funding offers organizations catalytic grant funding to develop solutions that would otherwise be too risky or complex to pursue, but show high potential to achieve development impact and attract private capital at scale to finance climate mitigation, adaptation, and gender equality.

This may especially be the case for solutions at the climate-gender nexus. For example, Convergence's data brief on [Blended Finance and the Gender-Climate Nexus](#), found that relative to all blended transactions, solutions for climate and gender were nearly twice as likely to include design-stage funding. This reflects the nascency of gender-responsive climate finance, and underscores the need for early-stage grant support in designing and launching blended finance solutions.

## TYPES OF APPLICATIONS

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Applicants can apply for feasibility study or proof-of-concept funding.

## WHAT SOLUTIONS ARE ELIGIBLE UNDER THIS WINDOW?

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Solutions must mobilize private capital at scale to finance either climate change mitigation and/or adaptation in emerging markets, AND integrate a strong gender equality focus.

For instance, solutions could target sectors where [climate and gender blended finance transactions](#) have been increasingly emerging:

### Climate change mitigation

- Low-carbon transportation
- Renewable energy generation (on-grid and off-grid)
- Energy efficiency
- Agriculture, forestry, and land use
- Clean cooking technologies
- Natural resource management
- Energy transmission, storage, and distribution

### Climate change adaptation

- Climate smart agriculture or aquaculture
- Climate-related insurance and disaster resilience
- Nature-based infrastructure
- Ecosystem-based adaptation
- Waste and wastewater management

The above list is illustrative only. See our [grant portfolio](#) for examples of solutions supported by Convergence under all its Design Funding windows.

## WHAT SOLUTIONS ARE NOT ELIGIBLE UNDER THIS WINDOW?

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1. Solutions that do not incorporate gender equality considerations in the actual design and implementation of the solution. For example:
  - The applicant organization's founder(s) or project lead(s) is female, but gender equality considerations are not core to the proposed solution's design.
  - When the collection of sex-dissaggrated data is the only gender-related outcome of the solution, and gender equality is not integral to the solution's design and implementation.
2. Requests for investment capital or support for operational activities of an already established solution.

## WHAT ARE EXAMPLES OF EXISTING GENDER-RESPONSIVE CLIMATE FINANCE SOLUTIONS IN THE MARKET?

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To date, blended finance solutions focused on climate and gender have largely been funds and companies that are generally below USD 100 million in size, with a median size of USD 52 million.

Blending for climate and gender has mostly focused on off-grid energy, renewable energy, and agriculture. Examples of different structures in the market include:

- **Fund:** [EcoEnterprises Fund III](#), a women-led fund investing in Latin American businesses that protect fragile environments, create jobs, and empower women in rural areas. The fund was the first 2X Challenge-eligible investment made by FinDev Canada.
- **Company:** [Data-Driven Energy Access for Africa](#) expands access to capital for distributed renewable energy (DRE). The blended finance solution is underpinned by a machine-learning powered platform that better assesses end-users' ability to pay for energy services. The solution aims to attract female borrowers and works with companies that prioritize the hiring of women.

## WHAT DO WE MEAN BY CLIMATE CHANGE MITIGATION AND ADAPTATION?

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**Climate change mitigation:** Activities that contribute to the objective of stabilisation of greenhouse gas (GHG) concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system by promoting efforts to reduce or limit GHG emissions, or to enhance GHG sequestration.

**Climate change adaptation:** Activities intended to reduce the vulnerability of human or natural systems to the impacts of climate change and climate-related risks, by maintaining or increasing adaptive capacity and resilience.

## HOW DO I APPLY?

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Visit our [website](#) for more information on the application process, eligibility criteria, and upcoming deadlines.

## WHERE CAN I LEARN MORE?

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We suggest starting with the following:

- [Blended Finance & the Gender - Climate Nexus by Convergence](#)
- [Designing Blended Finance solutions: Learnings from Convergence's Design Funding Program](#)
- [Assessing Gender Lens Investing in Blended Finance by Convergence](#)
- [Gender Equality is Coming to the Fore in Blended Finance by Convergence](#)
- [Gender & Climate Investment: A strategy for unlocking a sustainable future by GenderSmart](#)

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More information on the process, eligibility criteria and evaluation criteria can be found on our [website](#).