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Proposal to Accept Supplementary Funds from the Bill & Melinda Gates Foundation for the Gender-Transformative Mechanism Initiative

Note to Executive Board representatives

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For: **Approval**

Recommendations for approval

The Executive Board is invited to authorize the President to negotiate and finalize a supplementary funds agreement for US\$16 million with the Bill & Melinda Gates Foundation in support of the Gender-Transformative Mechanism initiative.

The Executive Board is further invited to authorize the President to accept supplementary funds from the Bill & Melinda Gates Foundation with no limitation on amounts and negotiate and conclude any project-specific agreements in support of the GTM initiative.

I. Background

1. At its 127th session in September 2019, the Executive Board approved the receipt of supplementary funds from the Bill & Melinda Gates Foundation (BMGF).¹ This contribution included a planning grant of US\$500,000 to support the design of a Gender-Transformative Mechanism (GTM) in the context of climate adaptation. The objective of this grant was for IFAD to design the scope and implementation modalities of a GTM, so as to accelerate and scale up the gender-transformative impacts of IFAD's programme of loans and grants. This GTM design process was undertaken over a period of 16 months between 2020 and 2021 and was supported by regular consultations with an in-house interdivisional and interdepartmental working group.
2. As a result of the year-long planning phase, the GTM's purpose was defined as being to: support and incentivize governments to invest in, and scale up, capacities and activities required to achieve sustained gender-transformative results at scale in agricultural and rural development programmes. Selected IFAD-funded projects would be eligible for GTM top-up grants in order to achieve the following: (i) increased country-level capacity to produce gender-transformative results in the context of climate adaptation; (ii) improved performance and ownership through results-based approaches; (iii) development of a methodology for measuring gender transformation, climate adaptation and market inclusion in an integrated manner; (iv) protocols for scaling up innovations, gender-transformative practices and evidence-based policy engagement with government; and (v) IFAD's expanded ability to generate gender-transformative results and achieve corporate gender targets. This initial BMGF funding will implement the GTM in two IFAD-funded investment projects (in Burkina Faso and India), and prepare for a third with a new design (in Ethiopia). Additional funding to the GTM will include full investment in Ethiopia and additional countries yet to be identified.
3. A rigorous assessment was undertaken to determine the most promising initial opportunities for the GTM. This included assessing current and recently completed IFAD projects across the following three dimensions: (i) enabling policy environment; (ii) IFAD country portfolio performance; and (iii) potential for scaling up gender-transformative results. These dimensions are critical to the GTM's ability to achieve sustainable gender-transformative results at scale. The country assessment and selection framework is included in the annex.
4. In April 2021, BMGF management approved the GTM concept note and earmarked US\$16 million for this initiative. IFAD submitted a fully-fledged GTM proposal in early July 2021. Disbursement is expected to start by end-October 2021. Additional information on the GTM is included in the annex.
5. The BMGF funds (US\$16 million) will be used over the next five years to

¹ EB 2019/127/R.45.

implement the GTM in the context of climate adaptation through IFAD-supported investments in Burkina Faso and India, and fund preparatory work in Ethiopia. These funds will mainly finance delivering gender-transformative programme activities; policy engagement and capacity-building of government stakeholders; measurement frameworks and analyses to assess GTM results; and staff and consultancies to support and coordinate overall GTM efforts in the context of increased climate variability. For additional information, please refer to the annex.

6. In order to administer the GTM funds, the Executive Board is invited to note that IFAD will set up a separate facility for the GTM in accordance with IFAD rules on supplementary funds.
7. Following the submission of IFAD's fully fledged proposal in July 2021, BMGF has demonstrated interest in continuing to support the GTM with further resources, in addition to their initial US\$16 million, thus increasing the total budget available for this initiative. The amount of the increase is yet to be determined.

II. Supplementary funds contribution from the Bill & Melinda Gates Foundation

8. The Executive Board is the competent organ to decide on the acceptance of supplementary funds above US\$5 million – and on any related conditions and restrictions – from public organizations, the private sector and foundations financing activities related to IFAD's mandate.
9. IFAD is seeking supplementary funds for US\$16 million in grant from the BMGF, a non-profit philanthropic organization located in Seattle in support of the GTM. To this end, in accordance with the Private Sector Engagement Strategy adopted by the Executive Board and IFAD's delegation of authority framework, the President is seeking the Executive Board's approval to negotiate and finalize a supplementary funds agreement with the BMGF.
10. However, in order not to delay the implementation of the GTM and considering the fact that IFAD will continue seeking supplementary funds from the BMGF to continue financing the mechanism, Executive Board approval is also sought to delegate to the President the authority to negotiate and finalize future supplementary funds agreement with the BMGF in support of the GTM, with no limitation on the amount.

An overview of the Gender-Transformative Mechanism

A. Background

1. With its dedicated 2019-2025 Action Plan, “Mainstreaming Gender-transformative Approaches at IFAD”,² the Fund has embraced the transformative goals for gender equality set by the 2030 Agenda and the Beijing Platform for Action. So far IFAD has been successful in delivering results with a range of gender-transformative approaches³ and strategies. However, achieving these results at scale has been challenging.
2. Challenges in achieving large-scale sustained gender-transformative results in agriculture and rural development are persistent and hard to tackle with existing strategies. Further, achieving gender transformation in the context of rural agricultural geographies while building adaptive capacity requires not only innovative and ambitious work but also “doing things differently”. Achieving gender transformation in the context of increased climate variability and fragility is considerably more ambitious than gender mainstreaming, because it requires tackling the root causes of persistent gender inequality and transforming gender relations over the long haul.⁴
3. IFAD, partner governments and development actors in general need to bring about a paradigm shift and rethink how development strategies can generate gender-transformative results. Structural changes required for gender transformation need additional policy engagement, as well as design and enforcement of policies and legal frameworks, capacity-building of non-state actors, skills training of national counterparts and sensitization at all levels of government.
4. Moreover, greater investment in evidence generation and knowledge-sharing to understand what works and how to scale up successful interventions is required to go beyond the initial positive investments.⁵ There is limited knowledge of good practices at the intersection of gender-transformative work and women’s resilience to climate change. Previously, IFAD has found that climate-related initiatives such as the Adaptation for Smallholder Agriculture Programme (ASAP) find it “difficult to conceptualize what ‘gender-transformative’ looks like in terms of project activities” and lack specific capacities, tools and guidance.⁶

B. Gender transformation in the context of climate adaptation: the GTM’s vision, mission and strategic objectives

5. The long-term vision of the GTM is to empower by 2030 over 20 million rural people to achieve gender-transformative results in agriculture, and to strengthen climate resilience and well-being in rural households and communities across 27 projects and an estimated 20 countries.⁷ To achieve this vision, the GTM’s purpose is to support and incentivize the governments involved to invest in, and expand, the capacities and activities required to achieve gender-transformative results at scale and build women’s adaptive capacity and resilience in rural, agricultural geographies. IFAD and BMGF have jointly established **three strategic impact objectives** and **one strategic financial objective** for the GTM.

² Available at: <https://webapps.ifad.org/members/eb/126/docs/EB-2019-126-INF-6.pdf>.

³ IFAD Independent Office of Evaluation “[What works for gender equality and women’s empowerment – a review of practices and results](#)”, 2017.

⁴ United Nations Entity for Gender and Equality and the Empowerment of Women (UN Women) (2021). [Remove the Barriers](#). UN Women.

⁵ https://www.ifad.org/documents/38714174/40197877/JPRWEE+Good+Practice_A+holistic+approach+to+WEE.pdf/1126ceef-7a39-41cc-8173-3ff145a9413b.

⁶ IFAD’s ASAP Gender Assessment and Learning Review, 2018.

<https://cgspace.cgiar.org/bitstream/handle/10568/91013/ASAPGenderAssessment.pdf>.

⁷ It is expected that approximately seven countries will have two GTM-financed projects until 2030.

The GTM strategic objectives (SOs)	
Impact	Country-level (SO1). Strengthened government agency for gender transformative results while enhancing governments' understanding of and ability to address the interaction of climate induced vulnerability and gender equality and women's empowerment (GEWE).
	IFAD-level (SO2). Leverage innovations and scale up successful interventions through IFAD's investment portfolio, climate funds and evidence-based policy engagement with governments.
	Global (SO3). Contribute to knowledge generation on what works and how; and influence the global development policy dialogue on gender empowerment in the context of increased climate exposure, variability and risk.
Financial	(SO4). Crowd in additional funding and expertise from government, climate finance, and donors.

6. The GTM's focus on leveraging IFAD's loans (with substantial focus on climate-related activities) and the nexus between gender transformation and climate is expected to be of keen interest to many sovereign and philanthropic donors. The proposal IFAD submitted to the BMGF aims to raise US\$16 million from the foundation to finance the launch of the GTM in Burkina Faso and India, and fund preparatory work in Ethiopia. Additional financing will be needed to fully implement the GTM in Ethiopia and realize the GTM's long-term goal of empowering more than 20 million rural people to achieve gender-transformative results in agriculture by 2030.

C. Country assessment and selection framework

7. In order to decide where to start implementing the GTM, 15 countries in which IFAD has operations were subjected to a rigorous assessment to determine the most promising grant funding opportunities under the GTM. For each country, current and recently completed IFAD projects were assessed across the following three dimensions critical to the GTM's ability to achieve sustainable gender-transformative results at scale:
- **Enabling environment.** This dimension involved evaluating the government's commitment to GEWE in agriculture and rural development; its willingness to further deliver GEWE results; and the capacity and commitment to GEWE of IFAD's government implementing partners.
 - **IFAD country portfolio performance.** This dimension involved assessing the performance of IFAD's country portfolio on GEWE and overall project effectiveness, as well as its contribution to the gender-transformative agenda through strategic country-level engagement.
 - **Potential for scaling up gender-transformative results.** Assessing this dimension involved evaluating the potential for replicating and expanding GEWE initiatives in ongoing or forthcoming donor- or government-led interventions, as well as using lessons learned to further influence GEWE change.
8. Based on the assessment outlined above, **two countries were selected for initial GTM investment – Burkina Faso and India.** In consultation with the IFAD country teams concerned, a project was selected based on a rapid assessment of impact potential and feasibility. The two selected projects are: (i) in Burkina Faso, the Agricultural Value Chains Project in the Southwest, Hauts-Bassins, Cascades, and Boucle du Mouhoun Regions (PAFA-4R); and (ii) in India, the Maharashtra Rural Women's Enterprise Development Project (Nav Tejaswini).
9. During the assessment, it was also found that Ethiopia was a good candidate but would require additional preparatory and scoping work to receive GTM resources. The follow-up investment to the Participatory Small-scale Irrigation Development Programme II (PASIDP-II) could be a good opportunity.

10. **When the GTM expands beyond Burkina Faso and India (and scoping work in Ethiopia), additional assessment criteria will be considered in the selection of projects.** This will include considering only projects in the design stage, which would enable the GTM to leverage greater allocation of IFAD loans and climate finance to gender-transformative programming. The enhanced assessment framework will also: (i) consider the current gender inequalities and climate vulnerabilities in countries; and (ii) include a minimum requirement of **25 per cent climate finance within the IFAD project.**
11. From a portfolio perspective, the selected countries and projects present a strong, diverse mix for implementing the GTM in the first round, which will generate critical lessons to inform an impact-driven subsequent expansion of the GTM in a diversity of contexts.

D. Institutional arrangements

12. The GTM will be a central fund housed at IFAD. It will aim to mobilize additional resources from donors to complement the initial funding from the BMGF. GTM resources will cofinance ongoing and upcoming IFAD-funded projects. To drive efficiencies and lower transaction costs for donors and government partners, the GTM will be established as a stand-alone facility hosted by IFAD. It will pool resources from donors and channel them to partner governments for implementation. The funds will be processed according to existing IFAD processes, procedures, quality assurance mechanisms and fiduciary agreements.
13. Setting up a stand-alone facility would allow greater coherence with the GTM's unique objectives, scope, operating modality and reporting requirements. A separate facility will benefit from a high degree of operational flexibility and lean decision-making processes (e.g. in country selection, project development, approval process and criteria, cofinancing requirements) as well as specialized expertise to advance GTM's unique mandate. A stand-alone initiative will also reach a wider range of potential new GTM donors. The mobilization of other donors is also likely to facilitate additional funding from BMGF.
14. The GTM would be managed by a GTM core team under the direction of IFAD Management and would collaborate with external technical experts as needed. As the GTM mobilizes additional resources from donors, the proposed governance and institutional arrangements may be revised to consider streamlining with other instruments and to include a formal advisory committee with donor representation.