



Gender and Climate Finance

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Climate Finance 10 Fundamentals

DECEMBER 2014

Women, who form the majority of the world's 1.2 billion poorest people, are often disproportionately affected by climate change impacts as a result of persisting gender norms and discriminations. Women and men also contribute to climate change responses in different ways. The Cancun Agreements acknowledge that gender equality and the effective participation of women are important for all aspects of any response to climate change, but especially for adaptation. Gender-responsive climate financing instruments and funding allocations are needed. This is a matter of using scarce public funding in an equitable, efficient and effective way. It also acknowledges that climate finance decisions are not made within a normative vacuum, but must be guided by the acknowledgement of women's rights as unalienable human rights. Many existing climate funds have started out gender-blind, but over the past few years have recognized the need to consider gender retroactively, resulting in important fund structure and policy improvements. In contrast, the new Green Climate Fund, nearing the end of its operationalization process, started out with a mandate to integrate a gender perspective from the outset into its business model framework. It could potentially set new best practice for gender-responsiveness in funding climate actions by addressing not only the way how, but also what it will fund. This note outlines some key principles and actions for making climate financing instruments more responsive to the needs of men and women as equal participants in decision-making about and beneficiaries of climate actions.

Overview

Women form the majority of the world's 1.2 billion people still living in abject poverty. They are often disproportionately affected by climate change impacts. The Intergovernmental Panel on Climate Change (IPCC) in its 5th assessment underscores that climate change hazards increase or heighten existing gender inequalities, thereby contributing to the greater climate change vulnerability of many women. This is largely due to persisting gender norms and widespread gender discriminations that deny women income, legal rights, access to resources or political participation, while assigning them the primary role in caring for their families and providing for their livelihoods, leading to women's marginalization in many communities. Women and men also contribute to climate change responses in different ways and have different capabilities based on their respective knowledge, experiences and expertise to mitigate and adapt. In many cases, women are already engaged in strategies to cope with and adapt to climate change, for example by switching to drought-resistant seeds, employing low impact or organic soil management techniques, or leading community-based reforestation and restoration efforts. And as farmers, entrepreneurs, producers, consumers and household managers, women are powerful stakeholders in implementing low-carbon pathways in developing countries. This makes women important agents of change in the fight against global warming.

Gender in recent UNFCCC Agreements

UNFCCC Decision 1/CP.16 in Cancun confirmed important short- and long-term climate finance goals and provided guiding principles for the finance obligations of Annex II countries under the Convention. Article 7 in the Cancun decision also acknowledged that gender equality and the effective participation of women are important for all aspects of climate change. This is especially relevant for adaptation as the decisions in Cancun and Durban seek a gender-sensitive approach in the framing of new National Adaptation Plans. In Durban, Parties also confirmed the need for gender balance in the composition of two new bodies dealing with adaptation and climate finance respectively, namely the Adaptation Committee and the Standing Committee as well as in the Board and Secretariat of the new Green Climate Fund (GCF). In Doha, UNFCCC Decision 23/CP.18 urged the promotion of gender balance and the improvement in the participation of women in all convention bodies, "in order to inform gender-responsive climate policy."

The Importance of Gender-Responsive Climate Financing

International experience from development programmes indicates that increasing the gender-responsiveness of public climate change funding is an opportunity to improve its effectiveness and efficiency. This is relevant for both adaptation and mitigation financing, as the following examples illustrate.

Sub-Saharan Africa (SSA) is one of the regions most vulnerable to climate change, and the African continent's finance needs for adaptation activities are estimated to be as high as USD 20-30 billion per year. Actual adaptation finance flows approved to the region from funds monitored by CFU are far lower, at only USD 1.03 billion cumulatively since 2003. In SSA, women are still the primary agricultural producers, accounting for around 80 per cent of the region's food production. Women seldom own the land they work on, and are therefore often excluded from formal consultation processes to determine adaptation needs of rural communities and are unable to secure credits or other agricultural extension services. To be effective, scaled up funding for adaptation projects and programmes in Africa that target rural areas and agriculture need to consider the gender dynamics of food production, procurement and distribution within both households and markets. For example, special efforts can be made to include women in capacity-building programmes, consultation outreach, technical assistance and tailored agricultural extension services. Without a gender-sensitive lens, climate financing instruments delivering adaptation funding for Africa can exacerbate current tendencies that discriminate against women. This threatens women's rights and directly contravenes the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), which has been adopted by almost all recipient and contributor countries of international climate finance.

In mitigation, the challenges of urban transport provide a poignant example. More than 90 percent of the top 200 fastest growing cities are located in developing countries. Walking and mass transport are the means of transport for most people in developing cities. A sound business and social case can be made for addressing gender in urban transportation projects, for example through investments in cleaner public systems such as bus-rapid transit (BRT). Analyzing the different needs of men and women for mass transit with respect to affordability, schedule flexibility, trip length and frequency, geographical coverage and density of the transit network and addressing these in designing urban transport will result in multiple wins: increasing ridership, which is the prerequisite for real GHG emissions reductions, as well as the profitability of mass transport systems; lowering transaction costs by optimizing the system for all users; and increasing access of women (who are more dependent on mass transport options) to employment, education and services that strengthen households' productivity and resilience.

There is a growing body of research and literature that confirms the value of integrating gender-awareness into project design and implementation, including its potential to improve outcomes, and thus effectiveness. Ignoring women as a crucially relevant stakeholder group in recipient countries can lead to suboptimal results from the use of climate finance.

Integration of Gender Considerations in Existing Climate Funds

Gender considerations were not integrated from the start into the design and operationalization of existing dedicated climate financing mechanisms. Both outside pressure and internally recognition of sub-optimal outcomes of gender-

blind projects and programmes has led to substantial efforts in recent years in several multilateral climate funds to incorporate gender considerations retroactively into fund programming guidelines and structures. However, the challenge remains to work toward systematic integration and go beyond a gender "add-on". A truly gender-responsive approach to funding climate actions will not only address how funding decisions are made and implemented, but fundamentally alter the focus of funding operations.

The Climate Investment Funds

The World Bank and the regional multilateral development banks implementing the Climate Investment Funds (CIFs) have gender policies for their development financing operations. The World Bank has a mandate to mainstream gender. However, a 2012 comprehensive CIF gender review confirmed that the programs supported by the Clean Technology Fund (CTF), which finances large-scale mitigation in large economies and accounts for 70 per cent of the CIFs pledged funding portfolio of USD 7.5 billion, did not address gender considerations systematically. Initial CTF attempts to acknowledge the importance of gender (in the transport sector, for example) need to be strengthened. Gender is not included in the operational principles of the Pilot Program on Climate Resilience (PPCR), which funds programmatic adaptation portfolios in a few developing countries, although most pilot countries have included some gender dimensions in their programme planning stage. According to the CIF gender review, these vary from the inclusion during project preparation of recipient country government agencies focused on women and gender or gender experts from country missions, to outreach to women's groups as key stakeholders in consultations or the development of gender action plans for specific projects. Gender-responsive programme implementation is the real challenge going forward with only a minority of the projects including gender indicators. Initial investment plans analyzed by the 2012 CIF gender review of the Scaling-Up Renewable Energy in Low-Income Countries Program (SREP), the newest of the CIFs, include information about "environmental, social and gender co-benefits" by identifying women as investment beneficiaries. Efforts to secure greater involvement and empowerment of women and other vulnerable groups appear uneven, however. The CIF gender review identified a variety of concrete measures and tools that could strengthen its gender-responsiveness, including the development of a gender scorecard or detailed guidance on collecting data via gender-responsive indicators. In 2014, a new gender focal point, recommended by the review, started work in the CIF Administrative Unit. She will oversee the implementation of a recently approved two-year CIF Gender Action Plan with a focus on strengthened program and analytical support as well as on monitoring and evaluation.

The Adaptation Fund

Early project proposals to the Kyoto Protocol Adaptation Fund include some gender analysis, though it has been uneven. In July 2011 operational guidelines were adopted that require the inclusion of gender considerations in project and programme planning, as well as in project consultation processes as an important review criterion. In October 2013, a new environmental and social policy was approved, which further strengthened the Fund's attention to gender,

as the policy outlines respect for human rights and support for gender equality and women's empowerment as key principles for the design and implementation of Adaptation Fund projects and programmes.

The Global Environment Facility (GEF), Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF)

The GEF is one of the longest standing international climate funds, but gender considerations until more recently have not been prominent in program review and approval processes, for example for the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF). In 2011, the GEF adopted a Policy on Gender Mainstreaming which requires all existing GEF agencies (mostly MDBs and UN agencies) to be assessed for their compliance with the GEF gender mainstreaming mandate. It also makes the gender capacity of new implementing agencies a criterion for GEF accreditation. All GEF implementing agencies have to demonstrate that they have made efforts to analyze gender considerations in GEF projects. It also requires all implementing agencies to establish policies, strategies, or action plans that promote gender equality and satisfy minimum requirements on gender mainstreaming. Key among these are the use of gender-disaggregated indicators for monitoring, measures to avoid or mitigate adverse gender impacts of projects, as well as the requirement for GEF implementing agencies to have experienced gender experts that can monitor and provide support for the implementation of these minimum requirements. In addition, the GEF Secretariat has worked on strengthening its own gender mainstreaming capacities. A Gender Focal Point at the GEF is tasked with screening attention to gender in proposals and forging networks and collaborations with partners who can support gender sensitive approaches. In October 2014, the GEF Council, its decision-making body, approved the GEF's Gender Equality Action Plan as a concrete road map to implement its gender mainstreaming policy during the GEF's sixth replenishment period (GEF-6, FY15-18). It proposes to establish an Inter-Agency Working Group on Gender and to focus particularly on results management by providing guidance for gender-responsive indicators in focal areas as well as instituting GEF-wide core gender indicators.

These measures will help the GEF's climate work. According to its 2013 Annual Monitoring Review, currently 35 per cent of the GEF's mitigation portfolio and 40 per cent of its adaptation measures show gender mainstreaming efforts. Better integration of gender considerations is crucial for example for the LDCF, which is supposed to fund and implement National Adaptation Programmes of Action (NAPAs), but where women's participation in NAPA development has been uneven, despite clear UNFCCC guidance on this issue.

Good Practices and Experiences from other Global Funds and the Potential of the Green Climate Fund

Recent developments at existing climate funds follow good practices and experiences in other areas of development, where gender considerations have been systematically and effectively included in global financing mechanisms devoted to developing country actions. The Global Fund to Fight Aids, Tuberculosis and Malaria (Global Fund) and

the Global Alliance for Vaccines and Immunizations (GAVI Alliance) have had a gender action plan or a detailed gender policy on the books since 2008. In addition, there is a "gender infrastructure" for both funds. This constitutes a Gender Working Group in the case of GAVI, which includes representatives from all secretariat teams. In the case of the Global Fund, there are several full time gender advisors as well as gender experts on the monitoring, evaluation, legal advisory and civil society outreach teams.

On its own, a formal gender policy or gender action plan for a climate financing instrument is rarely enough. The systematic integration of gender equality in a fund's governance structure as well in its public participation mechanisms is equally important, for example through a dedicated role for gender-focused organizations and women's groups. At the CIFs, civil society representatives can participate as active observers in board meetings with the right to take the floor, add agenda items and recommend outside experts for consideration by a fund board. Such participation by civil society as active observers needs to be gender-balanced and gender-informed and should be replicated, if not surpassed by other funds, including by the GCF.

The GCF has taken some initial steps towards mainstreaming gender responsiveness into its operations. The governing instrument for the GCF includes several references to gender and women in the Fund's objectives, governance and operational modalities, including on stakeholder participation. It mandates gender balance for its staff and Board, for example. Recent Board decisions taken in the context of operationalizing the fund request the formulation of a separate GCF gender policy and action plan as well as the integration of gender considerations in approved operational modalities and policies. These include a gender-sensitive approach, including via sex-disaggregated data collection, to its results measurement framework and anchoring gender-sensitivity in the GCF investment criteria while recognizing that further work is needed. A principles-based gender policy and comprehensive multi-year gender action plan are scheduled for approval at the first GCF Board meeting in February 2015. Thus, the GCF will be the first multilateral climate fund to begin its funding in late 2015 with key building blocks of a gender-sensitive approach to its operations in place.

Key Principles and Actions for Gender-Responsive Climate Financing

The effective use of climate finance requires mainstreaming climate change considerations into development policy and planning, which in turn requires the incorporation of gender considerations in order to achieve sustainable and equitable outcomes. Funding allocations need to be coherent and consistent with national development plans and mitigation and adaptation strategies, which should in turn be developed through gender-responsive, fully participatory and transparent processes involving all relevant stakeholders.

Some key principles and actions to operationalize such an approach include the use of:

- Gender equality as a guiding principle and a cross-cutting mandate for all climate finance instruments, but particularly for the GCF.

- Gender-responsive funding guidelines, allocation criteria and financial instruments for each thematic funding window or sub-fund.
- A beneficiary and people-centred approach to adaptation and mitigation measures, paying particular attention to some of the small-scale and community-based actions, in which women are over-represented, including as owners of micro, small, and medium-sized enterprises in developing countries.
- Explicit gender criteria in performance objectives and results measurement frameworks and for the evaluation of funding options. Such criteria should include a mandatory gender analysis of the proposed project or programme, a gender budget and some clear quantitative and qualitative indicators measuring how projects and programs contribute to gender equality objectives, as well as the systematic collection of sex-disaggregated data. Indicators need to be both project and programme specific, as well as allow for aggregate monitoring and evaluation of gender equality impacts on the fund portfolio level.
- Gender-balance and gender-expertise of an institution's staff as well as its technical advisory bodies and panels to ensure that gender equality principles are integrated in the development of funding, accreditation, and programming guidelines and are considered in programme and project review and the monitoring, reporting, verification and evaluation of a mechanism's funding portfolio.
- Special efforts to seek the meaningful input and participation of women as key stakeholders and beneficiaries in fund-related country coordinating mechanisms to determine a country's funding priorities and throughout the funding cycle of a programme or project from design to implementation to monitoring and evaluation.
- A regular audit of the gender impacts of funding allocations in order to ensure balance between mitigation and adaptation activities and gender-responsive delivery across different scales and geographical foci of activities.
- A robust set of social, gender and environmental safeguards and guidelines and capacity-building support for their implementation that guarantee gender equality, women's rights and women's full participation. These safeguards should comply with existing international obligations, including on human and women's rights, labor standards and environmental law.
- Independent evaluation and recourse mechanisms easily accessible to groups and individuals, including women, affected by climate change funding in recipient countries to allow them to voice their grievances and seek compensation and restitution.

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The Climate Finance Fundamentals are based on Climate Funds Update data and available in English, French and Spanish at www.climatefundupdate.org

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