

Climate Financing for Gender Equality and Women's Empowerment: Challenges and Opportunities

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www.climatefundsupdate.org

Climate change and finance is not gender-neutral

- Women are the majority of the more than one billion poorest worldwide (“feminization of poverty”)
- Women often disproportionately affected by climate change due to persisting gender norms and gender-based discriminations
- Men and women contribute to climate change responses in different ways and have different capabilities to mitigate and adapt – woman as **key actors and “agents of change”**, not just victims
- Recent UNFCCC decisions acknowledge gender equality and effective participation of women as relevant for all climate actions
- Gender-responsive climate financing instruments are needed urgently
- **REASON 1:** using scarce public resources in an **equitable, efficient and effective** way → relevant experience of development finance
- **REASON 2:** climate finance decision are not made within normative vacuum → acknowledge and honor **women’s rights as basic human rights**

Climate Finance Reality

- ▶ So far, dedicated climate finance mechanisms with limited benefit for LDCs and poorest and most disadvantaged within countries;
- ▶ Women as a group generally least considered by climate financing mechanisms
- ▶ SINCE 2008: proliferation of several dozen new bilateral and multilateral instruments and funds → no systematic consideration of gender, only as an “afterthought” unevenly in bits and pieces
- ▶ CHALLENGE: to ensure that gender is an important consideration in ongoing climate finance negotiations and in fund operationalization and disbursement
- ▶ NEEDED: **Double Mainstreaming of sustainable development = mainstreaming** of climate and gender equality considerations into sustainable development policy

The Green Climate Fund (GCF) and gender equality

- GCF governing instrument approved at COP17 in Durban
- Contains five key references to gender -- **first climate fund to integrate gender considerations from the outset**
 - **“gender-sensitive approach”** in section on objectives and guiding principles (Art. 3) → anchoring gender-responsiveness as cross-cutting issue
 - **gender-balance** as goal for Board and Secretariat staff (Arts. 11 and 21)
 - **gender aspects of stakeholder involvement** to develop fund priorities (Art.31)
 - **women as crucial group** for input and participation of strategies and activities of the Fund (Art. 71)
- “bare-bone” structure to be fleshed out during operationalization until COP19 → priorities: safeguards development; stakeholder participation mechanism; direct access modalities
- KEY CHALLENGE: political and funding support for GCF – **gender-responsive, fully funded GCF as important hold for equity in climate process**

Key principles for gender-responsive climate financing

Part I

Experience of existing global funds such as **GAVI** or **Global Fund** is instructive:

- Gender equality as a **guiding principle and a cross-cutting issue**;
- **Gender-responsive funding guidelines and criteria** for each thematic funding window or sub-fund (not just focus on adaptation, mitigation equally important);
- Explicit **gender criteria in performance objectives and evaluation of funding options** need to include mandatory **gender analysis** of the proposed project or program, a **gender budget**, some clear **gender indicators** measuring how projects and programs contribute to gender equality objectives, as well as the systematic collection of **sex-disaggregated data**;
- **Gender-balance and gender-expertise** in all Fund decision-making bodies as well as in the Fund Secretariat to ensure that gender equality principles are considered in program and project review and approval and the monitoring, reporting, verification and evaluation of the GCF's funding portfolio;

Key principles for gender-responsive climate financing

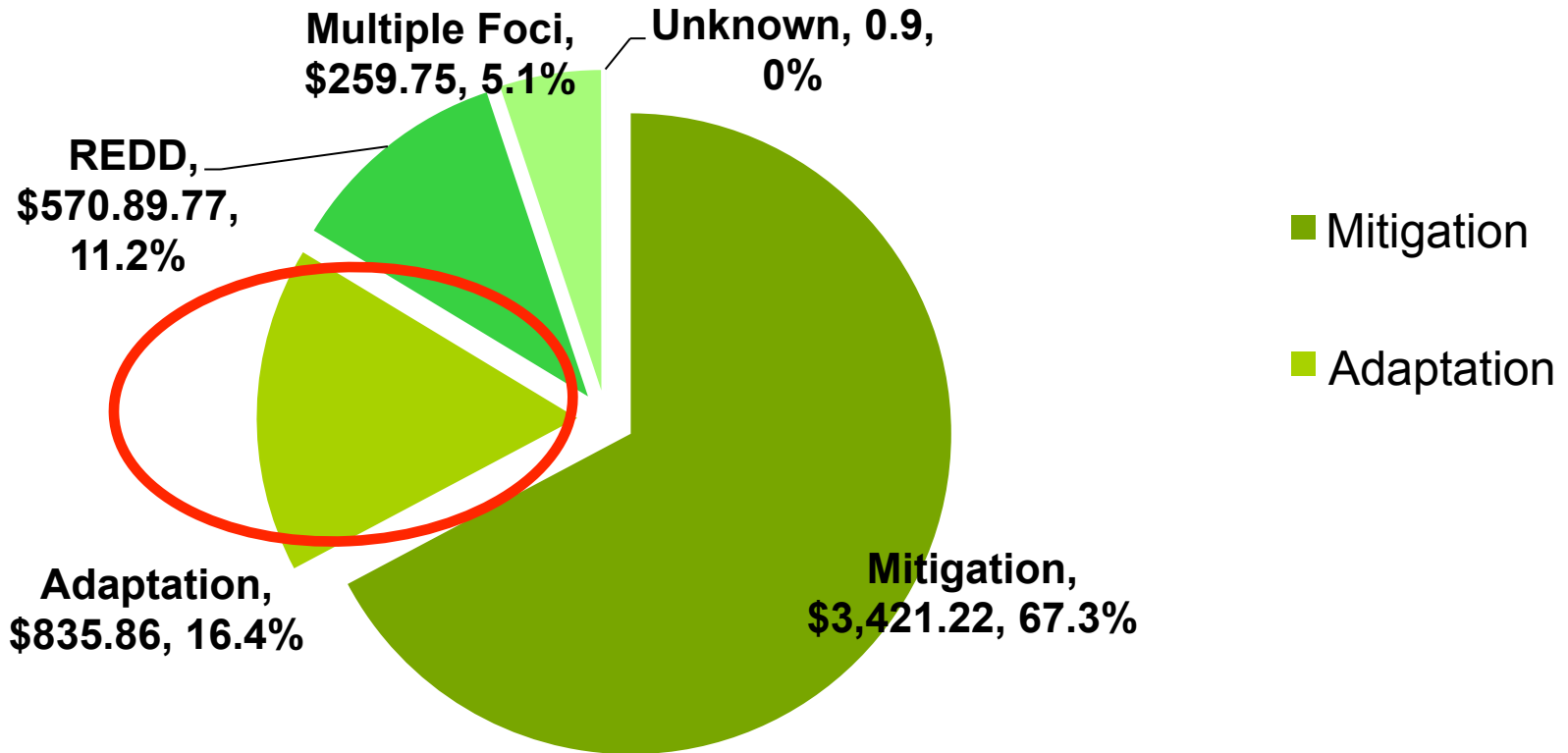
Part II

- Special efforts to seek and financially support **the input and participation of women as stakeholders and beneficiaries** in the planning and preparation, implementation, monitoring and evaluation of a program or project;
- A **regular audit of the gender impacts of funding allocations** in their overview and reporting in order to ensure balance between mitigation and adaptation activities and a gender-responsive delivery;
- A “best practise” set of **social, gender and environmental safeguards and guidelines** that guarantee gender equality, women’s rights and women’s full participation → need to comply with existing international obligations, including on human and women’s rights, labor standards, environmental law;
- An **independent evaluation and recourse mechanism** and regular reporting requirements → allow negatively impacted women to seek redress.

Climate Finance for gender equality – quantity.....

- **Adaptation:** \$20-100 billion per year in 2030 (World Bank WDR 2010)
 - >\$67 billion per year by 2020 (African Group, 2009)
 - \$28-59 billion per year by 2030 (UNFCCC, 2008)
- **Mitigation:** \$ 139-175 billion per year in 2030 (WDR 2010)
 - \$200 billion per year by 2020 (African Group, 2009)
 - > \$65 billion per year by 2030 (UNFCCC, 2008)
- Important role of private sector and carbon markets → up to $\frac{3}{4}$ of current investments (as loan and equity instruments)
- Traditional profit-maximizing focus and narrow cost-benefit analysis of private investments **don't integrate intangible norms, goals & values** such as gender equality
- Key role for public sector finance to address **social, gender, environmental co-benefits** of climate actions → need honest discourse about respective roles for public and private finance → need to address **underfunding of adaptation**

Approved Dedicated Climate Funding by Funding Theme,
in US\$ Million



Source: www.climatefundsupdate.org ; 2/22/2012; funding approved by 22 listed climate funding initiatives

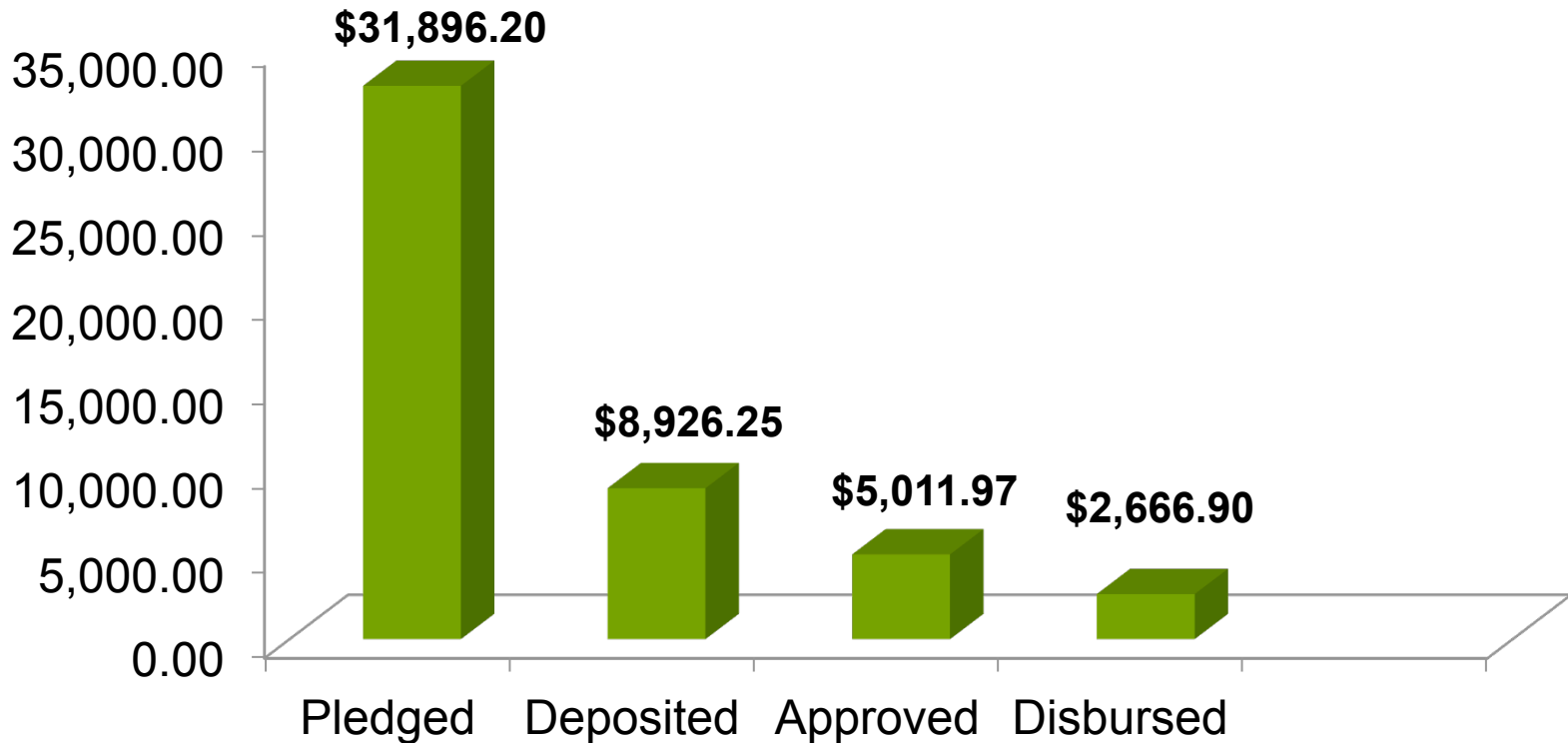
... and quality matters

- ▶ UNFCCC FINANCE CRITERIA (Bali Action Plan 2008): **adequate, predictable, sustainable, new & additional** (= no uniform definition; civil society: on top of development assistance & recognized ODA goal of .7% of GNI)
- ▶ Needs to address linkages between sustainable development, poverty eradication and necessary climate action by financing **low-carbon, climate-resilient and gender-equitable measures** in developing countries
- ▶ Not “**climate aid**” but **mandatory and compensatory transfer payments North to South** (UNFCCC preamble: “*common but differentiated responsibilities and respective capabilities...*” -- > expression of the polluter-pays-principle (Rio Principle 16) and global equity and justice considerations
- ▶ Should be delivered as **grants** (minimum for adaptation, LDCs and SIDS), not in form of loans → reliance on climate loans can hurt women severely
- ▶ Democratic core principles (**accountability, transparency, public participation in decision-making**) key to make CF more gender-equitable (Rio Principle 10)

Gender as “afterthought” in existing funds

- Dedicated funds rely mostly on voluntary payments, not budget assessments = unpredictability of funding; pledges lag behind (see graph)
- Many have only started recently (2-3 years) to implement programs
- Gender equality was NOT a consideration in the set-up of these funds
- Retroactive, but not systematic integration of some gender aspects.
 - **WB Clean Technology Fund (CTF)** has no gender-integration
 - **WB Pilot Program on Climate Resilience (PPCR)** does not include gender in operational principles, but has some gender dimensions in project proposals
 - **WB SCREP** requests the inclusion of “social and gender co-benefits”
 - **REDD programs (WB FIP and UN-REDD)** have guidelines targeting women in consultations
 - **Adaptation Fund** – revised operational guidelines in July 2011, making inclusion of gender consideration an important review criterion for application
 - **GEF (LDCF and SCCF)** – only 1/3 of NAPAs with gender integration; but GEF with new gender mainstreaming policy and improved gender expertise since 2011

Current Funding: Pledged vs. Deposited vs. Approved vs. Disbursed
Total of 22 dedicated climate funds, in US\$ millions



Source: www.climatefundsupdate.org; January 31, 2012

Climate-relevant ODA and gender equality

- Despite dedicated climate funds, including GCF, **climate-relevant ODA** (bilateral and multilateral delivery) important → significant share of total
- OECD-DAC: bilateral climate-aid was US\$22.9 billion in 2010 (15% of total ODA) with 2/3 for mitigation, 1/3 for adaptation
- Opportunity and challenge for gender-responsive climate aid (example of IDA 16 – focal areas climate change AND gender equality); many development agencies (bilateral & multilateral) have gender (mainstreaming) policies and mandates
- **BUT: more and better efforts needed** (staff training; change in incentive and promotion structures; overcoming isolation of too few gender experts; focus of gender mainstreaming efforts insufficiently in sectors and policies of climate relevance such as energy, transportation infrastructure, agriculture, macroeconomics)

Closing the accountability gap thru gender audits

- Accountability and transparency in global climate finance flows lacking → quantity, quality of flows and beneficiaries not tracked sufficiently
- REASON: no common reporting format, no mandatory reporting guidelines
- NEED: **regular gender audit of climate-relevant spending** to show improvement – or lack thereof – over time
- POSSIBLE IMPROVEMENT – further development of OECD-DAC marker system → could be win-win for gender-responsive climate financing
- OECD-DAC system has markers for both gender equality and for climate spending (“Rio Markers”) → correlation of both markers and regular analysis of and reporting on results is technically feasible and desirable
- EXAMPLE: sample for 2009 data (at request of author) showed roughly 800 projects worth US\$1.5 billion were marked as contributing to gender equality and having a mitigation focus (=17 % of all climate-relevant aid)

Resources on Climate Finance Information

- ▶ **Information on FAST-START FINANCE**
 - ▶ Voluntary website by individual contributing and recipient countries, www.faststartfinance.org
 - ▶ World Resources Institute FSF Tracking: www.wri.org
- ▶ **Information on Climate Financing Instruments, including Carbon Funds**
 - ▶ World Bank/UNDP website: www.climatefinanceoptions.org.
 - ▶ PROBLEM: no tracking of actual funding flows
- ▶ **Civil Society Tracking Efforts for Dedicated Climate Funds, Pledge to Project**
 - ▶ ODI/Böll Foundation Cooperation, www.climatefundsupdate.org
- ▶ **Information on Climate-Relevant ODA Flows**
 - ▶ OECD website, www.oecd.org/env/cc/financing
 - ▶ www.climatefundsupdate.org

Further Information:

Heinrich Böll Stiftung North America: www.boell.org

Climate Funds Update: www.climatefundsupdate.org

- **Information on Climate Finance and the Green Climate Fund**
<http://www.boell.org/web/140.html>
- **Information on Gender and Climate Change/Financing**
<http://www.boell.org/web/141.html>

THANK YOU !