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Gender and Climate Finance – Double Mainstreaming for Sustainable Development

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Climate Change is not Gender-Neutral

- **Women** ,who form the majority of the world's 1.4 billion people still living in abject poverty, are often **disproportionally affected by climate change impacts**, largely **because of gender norms and widespread gender discriminations** that deny them income, legal rights, access to resources or political participation, while assigning them the primary care for their families and their livelihoods. This contributes to their marginalization in many societies.
- Suffering from gender-based vulnerabilities to climate change, **women are more often victims of climate change** than men; however, women also possess knowledge of and experiences in capacities to mitigate as well as strategies to cope and adapt, which makes them **important "agents of change" in the fight against global warming.**

The UN Framework Convention on Climate Change, Gender and Climate Finance

- While the UN Framework Convention on Climate Change does not contain a single article with reference to gender or women (in contrast to other Rio Conventions such as the Convention on Biological Diversity, CBD), in recent years incremental progress has been made in climate negotiations, including at COP 16 in Cancun last year. **Article 7 of the Cancun Agreements** acknowledges that gender equality and the meaningful participation of women are important for effective action on all aspects of climate change.
- The Cancun Agreements also confirmed important **short- and long-term climate finance goals** and with it the obligation of developed country parties, including all EU countries, to provide "predictable, new and additional" funding to developing countries to help them with their urgent climate actions in mitigation, adaptation and forest conservation (REDD+)

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Gender Equality Improves the Effectiveness of Climate Action and Climate Financing

- Gender-differentiated capabilities and vulnerabilities in the context of climate change demand **gender aware and gender-equitable climate financing instruments and funding allocation and disbursement**.
- This is on the one hand **a question of efficiency and effectiveness of funding for climate action** -- ignoring women as a most relevant stakeholder group in climate finance will lead to sub-optimal results. This is analogous to the experience from development programs which shows that integrating gender-awareness in project design and implementation improves development outcomes and thus the effectiveness of development finance (IEG Report for the World Bank; MDG Summit Process; recent World Development Report on gender and development; Paris Aid Effectiveness Indicators).
- It is on the other hand **a matter of existing obligations under international environmental and human rights law**. Climate finance decisions are not made within a normative vacuum. A human rights based-approach to climate change action and financing acknowledges that without consideration of the impacts of funding adaptation and mitigation actions, human rights violations are likely. Human rights and women's rights are indivisible. Climate change actions and financing decisions that do not differentiate between men and women can effectively discriminate against women.

Needed: Double-Mainstreaming of climate-proofing and gender equality into development

- However, so far modern climate finance mechanisms have generally failed to address women as a group. Their explicit consideration beyond their being grouped into a vague reference to "vulnerable groups" is needed. To date, **public climate change funding is still largely gender-blind**. This is irrespective of whether the funding is provided via dedicated multilateral and bilateral climate financing instruments, including those set up by the EU and its member countries, or channeled as climate-relevant development finance (and classified as such under the OECD-DAC "Rio Markers" system)
- The challenge is to **ensure that gender equality is an important consideration in ongoing climate and development finance negotiations and in fund operationalization and disbursement** (this is relevant in the UNFCCC context, the G7/8 and G20 context, the World Bank and Regional Development Banks, but also includes the European Investment Bank as the EU'sB ank and bilateral finance institutions such as EU member countries' national development banks).
- What is needed in public climate change financing is a **double mainstreaming approach** – namely the "mainstreaming" or climate-proofing of development policy, which at the same time incorporates a gender mainstreaming approach to reach the goal of truly **low-carbon, climate-resilient and gender-equitable development**.

Climate Funding Reality and Needs—A Matter of Quantity and Quality

- Looking at the reality of climate change financing, it becomes apparent that there remains **a significant gap** between financing needs of developing countries and financing provided by developed countries. (According to WDR 2010, estimates for adaptation are up to US$ 100 billion per year in 2030, with mitigation up to US$175 billion).

- Dedicated multilateral and bilateral financing mechanisms rely mostly on **voluntary payments instead of mandatory budgetary assessment of developed countries**, with contributions and disbursements lagging far behind pledges (as of October 2011, funding pledged in some 20 dedicated bilateral and multilateral climate finance mechanisms is roughly US$ 32 billion for adaptation, mitigation and REDD+, with only roughly US$ 13,2 billion deposited and even less, US$2,4 billion disbursed; *Source:* *www.climatefundsupdate.org*)

- **Equally important as the quantity of climate financing, is its quality**. It should be **adequate** to deal with the climate change challenge and funding need; **predictable** to allow for long-term funding security and thus programmatic instead of the current project-by-project approaches; based on the common but differentiated responsibilities **("polluter pays"**); utilizing **new** and innovative financing instruments (such as levies on transportation fuels or a financial transaction tax) and be **additional** to (= on top of) existing development assistance obligations, so as not to undermine or divert from development challenges.

- These **qualitative principles and criteria for public climate change funding are crucial – and gender-relevant**. For example, where adaptation financing is delivered to poor developing countries as concessional loans, not grants, it contributes to the debt burden many LDCs and SIDS are already facing, leading often to cuts in social-sector programs, which generally benefit women by lessening and supporting their care roles.

- Since public climate change finance is utilizing taxpayer's money, the governance and disbursement of funding for climate change action need to conform to **democratic core principles such as transparency, accountability and public participation in decision-making**. Applying these democratic core principles is the prerequisite to make climate change funding more gender-equitable by providing women in recipient countries with the information and knowledge to participate meaningfully in stakeholder and consultation processes for climate finance issues and insure their inclusion in climate finance decision-making bodies.

Engendering Climate Finance -- Some Key Principles and Actions

- **Gender equality should be a guiding principle and a cross-cutting issue** (on par with addressing capacity-building and technology needs) for all climate finance instruments. It should certainly become a central principle of the new Green Climate Fund. It is possible to include gender systematically and effectively in a global financing mechanism devoted to developing country actions for a global public good, such as climate stabilization undoubtedly is. Some "better practice" examples do exist. Both, the Global Fund to Fight Aids, Tuberculosis and Malaria (Global Fund) and the Global Alliance for Vaccines and Immunizations (GAVI) have had either a **gender action plan** or a **detailed gender policy** on the book since 2008. In addition, they have a "**gender infrastructure"** on both funds: 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 gender experts on the monitoring, evaluation, legal advisory and civil society outreach teams. Most existing climate finance instruments have not integrated gender into the design and the operationalization from the very outset, although several are now **slowly starting to "retrofit" gender** into their operations (as is the case for the World Bank's Climate Investment Funds (CIFs) as well as for the Least Developed Countries Fund (LDCF) or the Special Climate Change Fund (SCCF) administered by the Global Environment Facility, and the Adaptation Fund, which only started project funding last year). This is where the Green Climate Fund, currently designed by the 40 members of the Transitional Committee, has a chance to do better. (The EU as observer in the TC has supported gender equality; however, only a few of EU countries have publicly championed the issue in the TC process).

- **Gender-responsive funding guidelines and criteria** should be developed for each thematic funding instrument or window. For example in mitigation, this would mean a balancing of the current bias of mitigation finance toward large-scale projects in just a few emerging market countries (the experience with the Clean Development Mechanism, CDM, or the Clean Technology Fund) toward smaller scale , community and energy access focused emissions reductions efforts which highlight women's contributions with a focus on scaling up and aggregating low-tech mitigation efforts (such as cook stoves, or decentralized off-grid renewable solutions such as small biomass, solar or small hydro). These efforts are currently too frequently relegated to micro-finance and a pilot-project approach. For REDD finance schemes, this would necessitate to recognize and explicitly incorporate the special role that women and Indigenous Peoples have in forest stewardship as well as addressing gender-differentiated tenure and ownership rights centrally.

- **Explicit gender criteria** must be included in the performance objectives of climate finance instruments. Such criteria should include a **mandatory gender analysis** of a proposed project or programme, a **gender budget** and some **clear indicators** measuring how funded projects and programmes contribute to gender equality objectives. In this context, it is very important to stress the **importance of systematically collecting sex-disaggregated data** (by establishing a program or project baseline and following it throughout implementation and evaluation). This is to not only counter the current lack of sex-disaggregated data as basis for climate finance decisions, but also a prerequisite for an increased focus on and budget allocations for climate actions that also contribute to gender equality and women's empowerment.

- Funding instruments should **set aside or earmark funding for gender equality** as a focal area of programming, or even a special women's sub-fund or facility.

- **Gender balance in all decision-making bodies of climate funding instruments** should be guaranteed, including on a fund's board or on possible sub-boards. In addition to gender balance, fund boards should **include gender experts**. Following the precedence established in several climate funding instruments (the CIFs or the Amazon Fund for example), members of civil society, including representatives of gender equality and women's rights organizations, should be given opportunities as active observers to take the floor, add agenda items and recommend outside experts for consideration by a fund board. At the CIFs, special representation is accorded to Indigenous Peoples with a separate seat that is not counted toward the overall civil society quota. Women deserve no less.

- Equally important is **gender-balance and gender-expertise of an institution's staff administering climate funding**. This is necessary to help ensure that principles of gender equity are considered in programme and project appraisal and review, and the monitoring, reporting, verification and evaluation of a mechanism's funding portfolio.

- The **input and participation of women as stakeholders and beneficiaries** must be guaranteed at each level and step (decision-making, program/project implementation) ex ante, ongoing and ex post in climate change funding. Climate funds should provide resources to enable women's groups and other community and civil society groups to fully engage.

- **Allocation of funding** should be coherent and consistent with national development plans and national mitigation and adaptation strategies (PRSPs, NAPAs, NAMAs, NAPs) that have been developed in a **country-driven, gender-sensitive, fully participatory and transparent process**. These plans and strategies need to take into account the special needs of vulnerable people, including women and Indigenous Peoples, local communities and ecosystems and the contributions of traditional and indigenous knowledge. However, the moment, only about a third of NAPAs are gender-aware, most NAMAs don't include gender at all. Funding support for the development of such plans needs to support and encourage the inclusion of gender considerations.

- Climate finance instruments must include a **regular gender-audit of their funding allocation** in their overview and reporting in order to ensure a balanced (between mitigation and adaptation) and gender-responsive delivery. Currently, adaptation financing, which has a clear gender component, is chronically underfunded. This must be addressed in EU fast start finance and long term finance commitments. The EU and its member countries should deliver adaptation financing exclusively in form of grants.

- All climate financing instruments or programmes must have a **robust set of social, including gender, and environmental safeguards and guidelines for their implementation** that guarantee gender equality, women's rights and women's full participation. These safeguards and guidelines need to be developed with stakeholder input and participation, including from women's groups, and comply with and support existing international obligations, including on human and women's rights, labor standards and environmental law.

- Lastly, climate financing instruments or programmes should establish **an independent evaluation and recourse mechanism and regular reporting requirements** which should also address if and how funding activities are promoting gender equality. Groups and individuals affected by climate change funding, including affected women in recipient countries, should be able to address their grievances.

Role of European Union and European Parliament

- As the **world's largest collective provider of climate-relevant development finance and dedicated climate finance**, the European Union and its 27 member countries have a **special responsibility to act as global trend-setter in ensuring gender-equitable climate financing** as well as in fulfilling international obligations under the UNFCCC by providing predictable and sustainable, new and additional climate finance both short- and long-term. The upcoming COP 17 in Durban, the negotiation process for a new Green Climate Fund and the discussion about sources of climate financing in the G20 context provide important opportunities for such EU leadership.

- It is the role of both the European Commission and the European Parliament to ensure and to demand that the **gender policies and gender equality principles already on the books within the European Union are implemented coherently** (for example as layed out in the EU Roadmap for Equality between Women and Men or the European Consensus on Development) in all development and environment and climate actions of the European Union and its member countries

- The European Parliament as the representation of the European people has as **special responsibility to hold the EU Commission accountable for the way European tax payers' money is spent in EU institutions and programs**. It should demand that climate and development financing utilized within the EU's border, its neighboring regions, and around the world is contributing to low-carbon, climate-resilient and gender-equitable development pathways. This would include money spent via the European Investment Bank (which lacks an explicit gender policy and gender-aware funding guidelines), as well as money distributed via the EU's two climate financing initiatives, the Global Climate Change Alliance (GCCA) and the Global Energy Efficiency and Renewable Energy Fund (GEEREF), both of which are currently not gender-aware.