Climate Funds Update

HEINRICH BÖLL STIFTUNG
NORTH AMERICA

ODI

Gender and Climate Finance

Liane Schalatek, Heinrich Böll Stiftung North America
with **Smita Nakhooda**, Overseas Development Institute

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Women, who form the majority of the world's 2 billion poorest people, are often disproportionally 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 climate funds 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 Green Climate Fund, which weeks before COP 21 in Paris approved its first projects, started out with a mandate to integrate a gender perspective from the outset into its operational and policy frameworks. It could 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 as beneficiaries of climate actions

Overview

Women form the majority of the world's 2.2 billion people still living on less than US$ 2 a day (World Bank, 2011), most of them in South Asia and Sub-Sahara Africa. 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 National Adaptation Plans (NAPs). 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 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." In Lima, UNFCCC Decision 18/CP.20 tasked the Parties to "achieve gender-responsive climate policy in all relevant activities under the Convention" and established a two-year work programme with in-session technical workshops and the development of technical guidelines focused on implementation. The gender dimension of climate change is now addressed as a standing item under the UNFCCC. At COP 21, Parties anchored gender equality and the empowerment of women as a core principle in the Paris Agreement's pre-amble. The Paris Agreement also mandates gender-responsive adaptation and capacity-building efforts,

but fails to integrate gender-specific language in its mitigation, technology, or finance section. Advocates hope that these issues can be given prominence in implementation based on outcomes pre-2020, including a new UNFCCC gender work programme scheduled to be approved at COP 22 in Marrakesh

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 50-100 billion per year by 2050 (UNEP, 2014). Actual adaptation finance flows approved to the region from funds monitored by CFU are far lower, at only USD 1,483 million cumulatively since 2003. In SSA, women are still the primary agricultural producers, accounting for around 80 per cent of the region's food production (FAO, 2015). 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, food security 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, including access to appropriate financing products. Without a gender-responsive 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 on 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 (World Bank, 2015). 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 as well as gender-specific security concerns of women 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. Likewise, women entrepreneurs in developing countries providing crucial services to communities are mostly concentrated in micro and small-scale enterprises and often disadvantaged (because of cultural biases or lack of collateral) in accessing affordable and patient small-scale loans for investment in greener technologies. Gender-responsive, climate fund supported, private sector initiatives addressing the needs of micro-, small- and medium-sized enterprises can provide targeted help.

There is a growing body of research and literature that confirms the value of integrating gender-responsiveness 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 most existing dedicated climate financing mechanisms. Both outside pressure and internal 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. Over the past year, climate funds have also improved collaborative efforts and expert exchange on helping each other to improve the gender-responsiveness of their operations. 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 will 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 2013 comprehensive CIF gender review confirmed that the CIFs needed to do much more to address gender considerations systematically. Specifically 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 8.1 billion, fell short. 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. This includes gender experts in country missions or outreach to women's groups as key stakeholders in consultations in the programme planning stage. While efforts to secure greater involvement and empowerment of women and other vulnerable groups in the CIFs remain uneven, several of the recommendations of the CIF gender review have been taken up. Investment criteria under the Forest Investment Program (FIP) and the Scaling-Up Renewable Energy in Low-Income Countries Program (SREP), the newest of the CIFs, do include gender equality as either a co-benefit or core criteria, and the technical review of investment programs for the PPCR, FIP and SREP is supposed to monitor gender dimensions. All three programs (but not the CTF) also now include at core and co-benefit level. In 2014, a new gender focal point started work in the CIF Administrative Unit. She oversees the implementation of a two-year CIF Gender Action Plan (FY15-16) with a focus on strengthened program and analytical support as well as on monitoring and evaluation, including through annual reporting of gender indicators and CIF gender portfolio scorecards. While preliminary analysis of FY15 showed improvements for most CIFs under the CIF Gender Action Plan, the gender-responsiveness of the CTF continues to lag behind.

The Adaptation Fund

Early project proposals to the Kyoto Protocol Adaptation Fund included some gender analysis, though 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 equity and women's empowerment as key principles for the design and implementation of Adaptation Fund projects and programmes. A Board-mandated review of the integration of gender considerations in Adaptation Fund policies and procedures in mid-2015 found that while significant progress has been made, a systematic and comprehensive gender equality approach was lacking. The Fund's Board in October 2015 therefore decided to move forward with the development of its own gender equality policy. The Adaptation Fund Gender Policy and a multi-year gender action plan (FY17-19) were adopted after a consultative process in March 2016.

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 (GEAP) as a concrete road map to implement its gender mainstreaming policy during the GEF's sixth replenishment period (GEF-6, FY15-18). The establishment of the GEF Gender Partnership as an inter-agency working group involving implementation partners, Secretariats of other multilateral environmental agreements and civil society, and focusing on results management by providing guidance for gender-responsive indicators in focal areas as well as GEF-wide indicators, are centre pieces of the GEAP.

These measures will help to bring the gender-responsiveness of GEF's climate mitigation work, where only 18 per cent of projects reviewed in 2014 addressed gender, on par with other GEF focal areas, which have made significant improvements at integration gender concerns, including in climate change adaptation (80 per cent of 2014 projects), land degradation (78 per cent) or international waters (75 per cent).

The Green Climate Fund

The GCF is the first multilateral fund to begin funding with key building blocks for a comprehensive gender-responsive approach to its operations in place. The governing instrument for the GCF includes several references to gender and women in the Fund's governance and operational modalities, including on stakeholder participation and anchors a gender mainstreaming mandate prominently under its funding objectives and guiding principles. It mandates gender balance for its staff and Board. Board decisions taken in the context of operationalizing the fund requested the formulation of a separate GCF gender policy and action plan, both of which were approved in March 2015 after some delay, but equally importantly also the simultaneous integration of gender considerations in approved essential operational modalities and policies. These include the integration in the GCF's accreditation approach by requiring GCF implementing entities to have own gender policies or action plans as well as the capacity and track record to implement in compliance with the GCF gender policy. Gender impacts of GCF funding proposals are considered in the investment framework via several sub-criteria in a technical expert review. And every project/program proposal in order to be considered for Board approval must include a project/program-specific gender action plan. The GCF results management and performance measurement framework mandates the collection of sex-disaggregated data for both its mitigation and adaptation portfolio. A senior social and gender specialist on the Secretariat staff is tasked to oversee implementation of a principles-based gender policy and comprehensive three-year gender action plan (FY14-17). In addition to accountability for monitoring gender impacts of GCF-funded actions, both focus on increasing the gender competencies of GCF staff, key advisory and decision-making bodies and on gender capacity-building for the Fund's external partners (National Designated Authorities and Implementing Agencies), including through the GCF Readiness and Preparatory Support Programme. In mid-2016, a consultative review process for improving the GCF gender policy and action plan has started.

Good Practices and Experiences from other Global Funds

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 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.

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 that are respecting the human rights for example of Indigenous Peoples.

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

- Gender equality and women's empowerment as guiding principles and a cross-cutting mandate for all climate finance instruments rooted in a human-rights based approach.
- Gender-responsive funding guidelines, allocation criteria and financial instruments for each thematic funding window or sub-fund.
- A beneficiary and people-centered 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 in the informal sectors and 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 project/programme-specific gender action plan, 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, including through a special focus on participatory monitoring approaches.
- 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.climatefundsupdate.org**

Overseas Development Institute
203 Blackfriars Road | London | SE1 8NJ | UK
Tel:+44 (0)20 7922 0300

Heinrich Böll Stiftung North America
1432 K Street | NW | Suite 500 Washington | DC 20005 | USA
Tel:+1 202 462 7512