

# Gender and Climate Finance: Double Mainstreaming for Sustainable Development



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## Executive Summary

Climate change is real, it is happening already, and its impacts on people are not gender-neutral. It is affecting men and women all over the world differently, especially in the world's poorest countries and amongst the most vulnerable people and communities. As women and men have different adaptive and mitigative capabilities, the financing instruments and mechanisms committed to climate change activities in mitigation and adaptation need to take these gender-differentiated impacts into account in funds design and operationalization as well as concrete project financing.

So far, environmental financing mechanisms have provided only limited benefits for the Least Development Countries (LDCs) and the poorest and most disadvantaged within those countries. Women as a group are generally least considered by modern environmental financing mechanisms. The reasons are manifold and can be found among those impeding women's development all over the world. They range from a lack of access to capital and markets, to women's unrecognized and uncompensated care contributions, to lacking legal protection and ownership rights to cultural and societal biases against women's engagement in learning, political participation and decision-making processes.

The last few years have seen a proliferation of several dozen new instruments for climate financing with a multitude of actors. These new mechanisms range from bilateral and national funds to multilateral ones under the auspices of the UN and the World Bank and the Multilateral Development Banks (MDBs), carbon funds as well as the prospect and promise of regional and national cap-and-trade schemes where auctioning of pollution permits could yield billions of dollars in proceeds to be used for mitigation and adaptation efforts. Yet, so far none of these new financing initiatives has been engendered. The challenge and the potential is to ensure that gender differentiated impacts and capabilities are an important consideration in ongoing climate finance discussions and in fund operationalization.

According to the UNFCCC's Bali Action Plan, financing for climate change has to fulfill a set of non-negotiable criteria to convince the developing world to do its share in reducing (largely future) greenhouse gas emissions: it has to be adequate, sustainable, predictable, and new and additional (not replacing existing flows of Overseas Development Assistance, ODA). Several financing proposals have discussed the need to base such financing on the "polluter pays" principle. In climate talks, negotiators have honed in on the "3 Es" – efficient, effective and equitable – as important attributes for any future global climate financing agreement. The demand for equity – climate justice in other words – in particular points to the "common but differentiated responsibilities and respective capabilities..." that poor and rich countries share in combating global climate change according to the UNFCCC preamble.

These efforts will have to address linkages between development, poverty eradication and climate action head on. So far completely missing, if sorely needed, from the normative set of climate finance fundamentals and any international discussion thereof is the gender dimension. The time to act is now: many of these new climate funds are currently rolling out their first pilot projects. Gender guidelines and criteria need to be an integral part of operating procedures and project outlines, not an afterthought or an artificial add-on.

The experiences of mainstreaming gender in development efforts can be instructive, and tools developed in this context can likewise be adapted and utilized for making climate financing instruments more gender equitable. These include, but are not limited to gender sensitive indicators; gender analysis of project and program designs; gender-inclusive consultation, implementation, monitoring and evaluation; possible gender finance quotas or set-asides via gender responsive budgeting processes applied to project funding; as well as mandatory gender audits of funds spent. However, the single most important tool in advancing fair and gender-equitable climate finance mechanisms – and apparently still the most illusive – is a political commitment on every level to take gender seriously in combating climate change.

There can be no fair and equitable global climate agreement without a comprehensive global climate financing understanding. And this understanding can only be fair, equitable and comprehensive when it incorporates gender awareness and strives toward gender equitable climate financing solutions.

No doubt: the proliferation of funds and actors in global climate finance will continue for the foreseeable future. As there is still a lot of reluctance to consider and ignorance about the relevance of gender in making climate financing mechanisms effective contributors to long-term sustainable development, any gender-focused advocacy strategy addressing the issue of financing for adaptation and mitigation will have to be multipronged and look for a variety of access points and opportunities, among them:

- First and foremost, raise the gender-awareness and commitment to gender equity with all institutions and donors (multilateral, bilateral, national and private) in the new climate finance architecture.
- Shift the focus of the global discussion on climate change away from a primarily technocratic exercise to one employing the language of global justice and human rights, including the right to development and gender equity.
- Develop a set of gender-sensitive criteria for all new climate finance mechanisms supporting adaptation, mitigation, capacity-building and technology transfer. This includes the funds administered under the UNFCCC and the GEF as well as the CIFs and bilateral funds.
- Strive to incorporate gender-specific language and gender considerations in the outcome document of the COP 15 in Copenhagen so that gender does feature explicitly in a post-Kyoto agreement under the UNFCCC, specifically with reference to financing, capacity building and technology transfer.
- Require the UNFCCC Secretariat to develop a Gender Plan of Action, following the example of other UN agencies. The recent development of a CBD Gender Plan of Action could be helpful for the UNFCCC. Such a Gender Plan of Action should cover all areas of work and programs by the Secretariat, especially its assistance to the Parties and its work on financing mechanisms.
- Demand the development of gender guidelines or a Gender Plan of Action for the Global Environment Facility with the goal of mainstreaming gender in all its six work areas, including on climate change, so that UNFCCC climate funding administered by the GEF is distributed with gender-equity as one of the funding criteria.
- Demand that the World Bank and the MDBs allocate their funding under the CIFs and related MDB funds as grants, not repayable loans. Women are often harmed the first and most severely when public sector programs are cut in times of a developing country's balance-of-payments crisis.
- Ensure the generation and collection of sex-disaggregated data in all sectors relevant to climate change by governments, international organizations and financial institutions. International institutions (f.ex. the World Bank as a "knowledge bank" or the UNFCCC and the GEF) have an obligation to assist developing country governments and civil society stakeholders in gaining access to such information. With respect to gender, the old adage is true: what is not counted, does not count.
- Demand mandatory periodic gender-audits of just-established and future new climate funding mechanisms, particularly those operating with public funding. These include funds under the UNFCCC and the GEF, but also the CIFs as well as bilateral funds. The results of these audits should be publicly accessible.
- Develop transparent gender budgets for projects and programs financed via recent and future publicly financed climate funding mechanisms.
- Improve the participation of women (political and business leaders, gender experts, from disadvantaged groups such as local communities, and indigenous peoples) in stakeholder and consultation processes for climate finance instruments and ensure their inclusion in decision-making bodies for these instruments, such as Trust Fund Committees.