Gender & Climate Finance

POLICY BRIEF

KEY MESSAGES

- Women possess an extraordinary—and often underappreciated—potential to contribute to climate change mitigation and resource management.
- Until recently, initiatives to empower women as agents of change have remained woefully neglected in climate policy and finance circles.
- High transaction costs and gender biases hinder small-scale, bottom-up project development and access to finance, despite the significant social development and mitigation impacts of these projects.
- Links between gender and climate change are nonetheless gaining greater recognition. As a result, international policy makers are demanding inclusive and gender-sensitive approaches that demonstrate how climate finance can be channeled to achieve a greater impact.
- An enabling environment that can support a policy dialogue, capacity development, and pilot projects will be critical to this inclusive approach and making climate finance work for women.
- Climate finance accountability is needed through development of a systematic and ambitious approach to auditing the gender responsiveness of climate projects and financial flows.
- Now is the time to seize the momentum to make truly inclusive mitigation action a reality.

Effective. Efficient. Equitable.

MAKING CLIMATE FINANCE WORK FOR WOMEN

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1. INTRODUCTION

Women in developing countries possess an extraordinary potential to contribute to climate change mitigation. On the international climate policy stage, the positive impact women can have on their environment and on sustainable development goals has generated widespread demand for more inclusive climate action and gender-sensitive[2] financing channels. Answering this call, the Asian Development Bank (ADB) launched a regional technical assistance (TA) project with a grant from the Nordic Development Fund that demonstrates how developing countries can be supported to voice a demand for inclusive mitigation action.

The TA aims to create a gender-sensitive enabling environment in Cambodia, the Lao People's Democratic Republic (Lao PDR), and Viet Nam through the following measures:

1. **Creating a policy dialogue partnership** among policy makers faced with climate change issues and women's organizations charged with mainstreaming gender.
2. **Developing the capacity** of key stakeholders to mainstream gender into climate policies and access climate finance.
3. **Proactively affecting country-level pipeline projects** and supporting replication and scaling up of gender-responsive climate finance projects.

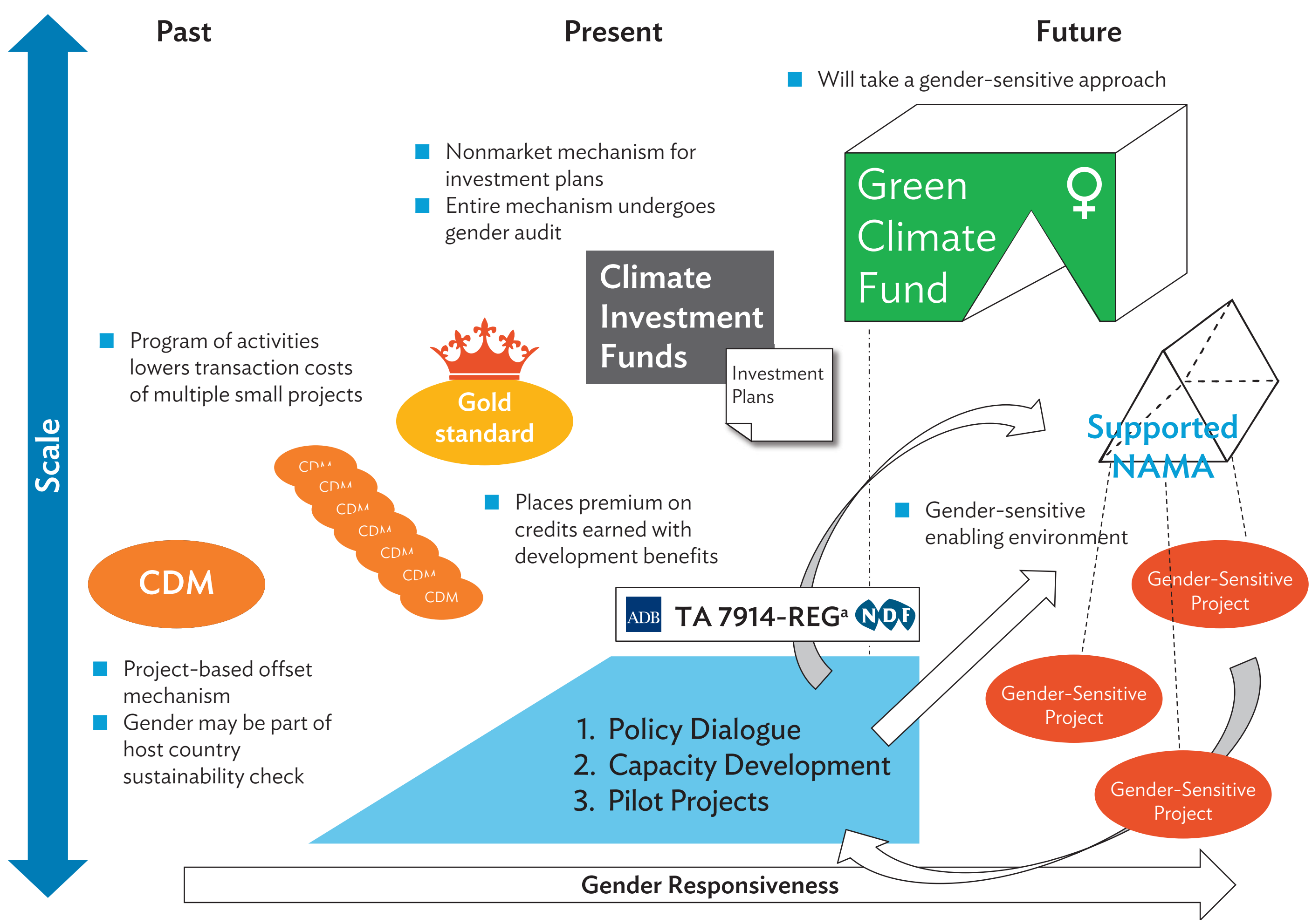
[1] This publication is a revised and updated brief that draws from a previous working version published by the Institute for Global Environmental Strategies in the context of its engagement in the ADB regional capacity development technical assistance (TA) on Harnessing Climate Change Mitigation Initiatives to Benefit Women. ADB. 2011. *Technical Assistance for Harnessing Climate Change Mitigation Initiatives to Benefit Women.* Manila (TA 7914-REG). For more information about the TA, visit http://www.adb.org/projects/documents/harnessing-climate-change-mitigation-initiatives-benefit-women

[2] Unlike biological characteristics (i.e., sex), *gender* refers to roles, rights, relationships, and responsibilities ascribed to men and women within a given society and cultural context that are learned and changeable over time. To ensure gender equity (i.e., equal access to resources and respective benefits), policies and measures must compensate for social discrimination that historically disadvantages women in accessing social and economic resources. Hence, while gender refers to both men and women, the social discrimination of women means that the empowerment of women is central to achieving gender equality (i.e., equal opportunities and rights in life unconstrained by a person's sex). In this report, gender-sensitive and responsive measures refer to actions that aim to redress inequalities that disadvantage women, in particular by empowering women and levelling the playing field.

Figure 1 illustrates how the climate policy landscape is changing and how these three key elements fit nicely into that evolving landscape. More specifically, it suggests that the introduction of a gender-sensitive approach in the Green Climate Fund (GCF) and the formulation of nationally appropriate mitigation actions (NAMAs) that can support bottom-up projects that are well aligned with development goals reflect a growing realization of the virtues of mainstreaming gender into climate change. It also suggests that the next step in this progress will be providing concrete examples of policies that can promote projects and people that can bring them forward. Under the TA project, the next steps towards a multilevel partnership approach have begun. The project brought together representatives from environment ministries and women's organizations in all three countries for workshops and trainings focused on a frequently overlooked problem—the gender dimensions of climate change mitigation and women's consequent lack of equal access to climate finance.

This policy brief addresses the challenge of matching gender-sensitive mitigation action with climate finance, identifies challenges and opportunities in the existing climate policy and finance landscape, and gives recommendations for action. The aim is to inform and support policy makers in Asia and the Pacific who are facing climate change and

Figure 1: Developments in Climate Finance



ADB = Asian Development Bank, CDM = clean development mechanism, NAMA = nationally appropriate mitigation action, NDF = Nordic Development Fund.

[a] ADB. 2011. *Technical Assistance for Harnessing Climate Change Mitigation Initiatives to Benefit Women.* Manila.

Source: Authors.

Gender...is a socioeconomic variable central to planning and implementing policies and measures.

Gender...is intricately linked to the effects of global climate change and climate responses.

Gender equality...is a fundamental right and central to sustainable development and the Millennium Development Goals.

gender and development challenges in accessing these resources. The analysis suggests the need for a suite of systemic reforms that integrate gender at various levels: projects, national screening processes, policies, and international support mechanisms. Proposed reforms need to be applied at the following levels:

1. The **project level**—to address attribution, generate livelihood benefits, and build social capital.
2. The **institutional level**—by supporting an inclusive multilevel partnership approach in planning and funding decisions.
3. The **climate finance level**—to ensure accountability and steadily improve the gender responsiveness of international support mechanisms.

These reforms need to be built on an explicit understanding of what constitutes gender-responsive climate action in order to improve accountability. Gender equality is not an add on, but must sit at the core of robust financing mechanisms and climate projects. As such, gender must be interwoven into emission reduction activities from their inception rather than hollow gender references merely being added as an afterthought. Weaving gender into projects, policies, and support mechanisms can boost *supplies* of climate finance. Equally essential is *mainstreaming* gender into prevailing mindsets to *demand* more from climate finance. The ADB TA takes action to close the gap and boost both these supplies and demands in Cambodia, the Lao PDR, and Viet Nam.

The structure of this issue brief is as follows: After summarizing the links between climate change, gender, and climate finance, it highlights the growing momentum for gender-responsive climate action, before turning to a discussion of selected climate finance instruments that could be harnessed for inclusive mitigation measures. The discussion will focus on lessons learned from market-driven approaches, the role of multilateral development banks (MDBs), the opportunities presented by NAMAs, and a new GCF. The final section highlights how the ADB TA project answers the urgent call for inclusive climate action on the ground by aiming to create an enabling environment for gender-responsive mitigation.

2. MAKING THE CONNECTION BETWEEN CLIMATE FINANCE AND GENDER EQUITY

Why should gender equality be an issue for climate policy and climate finance? In short, this is a question of both efficiency and effectiveness of finance on the one hand, and a matter of equity and equality on the other.[3] *Women and men are affected differently by climate change.* Women are still considered primarily responsible for securing water, food, and fuel for cooking and heating and are thus rendered more dependent on natural resources that are threatened by environmental change. At the same time, widespread gender norms hinder women's access to income, land rights, and political participation, thereby limiting their coping capacity. *Just as importantly, women have a unique potential to contribute to climate change mitigation and adaptation.* Women make decisions every day that affect the livelihood of their families and communities, shape their environment, and influence the level of greenhouse gas emissions. Whether managing organic waste, replanting trees, or using and retailing clean cook stoves, women are often at the frontlines of fighting climate change.

In the past, climate policies have reduced the link between gender and climate change to women's vulnerability, which has led to a focus on adaptation measures. While adapting to irreversible effects of climate change is important, this brief emphasizes women's potential to actively reduce

[3] L. Schalatek and S. Nakhooda. 2013. Gender and Climate Finance. Climate Finance Fundamentals 10. *Climate Funds Update.* 2 June. http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8682.pdf

harmful emissions and thus contribute to mitigation. Climate action that recognizes women's knowledge of resource management and their potential to effect long-term change is not only more just but also more successful. Mitigation measures that are gender blind can be less effective and less sustainable; they can also inadvertently manifest or widen inequalities. Efficient, effective, and equitable low-carbon development must target women as essential stakeholders, harness their knowledge and potential, and empower them to contribute to poverty reduction, sustainable development, and effective climate change responses. For instance, emissions from household energy use and smallholder agriculture could be significantly reduced if women who are managing household energy use and food resources are provided with more efficient household technology, are trained in sustainable farming, rewarded for conserving forests, and empowered to lead their communities toward sustainable development.[4]

If gender equality is "smart economics"[5] that enhances efficiency and outcomes, mainstreaming gender considerations into climate policy and financing mechanisms consequently constitutes "smart climate finance."[6] At the same time, climate finance creates "an opportunity to address long-standing equity issues … and can facilitate and build upon ongoing processes for promoting equality, fairness and justice in the global economy."[7] Unfortunately, this opportunity has been underappreciated and unrealized. Nonetheless, the benefits of harnessing women's potential for mitigation and sustainable development have recently witnessed an unprecedented level of attention and calls for action in the international climate arena.

3. MOMENTUM FOR CHANGE—THE INTERNATIONAL CLIMATE POLICY STAGE

The main vehicle for international climate policy, the United Nations Framework Convention on Climate Change (UNFCCC), lacks any reference to gender or women, even though the other Rio conventions[8] adopted at the Earth Summit in 1992 emphasized the special role of women in environmental management. Partially because of this oversight, it would take more than a decade for gender considerations to gain a foothold in international climate negotiations. Over the past few years, however, climate policy makers have come to realize that climate change is not gender neutral, but rather impacts socially vulnerable groups disproportionately. More recently, calls for gender-responsive climate action have shifted the perception from women as victims of environmental change to recognizing *women's potential as agents of change*. More recently still, this shift has occurred not only for adaptation but also for mitigation action. This development, supported strongly by civil society groups and gender networks,[9] has led to the integration of gender equity references in the Cancun Agreements negotiated at the Conference of the Parties to the Convention (COP) in 2010 and to the adoption of a decision on promoting gender balance and women's participation in UNFCCC negotiations at its 18th session in Doha on 26 November 2012. The most recent COP (COP19) in Warsaw in 2013 witnessed the first in-session workshop on gender and climate change and a Gender Day that included a high-level event and a wealth of side events dedicated to the theme of women for climate change action.

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4 For further information on the links between gender and climate change and women's (potential) contribution to adaptation and mitigation, visit the GenderCC—Women for Climate Justice. http://www.gendercc.net and see the following, among others: I. Dankelmann, ed. 2010. *Gender and Climate Change—An Introduction.* London: Earthscan; E. Skinner. 2011. *Gender and Climate Change—Overview Report.* United Kingdom: Institute of Development Studies; World Bank. 2011. *World Development Report 2012*. Gender Equality and Development. Washington, DC.

5 World Bank. 2011 (Footnote 4).

6 L. Schalatek. 2009. Gender and Climate Finance: Double Mainstreaming for Sustainable Development. North America: Heinrich Boell Foundation. http://www.boell.org/downloads/DoubleMainstreaming_Final.pdf

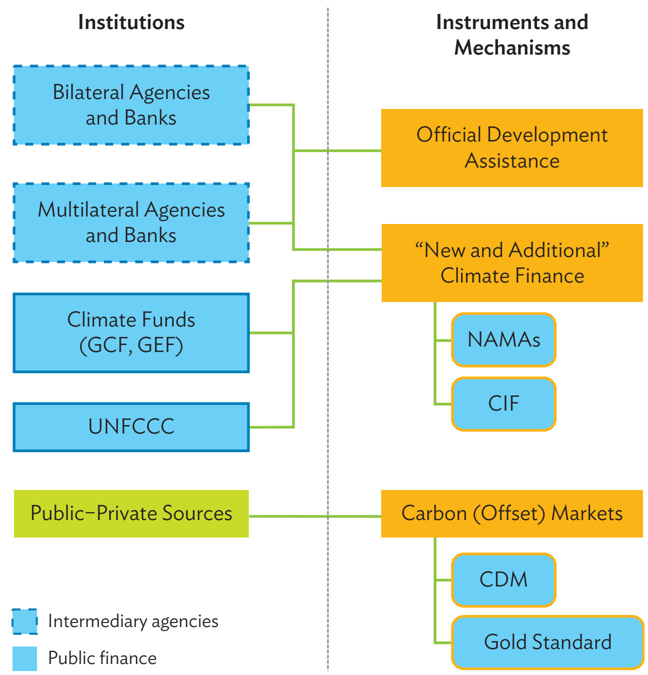
7 United Nations Development Programme (UNDP). 2012. *Gender and Climate Finance.* New York; UNDP. 2011. *Ensuring Gender Equity in Climate Change Financing.* New York.

8 The other two were the Convention on Biodiversity and the United Nations Convention to Combat Desertification. The Convention on Biological Diversity's Gender Plan of Action acknowledges "the vital role that women play in the conservation and sustainable use of biodiversity."

9 The Global Gender and Climate Alliance unites members of civil society and intergovernmental organizations and plays a vital role in creating awareness and mainstreaming gender into climate change policies, decision making, and initiatives at the international, regional, and national level. The Steering Committee is led by the International Union for Conservation of Nature (IUCN), UNDP, United Nations Environment Programme, and the Women's Environment and Development Organization. Visit http://www.gender-climate.org for more information.

The COP18 decision on gender and the gender events at recent COPs have mainly contributed to raising awareness of and providing a platform for discussing the links between gender and climate change on the international policy stage. But they have also begun to generate attempts to mainstream gender into decision-making processes. For instance, COP19 also introduced the Environment and Gender Index,[10] a civil society mechanism to monitor government progress (or the lack thereof) in implementing international gender equality mandates agreed upon in the three Rio conventions.[11] These developments call for gender-sensitive guiding principles for climate governance and the implementation of both adaptation and mitigation measures, as well as the consideration of gender in financial and technology support. Therefore, although the negotiated climate agreements fall short of a clear mandate to recognize the virtues of women's empowerment in climate funds, this momentum for change may place gender-sensitive climate policy more firmly on the agenda of upcoming negotiations and integrate gender into the design of a binding international post-2020 climate agreement that will be negotiated at COP21 in Paris in 2015. Capitalizing on this momentum will require not only decisions and dedicated days at the COPs but also action on the ground that concretely demonstrates the linking of gender and climate change in practice.

Figure 2: Selected Climate Finance Sources



CDM = clean development mechanism, CIF = climate investment funds, GCF = green climate fund, GEF = Global Environment Facility, NAMA = nationally appropriate mitigation action, UNFCCC = United Nations Framework Convention on Climate Change.

Source: Authors.

4. THE CLIMATE FINANCE LANDSCAPE—FUNDING INCLUSIVE MITIGATION ACTION

Unfortunately, the history of climate finance offers limited examples of inclusive climate financing. This is partially because prevailing climate finance instruments have prioritized large-scale technological measures targeted at energy infrastructure and industrial efficiency programs to reduce emissions, with little connection to sustainable development and gender equality.[12]

However, the recent shift in awareness of women's potential to contribute to mitigation action, as well as the ongoing establishment of a new GCF, provide an opportunity to harness climate finance mechanisms for gender-responsive mitigation initiatives. The time is ripe to answer the urgent calls for implementation of inclusive action on the ground in developing countries by providing policy makers, civil society groups, and local women with the capacity to demand and access funding for efficient, effective, and equitable climate action.[13]

The complex climate finance landscape can be broken down to public, private, and market-driven approaches, including from international, multilateral, and bilateral funding sources and (intermediary) institutions (**Figure 2**).[14]

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[10] The Environment and Gender Index is a project of the IUCN. For more information, visit http://environmentgenderindex.org/

[11] Another important international agreement seeking gender equality is the Convention on the Elimination of All Forms of Discrimination against Women that was adopted in 1979 by the United Nations General Assembly. It defines elements of discrimination against women and calls for national action to end discrimination.

[12] N. Eddy, R. Harris, and G. Karlsson. 2013. *Financing Mitigation.* Exposing Gender Gaps in Financing Climate Change Mitigation—and Proposing Solutions. Climate and Development Knowledge Network, Global Gender and Climate Alliance, and the Women's Environment and Development Organization. http://www.wedo.org/wp-content/uploads/financial-mitigation-factsheet.pdf

[13] This policy brief draws conclusions from a growing number of publications that focus on gender and climate finance. Footnotes 3 and 6, p. 4. UNDP. 2011 (Footnote 7, p. 5).

[14] For a detailed illustration of financing sources, instruments, and pathways, see: Climate Policy Initiative. 2012. Global Landscape of Climate Finance. http://climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2012; Climate Policy Initiative. 2012. The Landscape of Climate Finance. http://climatepolicyinitiative.org/publication/the-landscape-of-climate-finance/; UNDP. 2011 (Footnote 7, p. 5).

Climate finance needs to be adequate and appropriate in the context of mitigation and host country needs, it must be additional to official development assistance, and it must follow the principle of common but differentiated responsibilities.

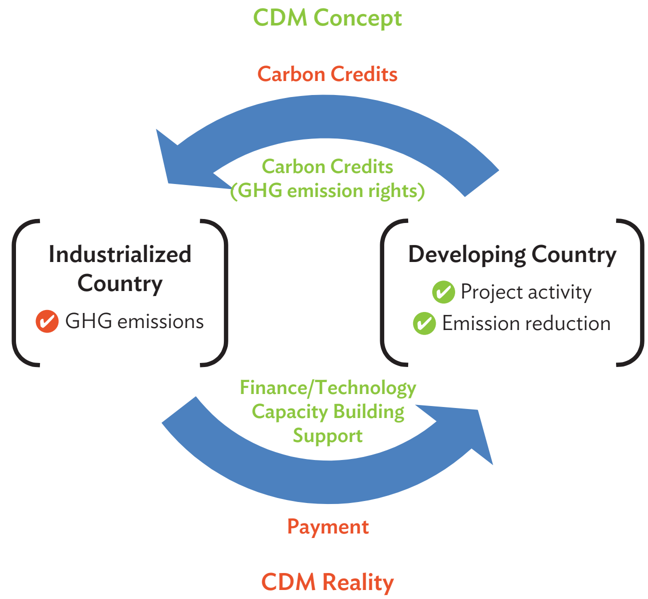
4.1 Carbon Finance and the Clean Development Mechanism

This section will discuss a selection of existing and potentially appropriate finance instruments for gender-responsive mitigation.[15]

Market-driven approaches pursue a different logic to mitigation finance than funds rooted in development assistance or other multilateral commitments that are next discussed—the incentive to achieve environmental objectives is based on the pricing and trade of carbon (**Figure 3**). This approach allows countries to meet their emission reduction targets by financing mitigation in other countries (where it is often cheaper) or trading emission allowances in the form of carbon credits. This investing in foreign emission reductions to compensate for the production of harmful carbon dioxide (CO_2) elsewhere is called offsetting.

The Clean Development Mechanism (CDM)[16] is a project-based offsetting approach that pursues two objectives: reducing greenhouse gas emissions, and promoting sustainable development in host countries.[17] In addition to direct sustainable development benefits that can include gender equality, project developers could possibly redirect revenues from CDM projects to invest in measures that benefit local communities and women.[18]

Figure 3: The Clean Development Mechanism



CDM = clean development mechanism, GHG = greenhouse gas.
Source: Asian Development Bank.

Upon implementation, CDM projects are issued credits, called certified emission reductions, that can be traded on the carbon market.

While the CDM is recognized as a major player in financing emission reductions, many argue the mechanism has failed to deliver on its second sustainable development objective when it comes to the social dimension of sustainable development.[19] *Through June 2012, only five of 3,864 projects listed gender issues in project documentation* (**Figure 4**).

Through June 2012, only five of 3,864 projects listed gender issues in project documentation.

[15] There is an abundance of financing sources for mitigation action from both public and private sources that cannot be discussed within the scope of this policy brief. This brief focusses on selection of public and market-based approaches that are (potentially) accessible for gender-responsive mitigation because of their public mandate to strengthen sustainable development and support developing countries in combating climate change. Beyond the carbon offset markets, the private sector also encompasses instruments such as capital finance, debt, and equity and bonds that may all provide funding for mitigation action. It is beyond the scope of this brief to discuss the challenges of creating an enabling international and national policy environment that provides incentives for the private sector to fund equitable climate finance in developing countries.

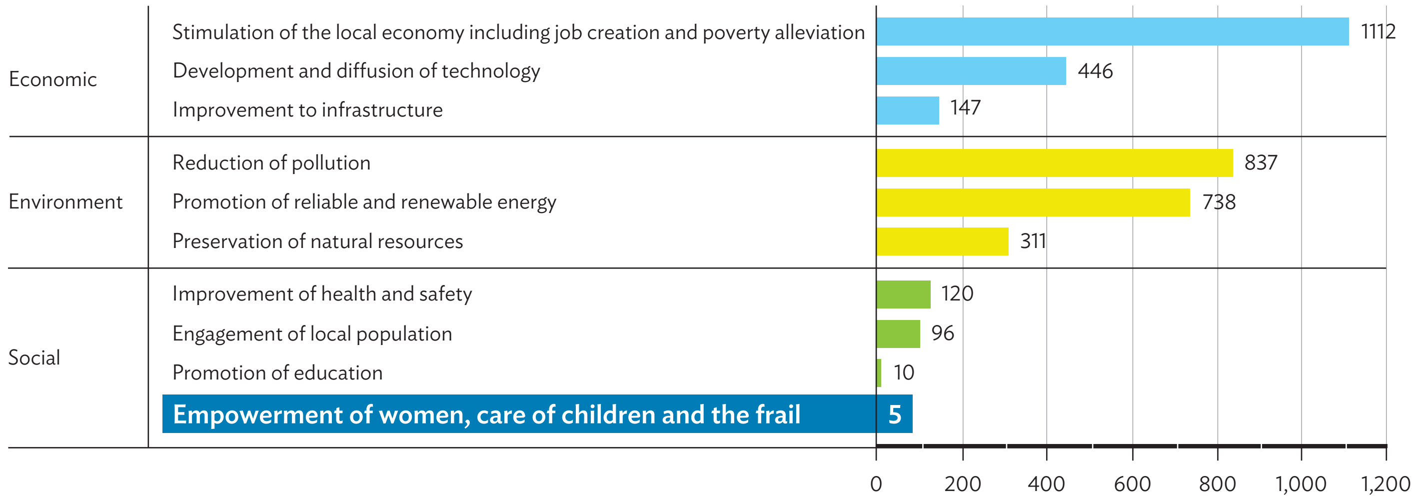
[16] The CDM laid the foundation for international carbon trade by providing incentives for developed countries to support emission reductions in developing countries to neutralize their own carbon output and reach their reduction targets pledged under the Kyoto Protocol. Based on the assumption that emission reductions are often cheaper and easier to achieve in countries with emerging markets, the CDM provided a flexible mechanism to channel public and private funding to mitigation projects in developing countries.

[17] The sustainable development objective was written into the language creating the CDM (Article 12.2 of the Kyoto Protocol). UNFCCC. 1998. Kyoto Protocol. http://unfccc.int/resource/docs/convkp/kpeng.pdf

[18] Typically, CDM financing is required for the financial close of a project, which may not be feasible without this revenue.

[19] UNDP. 2010. *Clean Development Mechanism: Exploring the Gender Dimensions of Climate Finance Mechanisms.* New York.

Figure 4: Number of Sustainable Development Claims by Indicator[a]



[a] Based on statements in the project design documents for 3,864 projects registered and undergoing registration as of June 2012.
Source: UNFCCC. 2012. *Benefits of the Clean Development Mechanism.* Bonn.

This may be because CDM projects exhibit a bias toward large-scale technology investments that are geographically focused on India and the People's Republic of China (footnote 19), where mitigation seems most cost-effective. While some projects may bring (indirect) benefits to women, those benefits are seldom a core project objective and often go unrecognized, eschewing possibilities for replicating and scaling up these good practice cases.

Good Practice: The Indian Bagepalli Clean Development Mechanism (CDM) Biogas Program

The Biogas Program (registered in 2005) introduced 5,500 biogas units that convert cow dung into cooking fuel in poor households and provided clean cook stoves. Local women and communities benefited from the income generated by selling emission credits. The project has reduced fuel-wood collection, improved families' health, and created time for women to engage in income-generating activities.

Source: UNFCCC. CDM Executive Board. 2005. Project 0121: Bagepalli CDM Biogas Program. http://cdm.unfccc.int/Projects/DB/DNV-CUK1131002343.1/view

A review of project documents from 2009 showed that less than 3% of projects showed any indications that the measures would benefit women, beyond the occasional reference to gender and women in the design document.[20] Moreover, issues of the empowerment of women are overlooked because stakeholder consultations often exclude local women and grassroots organizations, as demonstrated in the negotiations leading to the Kyoto Protocol (footnote 19).

In an attempt to address the CDM's shortcomings with respect to sustainable development, the UNFCCC has promoted programs of activities (PoAs) that allow a collection of similar, small-scale interventions to be bundled and registered as a single project. PoAs have the potential to promote previously neglected community projects that focus on small-scale technologies such as efficient cook stoves that may benefit women more directly. Out of the 247 registered PoAs, 32 are for cook stoves.[21] However, without sufficient data and monitoring requirements, it is nearly impossible to assess how many CDM or PoA projects effectively produce direct or indirect sustainable development outcomes that benefit women.

[20] S. Alboher. 2009. The Clean Development Mechanism: Ensuring Equitable Access for Women, Thesis (MA), Brandeis University, Heller School for Social Policy and Management.
[21] UNEP Risoe CDM/JI Pipeline Analysis and Database. http://cdmpipeline.org/ (accessed 2 June 2014).

Other market-based approaches, such as the Gold Standard certification scheme, enable projects that meet sustainability criteria—such as improving the livelihood and education of women[22]—to earn certifications that boost credit prices on the CDM compliance as well as the voluntary market.[23] This practice may be attractive to socially responsible buyers but may be less so for mainstream investors. Moreover, it may be difficult to monitor and attribute reductions from small-scale interventions directly to women using the new technology.

In summary, while the CDM and related certification schemes on the voluntary carbon market have the potential to support inclusive mitigation action that directly or indirectly promotes women's contributions to emission reductions, market-driven approaches face many challenges. Acquiring funding through CDM projects is a very complex and bureaucratic process involving high transaction costs. Carbon markets are unlikely to provide the necessary up-front costs for delivering efficient technologies to small communities which require public sector support.[24] Perhaps most importantly about the market-based approach is the level of uncertainty surrounding the market demand for certified emission reductions and the lack of a well-functioning international market[25] that creates an appropriate demand for carbon credits.[26] Last but not least, as long as carbon markets fail to monetize sustainable development benefits, they will provide "little incentive for developers and investors to pursue projects with high development benefits but low returns on investment" (footnote 19). Nonetheless, in an ever-evolving climate finance landscape, policy makers and practitioners should be aware of the opportunities and shortcomings of market-driven financing instruments. Capacity development of public and civil society actors and the creation of an enabling environment are essential to leverage private sector funds and make the carbon market work for inclusive mitigation.

4.2 Multilateral Finance: The Role of Development Banks

Multilateral funding that flows outside of the UNFCCC has become increasingly important for mitigation and adaptation finance in developing countries. The World Bank and regional development banks play a particularly significant role in leveraging funds for climate action. While MDBs also channel finance via the CDM, their identity as development institutions may allow them to approach mitigation in the frame of sustainable development. Thus, MDBs may be more amenable to promoting gender equality to alleviate poverty and environmental degradation. Put in simplified terms, MDBs channel funding for climate change measures from (i) explicit climate finance sources such as the Climate Investment Funds (CIF), and (ii) development assistance sources such as member donor contributions or multilateral development funds such as the Nordic Development Fund.

The CIF were jointly established by the World Bank and regional development banks to provide interim funding instruments to support adaptation and mitigation efforts in developing countries until what was anticipated to be an agreement of a new climate regime. The CIF consists of two main funds: (i) the Clean Technology Fund (CTF) targeted at large-scale technologies; and (ii) the Strategic Climate Fund which channels financing for small-scale energy technologies via its Scaling Up Renewable Energy Program, for forestry via its Forest Investment Program, and for adaptation via its Pilot Program for Climate Resilience.

While the CIF neglected to incorporate robust gender considerations in their mandate at inception, the funds are constantly evolving and have made progress in this regard. However, a recent gender audit of the CIF revealed wide-ranging variations in the *degree* to which gender was integrated into the investment plans that countries submit

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22 The Gold Standard. 2009. *Annexes to the Toolkit.* http://www.cdmgoldstandard.org/wp-content/uploads/2011/10/GSv2.1_Annexes_A-N.pdf

23 In a similar albeit more targeted effort, the Women Organizing for Change in Agriculture and Natural Resource Management recently introduced the W+ standard—a set of women-specific project design and implementation requirements that complement existing compliance or voluntary carbon standards. However, there has been no documented application of the concept to date. For more information visit http://www.womenscarbonstandard.org/

24 K. Neuhoff et al. 2009. *Structuring International Financial Support to Support Domestic Climate Change Mitigation in Developing Countries.* Climate Strategies. http://www.climatestrategies.org

25 So far, the European Union's Emission Trading Scheme (EU-ETS) is the largest international trading system for emission allowances generated by mitigation projects. However, the performance of the EU-ETS has suffered severely from an oversupply of emission allowances in its early trading period, which has negatively impacted market price and demand of credits. Both the development of the EU-ETS and the significance of the new carbon trading scheme in the People's Republic of China should be monitored closely.

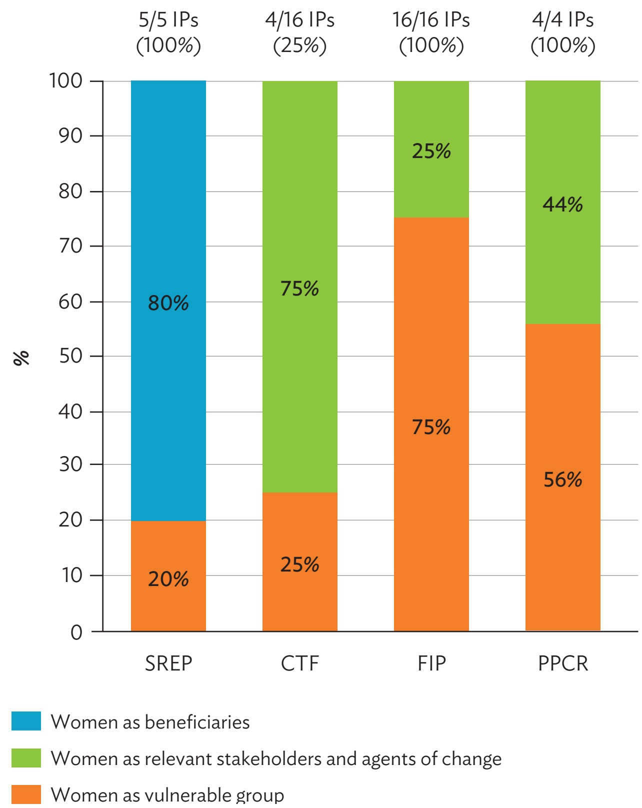
26 I. Schomer and H. van Asselt. 2012. Scaling up Carbon Finance through CDM Programmes of Activities: Challenges for Low-Income Household Energy Projects in South Africa. *Climate and Development* 4:4. pp. 327–340.

under the CIF.[27] The audit showed that, while 70% of investment plans and strategic program documents analyzed referred to gender within the text, only 27% of the strategic program documents characterized women as relevant stakeholders and agents of change.[28]

The CTF, in particular, has been criticized for the gender blindness of its operations in the past because of its focus on large-scale energy and transport technologies and disregard for consumption patterns and women's contributions to strategy design. Only 25% of CTF investment plans (4 out of 16) reference gender and only 3 of the investment plans acknowledge women as relevant stakeholders rather than a vulnerable group (**Figure 5**). While the project documents under the other funds all refer to gender, they too rarely acknowledge women's potential as agents of change and thus fall short of taking a truly gender-sensitive approach. However, more recent investment plans appear to acknowledge gender considerations more frequently. For instance, an ADB CTF project that invests in Ho Chi Minh City's urban mass rapid transport system in Viet Nam includes the preparation of a gender action plan to provide employment for women, consider gender-inclusive design features of infrastructure, and target women's participation and capacity development.[29]

The audit also shows that while still only a few projects under the CIF explicitly target gender equity as a theme (three ADB projects under the Pilot Program for Climate Resilience), an increasing number of activities include effective gender mainstreaming (two under the CTF and eight under the Pilot Program for Climate Resilience) or some gender elements at any rate (two under the CTF). The audit further demonstrates that the Scaling Up Renewable Energy Program—despite its focus on small-scale technologies—and the CTF fail to involve women's organizations and ministries in project development and the stakeholder process and rarely report resources earmarked specifically for the promotion of gender equality (**Figure 6**). Though the Strategic Climate Fund forestry and adaptation funds appear to mainstream gender into their programs more deeply, they also fall short of a systematic gender-sensitive approach.

Figure 5: How Women are Characterized in the Climate Investment Funds



CTF = Clean Technology Fund, FIP = Forestry Investment Program, IP = investment plan, PPCR = Pilot Program for Climate Resilience, SREP = Scaling Up Renewable Energy Program.

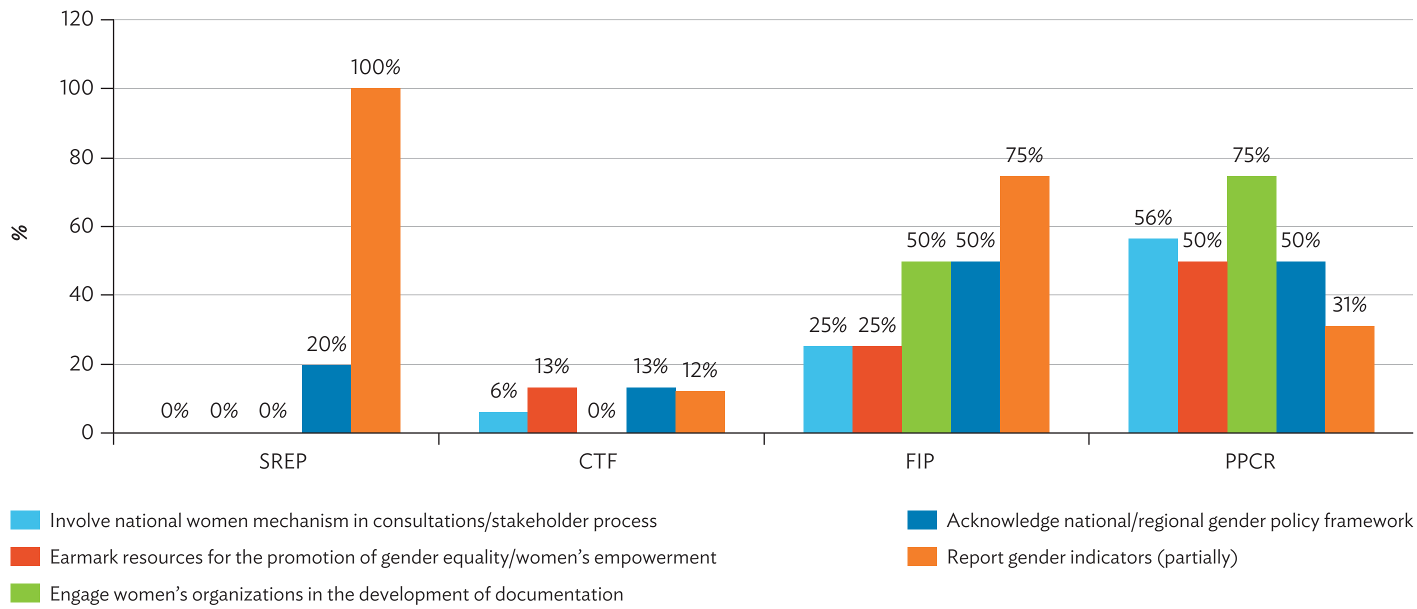
Source: Adapted from IUCN. 2012. *Gender Review of the CIF.* New York. p. 70.

While there may be a trend to increasingly mainstream gender in CIF programs—albeit to varying degrees—the funds currently fall short of *systematically* channeling finance to gender-sensitive mitigation initiatives.

As mentioned, climate finance such as the CIF is strictly intended to be *additional* to development assistance finance. The majority of funding for climate change projects by MDBs is sourced from donor funds, bi- and

27 IUCN. 2012. *Gender Review of the CIF.* New York.
28 Footnote 27. p. 73. These figures are based on a word search reviewing the investment plans and strategic program documents.
29 While gender considerations are mainstreamed across this TA project, the approach of providing women-exclusive infrastructure elements such as separate seating arrangements can be questioned. Some may argue that gender measures such as making separate arrangements for women do not utilize climate finance in harnessing women's agency in climate change responses. More robust gender measures and targets are needed to make climate finance work for women. The project documents and the gender action plan can be accessed at http://www.adb.org/projects/documents/sustainable-urban-transport-ho-chi-minh-city-mrt-line-2-project-rrp

Figure 6: The Extent of Gender Mainstreaming in the Climate Investment Funds



CTF = Clean Technology Fund, FIP = Forestry Investment Program, PPCR = Pilot Program for Climate Resilience, SREP = Scaling Up Renewable Energy Program.
Source: Adapted from IUCN. 2012. *Gender Review of the CIF.* New York. pp. 71–73.

multilateral development agencies (such as the Nordic Development Fund), or from the Global Environment Facility.[30] These development assistance funds can also be used to develop equitable projects and support country readiness for inclusive mitigation in the context of sustainable development to assist partner countries to access climate finance. The ADB project is already demonstrating the process of creating an enabling environment for developing countries to access climate finance for effective and inclusive mitigation initiatives that empower women and serve sustainable development.

To give a rough estimation of climate change projects that include gender considerations, ADB lists 41 projects with gender and climate markers[31] and distinguishes gender equity as a theme (GEN), effective gender mainstreaming (EGM), and some gender elements (SGE) ratings for all projects.[32] Along this category scheme, eight ADB CIF-funded projects were classified as having EGM, while the majority were adaptation projects.[33] In addition, ADB classified 11 climate change mitigation projects that received development assistance funding (non-CIF) as including EGM in their project design.[34] However, two fundamental challenges to counting the number of inclusive mitigation measures and monitoring actual financial flows remain:

1. The **lack of a joint understanding of what constitutes gender-responsive climate action** makes it difficult to gather reliable data on climate projects that go beyond mere gender references.

[30] The Global Environment Facility is an independently operating financial organization that provides grants for projects related to biodiversity, climate change, and others and is the financial mechanism for the UNFCCC. The Global Environment Facility Small Grants Programme is a corporate program implemented by UNDP that funds community-based action including mitigation and adaptation to climate change.
[31] Asian Development Bank. http://www.adb.org/projects
[32] For an explanation of how ADB identifies and applies gender mainstreaming categories, please see http://www.adb.org/sites/default/files/tip-sheet-1-gender-mainstreaming-categories.pdf
[33] The projects were approved in 2013 or 2014 and mainly aimed at building climate resilience (Strategic Climate Fund—Pilot Program for Climate Resilience). A few focus on sustainable transport (CTF) or sustainable energy (Scaling Up Renewable Energy Program).
[34] This information was gathered by ADB internally. All projects were approved in 2013 and focused on a variety of sectors. In view of the large amount of climate-related projects managed in ADB, there is no reliable data available regarding the actual financial flows toward gender-responsive mitigation measures.

2. The **widespread institutional disconnect between gender and climate change** units within and across institutions such as MDBs translates into a lack of dialogue to develop common baselines and counting mechanisms.

To glance into the near future, MDBs will most likely play the role of intermediary agencies to assist developing countries in accessing climate finance such as the GCF. Considering the gender-responsive mandate of the GCF (see Section 4.4) and the continually changing finance and policy landscape, MDBs and other development agencies would do well to take a proactive approach toward promoting mitigation actions that benefit women and supporting country readiness for equitable finance. They could support making the GCF operational by providing expertise in building country readiness and sharing existing social development indicators and guidelines.

4.3 Nationally Appropriate Mitigation Actions

A relatively new addition to the climate finance landscape, nationally appropriate mitigation actions (NAMAs),[35] are voluntary mitigation contributions by developing countries that are embedded in host countries' plans for development. What sets NAMAs apart and makes them attractive for gender-sensitive mitigation is their scope, their alignment with existing (development) policies, the inclusion of support for capacity development, and their funding rules. NAMAs can include a mix of activities over various sectors, from small to large-scale projects, measures, or policies that reduce emissions and produce social, economic, institutional, or other environmental cobenefits. This flexible definition allows developing countries to design their mitigation actions in a country-driven manner that is in line with sustainable development, results in greenhouse gas mitigation, and has an impact that can be measured, reported, and verified. Contrary to the project-based CDM, NAMAs provide important incentives for action that may go beyond the primary goal of reducing emissions, and NAMA funding may be partially linked to achieving development goals such as gender equity.

International support for a category of supported NAMAs can range from financing to technology transfer and capacity development. NAMAs can be unilaterally financed and implemented within the host country or can seek international or bilateral support.[36] International public funding sources for NAMA implementation include the joint United Kingdom–German NAMA Facility,[37] the Global Environment Facility Trust Fund, and in the future possibly the GCF. The UNFCCC NAMA Registry acts a matchmaking portal to help match developing countries' NAMA proposals with funding sources. In the short-to-medium term (up to 2020), NAMAs are expected to access bilateral funding via existing channels of cooperation.

The unique country-driven approach of NAMAs that goes beyond emission reductions and rather aims for low-carbon sustainable development in host countries presents a new opportunity for the design of equitable mitigation action that places a strong emphasis on social cobenefits, such as empowerment of women. The flexible definition of NAMAs and their integrated approach mean that developing countries will require support on how to design NAMAs in a manner that generates development cobenefits, and how to develop NAMA proposals to access funding. At the same time, host countries can flexibly design mitigation actions they deem appropriate.

Developing countries could therefore make the most of the NAMA vehicle and demand capacity development, technology, and financial support (e.g., from bilateral development cooperation agencies) to implement inclusive NAMAs that go beyond the CDM approach. Considering most NAMAs are currently still in the preparation or early implementation phases, it is too early to tell whether this approach will translate into practice.

It is up to both development agencies assisting countries in NAMA preparation and developing country policy makers to focus on cobenefits when designing NAMAs. When prioritizing action for NAMAs, developing countries can not only target large-scale greenhouse gas emitters such as cement factories but can also receive support for

[35] NAMAs were created in the frame of the 2007 Bali Action Plan that serves as a blueprint for a post-2012 climate change regime and are the first developing-country commitments to emission reductions. UNFCCC. 2007. *Bali Action Plan.* Bonn.

[36] A third form of NAMAs alongside unilateral and supported NAMAs that may become an option in the future are credited NAMAs that combine public and market mechanisms to finance and implement mitigation action.

[37] At the Doha climate negotiations in 2012, the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety and the United Kingdom Department of Energy and Climate Change jointly established the NAMA Facility. The fund contributed an initial €70 million to support the implementation of ambitious country-led NAMAs. To receive support, NAMAs must meet a set of eligibility and ambition criteria that call for the inclusion of cobenefits such as the promotion of gender equality. For more information visit http://www.nama-facility.org/

cross-sector NAMAs that reduce emissions from household and community-based energy use and agriculture. Policy makers can request capacity development and technology support to give women the tools to effectively reduce household and community emissions on a broad scale. Developing countries should seize this opportunity to take the lead and secure support for truly inclusive mitigation action that stimulates sustainable development.

To avoid costly retrofitting, NAMAs should be designed in a forward-looking manner to meet cobenefit criteria and gender equality requirements that will become increasingly important in acquiring climate finance from multilateral or international sources such as the NAMA Facility and the GCF. Capacity development is needed to support country readiness in order to truly maximize the benefits of country-driven NAMAs. Particularly, the requirement to monitor, verify, and report mitigation activities will require institutional changes and considerable support. However, as long as there is no credible long-term financing source for NAMAs in place beyond bilateral cooperation—such as the GCF—it may be challenging to convince host countries to develop NAMAs.

4.4 The New International Green Climate Fund

At the climate negotiations in Cancun in 2010, the parties to the UNFCCC agreed to establish the GCF as an operating entity of the financial mechanism of the UNFCCC. The GCF is the first global climate finance mechanism to include gender equality considerations in its mandate, committing the fund to "strive to maximize the impact of its funding for adaptation and mitigation ... while promoting environmental, social, economic and development cobenefits and taking a gender-sensitive approach."[38] The fund explicitly places climate change action within the context of sustainable and low-carbon development and emphasizes its role in providing improved access to funding, promoting a country-driven approach, and encouraging "the involvement of relevant stakeholders, including vulnerable groups and addressing gender aspects" (footnote 38). The fund will also be an important source of NAMA finance and can reinforce the integration of cobenefits in mitigation measures. The GCF board is still in the process of making the fund operational by the end of 2014 and is receiving active civil society support in developing options for a meaningful gender-sensitive approach and adopting a comprehensive gender action plan[39] to be adopted at the GCF board meeting in October 2014. An informal working group on gender and climate finance, comprising primarily members and allies of the Global Gender and Climate Alliance (footnote 9) is providing the board with advice and recommendations on institutionalizing a gender-sensitive approach.

One vital aspect of ensuring that the GCF will live up to its mandate is the inclusion of gender and cobenefit indicators in the results management framework that will measure the transformational change the fund plans to achieve. The GCF requires mitigation parameters that not only measure emission reductions, costs, and financial flows but also monitor sustainable development and gender equality impacts. MDBs and others could provide existing gender indicators and gender mainstreaming guidelines from development cooperation as a model for GCF gender indicators. For the gender-responsive paradigm shift not to become a hollow notion, and to ensure that the GCF becomes a finance mechanism that is truly distinct from previous instruments, the GCF will also need to include gender equality requirements in its fund allocation mechanism. Such eligibility criteria for mitigation funding can provide incentive for inclusive mitigation action from the outset, thus avoiding the existing ineffective and inefficient approach of adding gender references as an afterthought.

While uncertainties remain on how the GCF will implement its mandate and how it will position itself within the existing climate finance landscape, the fund has a unique opportunity to become the first climate financing instrument to pursue a gender-sensitive approach from its inception. The fund also has the potential to recognize and integrate the needs and capacities of women and men alike and to support effective, efficient, and inclusive climate action. The GCF may also play an important role in funding NAMAs and channeling climate finance from public and private sources. To make this vision of a truly distinct and transformative finance mechanism a reality, civil society actors, MDBs, and member states should (continue to) provide the GCF with recommendations and inputs to ensure the fund-wide operationalization of a gender-responsive mandate.

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38 Green Climate Fund (GCF). 2011. Governing Instrument for the GCF. Bonn: Interim Secretariat of the Green Climate Fund, para. 3. http://gcfund.net/fileadmin/00_customer/documents/pdf/GCF-governing_instrument-120521-block-LY.pdf

39 The draft gender action plan is to be presented at the GCF Board meeting in May and the plan is to be adopted in October 2014.

Strong gender indicators that can be modeled on existing guidelines from development cooperation should be a prerequisite in the allocation of funds to climate projects, and measuring social impacts needs to be a central part of the results monitoring framework.

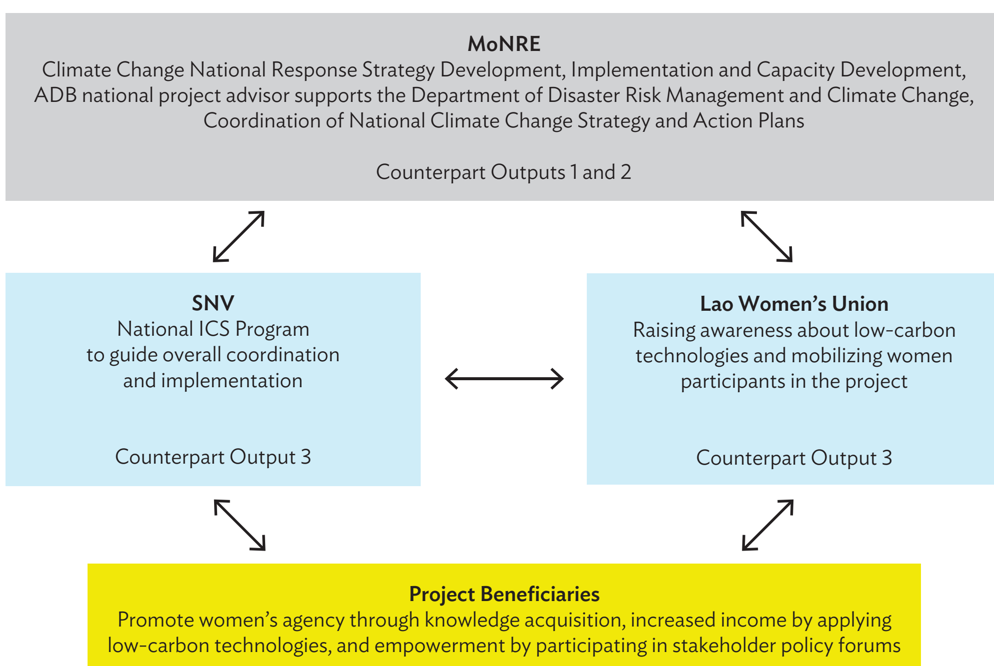
5. ANSWERING THE CALL—MAKING CLIMATE FINANCE WORK FOR WOMEN

Women can play a vital role in reducing emissions and contributing to sustainable development. To tap their full potential, climate change measures must recognize women's agency and empower them to become meaningful agents of change. On the international climate stage, voices advocating the importance of targeting women to combat climate change are demanding gender-responsive climate finance and inclusive mitigation action on the ground. This policy brief highlights firstly that a suite of systemic reforms is needed to make climate finance more effective and inclusive; secondly, that robust gender-responsive approaches interweave emission reduction and gender equality targets and ensure accountability, rather than adding on gender as an afterthought; and finally, that an enabling environment can be created at the country level, as demonstrated by the ADB TA.

The ADB project, Harnessing Climate Change Mitigation Initiatives to Benefit Women, demonstrates how developing countries can be supported to voice a demand for inclusive mitigation action in Cambodia, the Lao PDR, and Viet Nam by (i) creating a policy dialogue partnership among policy makers faced with climate change issues and women's organizations charged with mainstreaming gender, (ii) developing the capacity of key stakeholders to mainstream gender into climate policies and access climate finance, and (iii) proactively affecting country-level pipeline projects and supporting replication and scaling up of gender-responsive climate finance projects.

In the Lao PDR, for instance, ADB is facilitating a policy dialogue between the Ministry of Natural Resources and Environment, the Netherlands Development Organisation, and the Lao Women's Union (**Figure 7**). ADB organized

Figure 7: Institutional Arrangements for a Multilevel Partnership Approach in the Lao People's Democratic Republic



ADB = Asian Development Bank, ICS = improved cook stoves, MoNRE = Ministry of Natural Resources and Environment, SNV = The Netherlands Development Organization.

Source: Authors.

workshops to develop the partners' capacity to recognize the links between gender and climate change, navigate the climate finance landscape, and mainstream gender into climate policy and measures. On the local level, ADB is supporting the mainstreaming of gender into a clean cook stoves program to facilitate cobenefit distribution that specifically targets and empowers women.

Projects like these can demonstrate that gender-responsive mitigation is not only feasible but also effective, efficient, and equitable. In a climate finance landscape that may be moving toward more gender responsiveness, MDBs and bilateral development agencies could assist countries to access climate finance and develop inclusive mitigation action that delivers sustainable environmental and social impacts.

Recommendations

- The climate policy and finance landscape requires systemic reform—both of the international support mechanisms (supply side) and of climate action on the ground (demand side).
- Climate finance institutions and implementing agencies such as multilateral development banks (MDBs) need to strive for increased accountability of gender impacts. Effective gender auditing of finance flows and climate change programs is only possible if there is a common understanding of what constitutes truly gender-responsive climate action that moves beyond a "do no harm" approach.
- Civil society actors, MDBs, and donors should provide the Green Climate Fund with recommendations and inputs to ensure the fund-wide operationalization of the fund's gender-responsive mandate. Strong gender indicators that can be modeled on existing guidelines from development cooperation should be a prerequisite in the allocation of funds to climate projects. Social impacts need to be a central part of the results monitoring framework.
- Both multilateral and bilateral development agencies should take a proactive approach in a changing finance landscape and support country readiness to access climate finance for gender-sensitive climate projects.
- Developing countries can develop cobenefit prerequisites and monitoring frameworks to prioritize inclusive climate projects. They can access capacity development, technology, and financial support for nationally appropriate mitigation actions that empower women to contribute to emission reductions and sustainable development.
- Developing countries can take a leading role in demonstrating how climate change action can become more inclusive and successful.

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