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Panel 4: Progress in financing for gender equality from the perspective of international organizations and multilateral development partners

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

by

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[1] The views expressed in this paper are those of the author and do not necessarily represent those of the United Nations.
[2] This paper draws on: Schalatek, Liane and Smita Nakhooda (2011), "Gender and Climate Finance". Climate Finance Fundamental, Brief 10. Heinrich Böll Stiftung/Overseas Development Institute; http://www.boell.org/downloads/10_CFF_GENDER.pdf; Schalatek, Liane (2011), "Gender and Climate Finance: Double Mainstreaming for Sustainable Development". Talking Points for a Hearing before the European Parliament, October 12, 2011. Heinrich Böll Stiftung North America, http://www.boell.org/downloads/TalkingPoints_Liane_Schalatek_EP_Hearing_on_Gender_and_CC.pdf

EXECUTIVE SUMMARY – Climate Change Financing for Gender Equality and Women's Empowerment

Climate change – and climate change financing – is not gender-neutral

Women, who form the majority of the world's more than one billion poorest people, are often disproportionally affected by climate change impacts, largely due to persisting gender norms and discriminations. Women and men also contribute to climate change responses in different ways and have different capabilities to mitigate and adapt. Recent UNFCCC decisions in Cancun and Durban acknowledge that gender equality and the effective participation of women are important for all aspects of climate change, but especially for adaptation. Gender-responsive climate financing instruments and funding allocations are urgently needed. This is a matter of using scarce public funding in an equitable, efficient and effective way. It also acknowledges that climate finance decision are not made within a normative vacuum, but most be guided by acknowledging women's rights as unalienable human rights.

Key principles and actions for integration gender-equality into climate financing instruments

A climate fund designed in a gender-responsive and integrating gender equality comprehensively would

- include gender equality a guiding principle and cross-cutting issue and specify it as one of the goals of its actions;
- strive for gender-balance on its governing bodies and in its secretariat;
- make sure that there is gender-expertise among its staff to evaluate proposals for their contribution to gender equality;
- write operational and funding guidelines that stipulate the inclusion of gender indicators and gender analysis in any project proposal and for any thematic funding area;
- guarantee the input and participation of women as stakeholders and beneficiaries
- apply a "best practice set of robust social, gender and environmental safeguards with comply with human and women's rights conventions, labor standards and environmental law
- monitor for gender equality co-benefits as part of a results framework with regular reporting if and how funding activities are promoting gender equality;
- base its funding on plans and proposals coming from the recipient countries, which were drafted in a gender-sensitive way with the participation and inclusion of relevant stakeholder groups in the process and decision-making, including women, particularly from local communities.
- give its funding, specifically for adaptation, as grants, as increasing the indebtedness of recipient countries by giving large amount of climate financing as loans hurts women. (When social services are cut in budget consolidation efforts, women's traditional care burdens increase.)
- allow non-profit groups, including women's group, to gain direct access to the Fund, for example via a designated small grants facility or special funding program for women and local communities;

- establish an independent evaluation and recourse mechanism, which gives women in recipient countries affected negatively by climate financing the ability to have their grievances heard and addressed.

The status quo of existing climate funds and the prospects for the new Green Climate Fund

Currently, gender considerations are not addressed systematically in existing climate funds, but have been introduced in bits and pieces as an afterthought. The new Green Climate Fund (GCF) has the opportunity to distinguish itself from existing funds by integrating a gender perspective from the outset. Its governing instrument contains several key gender references. The challenge is now to ensure these gender references are operationalized into concrete measures and mechanisms, for example in the form of mandatory gender indicators for adaptation, mitigation and forest protection financing and gender-inclusive stakeholder participation guidelines, as well as gender expertise in the new Fund's secretariat. The outlook is not too bad since perception and awareness of the relevance of gender considerations in climate finance has increased among governments, multilateral organizsations (often acting as implementing agencies for existing funds) and a wider range of civil society organizations. However, further sustained advocacy and awareness-raising efforts are needed.

Addressing the accountability gap on gender and climate finance

At the moment, the lack of figures on how much has been invested so far in gender-responsive climate projects or initiatives is a serious problem. Without numbers, there is no accountability. Thus, we need regular and mandatory gender audits and gender tracking of climate funding to have a gender accounting of how climate funds are spent and whom they benefit. One first possible step to reduce the accountability gap could be easily made within the current OECD tracking system for bilateral development assistance (ODA). Despite a multitude of new dedicated climate funds, ODA delivered via traditional bilateral and multilateral development agencies still forms a significant part of currently available public climate finance. It is technically feasible for the OECD to cross-reference the existing OECD Gender Equality Marker (part of the global efforts for more aid effectiveness) with the Rio Markers for adaptation and mitigation and to provide to the public a summary analysis of the numbers, but it is currently not done. Having such numbers available – from bilateral and multilateral ODA and from dedicated climate funds – and being able to track and compare them over time would be a real way to create accountability for and thereby increase gender-responsive climate financing.

I. Climate change – and climate change financing – is not gender-neutral

Women form the majority of the world's more than one billion people still living in abject poverty.[1] They are often disproportionally affected by climate change impacts.[2] The Intergovernmental Panel on Climate Change (IPCC) in its 4th Assessment report of 2007 specifically acknowledges the role of gender in contributing to increased vulnerability to climate change, but is silent – reflecting a worrisome scientific knowledge gap – on women's differentiated contributions toward combating climate change by reducing emissions. Women's increased vulnerability 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. This contributes to women's marginalization in many societies and communities as well as the feminization of poverty. Suffering from gender-based vulnerabilities to severe climate change impacts, women are more often victims of climate change impacts than men. However, women also possess knowledge of and experiences in capacities to reduce emissions as well as strategies to cope and adapt. This makes women important agents of change in the fight against global warming – a fact that policy-makers, scientists and technocrats still fail to acknowledge sufficiently, particularly with respect to mitigation efforts.

Gender-differentiated vulnerabilities and capabilities in the context of climate change thus necessity gender-responsive climate financing instruments and funding allocation and disbursement. Gender considerations up-to-now have not been systematically addressed in existing climate financing instruments and funds and in climate-related development expenditures. However, the new Green Climate Fund (GCF) has the opportunity and the mandate to integrate a gender perspective from the outset in its governance and operational modalities. It provides an opportunity not to be missed for creating new best practice – and the challenge to existing climate funding instruments and climate-relevant development expenditures to integrate gender equality considerations better.

II. Gender equality improves the effectiveness of financing for climate action

Why integrate gender equality considerations in climate change financing? 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. It is on the other hand also a matter of existing obligations under international environmental and human rights law and thus one of equity. 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.

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[1] On the complexities of accurate poverty figures, and the latest World Bank data set, see: http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20040961~menuPK:34480~pagePK:64257043~piPK:437376~theSitePK:4607,00.html

[2] UNDP/GCCA (2010). Climate Investment Funds. Exploring the Gender dimensions of Climate Finance Mechanisms, New York; .UN Population Fund/WEDO (2009). Climate change connections. A resource kit on climate, population and gender, New York.

The experience of development aid and the necessity to consider gender equality in development actions in order to improve their outcomes has to be instructive for climate finance. Several recent World Bank reports, including one by the World Bank's Independent Evaluation Group[3] as well as the recent World Development Report on Gender Equality and Development[4], have pointed out that integrating gender awareness in development project design and implementation improves results. Both, the MDG Summit Process and the global aid effectiveness discourse acknowledge the centrality of gender equality. At the recent High Level Forum on Aid Effectiveness in Busan in parallel to the Durban Climate Summit, countries agreed on a joint action plan for gender equality and development.[5] It focuses on increasing the evidence base for action by focusing on the generation of sex-disaggregated data and the necessary comprehensive gender accounting of public development expenditure. Public climate finance expenditure needs no less.

The example of adaptation financing for Africa illustrates this. The Secretariat of the UN Framework Convention on Climate Change (UNFCCC) estimated that it would cost between US$ 7-9 billion per year by 2030 in additional investments (on top of normal development assistance) for Africa to adapt to climate change impacts, with the most additional resources needed for human health (US$ 2.166–3.328 billion per year), water resources (US$ 2.788-2.913 billion) and agriculture, forestry and fisheries (US$ 1–2 billion) respectively. In Sub-Saharan Africa, women are still the primary agricultural producers, accounting for up to 80 per cent of the household food production. As women own little of the land they work on they are often kept out of formal consultation processes to determine adaptation needs of rural communities and are unable to secure credits or other agricultural extension services. In times of food insecurity—aggravated by the extreme weather variability and long-term weather pattern changes brought on by climate change—women and girls are often likely to receive less food because of gender-based distribution dynamics within households.

To be effective and conform to existing human rights obligations, adaptation policies and funding for adaptation projects and program in agriculture in Africa need to consider the gender dynamics of food procurement and distribution both within households and markets. For example, they should target rural women in Africa specifically with capacity-building, consultation outreach, technical assistance and tailored agricultural extension services. Without a gender-sensitive lens, climate financing instruments delivering adaptation funding for Africa can exacerbate the discrimination of women. This threatens women's rights and directly contravenes the Convention on the Elimination on all Forms of Discrimination against Women (CEDAW), which almost all recipient and contributor countries of international climate finance have adopted.[6]

III. The UN Framework Convention on Climate Change, gender equality and climate finance

The UN Framework Convention on Climate Change (UNFCCC) 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). This despite the fact that Earth Summit 1992, which gave rise to the Rio Conventions, highlighted the special role of women in environmental management and

[3] http://www.worldbank.org/ieg/gender/.
[4] http://go.worldbank.org/CQCTMSFI40.
[5] http://www.oecd.org/dataoecd/21/37/49503142.pdf.
[6] One important notable exception is the United States, which has not ratified CEDAW.

development in Rio Principle 20. Fortunately, since 2008 steady progress has been made in introducing gender language in climate negotiations, largely due to the efforts of engaged gender and women's networks, as well as the recently confirmed UNFCCC women and gender constituency. The number of submissions with gender language by Parties to the COP has also increased, as has the willingness of delegates to refer to gender-differentiated climate actions in their interventions. The Cancun Agreements at COP 16 in 2010 saw a number of important gender equity references, including most importantly Article 7 of UNFCCC Decision 1/CP.16, which acknowledged that gender equality and the meaningful participation of women are important for effective action on all aspects of climate change. In the Durban Package negotiated at COP17, a number of gender equality references can be found in several decision texts. These focus on capacity-building and the composition of several implementation bodies (including some relevant for climate finance, such as the new Adaptation Committee or Standing Committee) and urge the utilization of gender considerations and gender-sensitive approaches in planning and participatory processes.[7]

The Durban climate summit confirmed important short- and long-term climate finance goals, namely US$ 30 billion as fast-start-financing over three years (until the end of 2012) to reach US$100 billion per year by 2020 from public, private and alternative sources. However, it left open how to scale up climate financing post-2012 and the share of the US$100 billion to come from public sources. These financing goals have to be considered more than aspirations: they constitute finance obligations of Annex II countries under the UNFCCC and its guiding principles, and should be provided in the form of "new and additional" funding to developing countries to help them with their urgent climate actions in mitigation, adaptation and forest conservation (REDD+).

IV. The Green Climate Fund and gender equality – opportunities and challenges

Probably the most important decision at COP17, the first "African COP", was the approval of the governing instrument for the future Green Climate Fund (GCF), defining its form and function and setting a transitional process into motion for its operationalization by the end of 2013 (COP19).[8] The GCF governing instruments[9] contains five key references to gender sprinkled throughout the document and relevant to the Fund's mission, its governance and operational modalities, thereby making the GCF the first dedicated climate fund to include a gender perspective from the outset. The engagement of gender advocates throughout the design process for the Fund in the Transitional Committee in 2011 was certainly a key to this positive outcome. Their submissions, interventions and expert testimony brought gender equality into the planning process and elevated the issue in the discussions among TC country members. Most important, is a gender reference in the Fund's section on objectives and guiding principles urging the promotion of a "gender-sensitive approach" for all of the GCF future funding action, as this anchors gender-responsiveness as a cross-cutting issue for the Fund (Art.3). In selecting both the Fund's 24 board members and the staff of the Secretariat gender balance is to be taken into account (Arts. 11 and 21). Stakeholder involvement in developing funding priorities will have to address gender aspects (Art 31) and women are explicitly

[7] For a full list of Durban Package gender equality references, see: http://www.wedo.org/wp-content/uploads/Gender-Equality-Language-in-Durban-Outcomes.pdf
[8] Schalatek, L., Nakhooda S. and N. Bird (2012), "The Green Climate Fund". Climate Finance Fundamental, Brief 11. Heinrich Böll Stiftung/Overseas Development Institute; http://www.boell.org/downloads/11_CFF_GCF.pdf
[9] http://unfccc.int/files/meetings/durban_nov_2011/decisions/application/pdf/cop17_gcf.pdf.

named as one relevant group whose input and participation is considered as crucial for the design, development and implementation of the strategies and activities to be financed by the Fund (Art. 71).

Of course, these gender-references are only the bare bones of a gender-equality mainstreaming approach for the GCF. This gender-structure now has to be filled with meaning and content over the next two years, as the GCF Board with the help of an interim secretariat will look to flesh out and operationalize these mandates. A continued engagement of gender advocates from both civil society groups as well as institutional observers (such as from UN WOMEN) will be necessary to ensure that those gender references in the GCF will be more than mere words.

Some priority engagement areas to promote gender equality in the GCF will be mechanisms and financial support for stakeholder engagement and participation; and the development of best practice social, gender and environmental safeguards for funding actions. As developing countries can access GCF funding both indirectly via multilateral implementing entities such as MDBs and UN agencies and directly via national implementing entities, it will be crucial to define how both safeguards and stakeholder participation rights will be applied by those implementing entities consistent with a "gender-sensitive approach" as one of the guiding principles. For gender equality, the ability of sub-national actors, including non-profit civil society organization and among them women's groups, to access GCF funding directly might also crucially important, since these actors focus in their climate finance actions more often on social, gender and environmental co-benefits than for example the private sector.

Of course, the GCF can only be operationalized as a gender-responsive global climate fund, if it receives the full political and financial support of developed countries quickly. Some large funding pledges now would secure its viability. It would also set a signal to developing countries that developed countries are willing to fulfill their part of the Durban Package without waiting for a quid-pro-quo, but in the spirit of "common but differentiated responsibilities and respective capabilities". A gender-responsive, fully funded GCF would be one important way to put equity back into the multilateral climate process.

V. Key principle and actions for gender-responsive climate financing

Experience in other areas of development show that it is possible to include gender considerations systematically and effectively in a global financing mechanism 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) have had a gender action plan or a detailed gender policy on the books since 2008. In addition, they have a "gender infrastructure" for 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.[10]

On its own, a formal gender policy or a gender action plan for a climate financing instrument is not enough. Equally important is the systematic integration of gender equality in a fund's governance structure as well in its public participation mechanisms, for example through a dedicated role for

[10] Arend, Elizabeth and Sonia Lowman (2011). Governing Climate Funds. What will work for women? Gender Action/WEDO/Oxfam. http://www.genderaction.org/publications/11/climate-funds-for-women.pdf.

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. At REDD+ focused climate funds such as the UN REDD Programme or the World Bank's Forest Invest Program, special representation is accorded to indigenous peoples with a separate seat that is not counted toward the overall civil society quota. This should be replicated for women's representation.

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

- **Gender equality should be a guiding principle and a cross-cutting issue for all climate finance instruments**. This would ensure that within a fund's governance, operational guidelines, as well as accountability, monitoring and evaluation and stakeholder participation mechanisms need to take gender equality aspects into account.
- **Gender-responsive funding guidelines and criteria should be developed for each thematic funding instrument or window**. It is not enough to think of gender only in terms of adaptation; bringing gender-sensitivity to mitigation and REDD+ financing is equally crucial, even if not yet as widely accepted. 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 and evaluation of climate funding options**. Such criteria should include a **mandatory gender analysis** of a proposed project or program, a **gender budget** and some **clear gender indicators** measuring how funded projects and programs 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.** This can be accomplished via the creation of gender and women as a focal area of programming, or even a special women's sub-fund or facility, for example as a small-grants facility or special funding program for women and local communities with streamlined access and reporting modalities. Non-profit groups, including women's group, to be allowed **direct access** to such fund instruments.
- **Gender balance in all decision-making bodies of climate funding instruments should be the goal, including on a fund's board or on possible sub-boards**. In addition to gender

balance, fund boards should **include gender expertise** as one of the criteria for the selection of board members.

- **Gender-balance and gender-expertise of an institution's staff administering climate finance is needed.** This is to ensure that gender equality principles are considered in program 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.** This is important for each level and step (decision-making, program/project implementation) ex ante, ongoing and ex post in climate change funding and has to apply to the fund as well as any implementing agencies, both multilateral agencies as well as on the recipient country level in the case of direct access. 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**. However, it has to be ensured that development and climate plans such as Poverty Reduction Strategy Papers (PRSPs), National Adaptation Programmes of Action (NAPAs), Nationally Appropriate Mitigation Actions (NAMAs), and the new National Adaptation Plans (NAPs) have been or will be 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, women and indigenous peoples, local communities and ecosystems and the contributions of traditional and indigenous knowledge. At the moment, only about a third of NAPAs are gender-aware, most NAMAs don't include gender at all. The funding support for the development of such plans needs to support women's participation and budget for the inclusion of gender considerations (such as gender analysis, women focus groups, or the work of outside gender experts).
- **A regular gender audit is needed of the funding allocation of climate finance instruments and funds as well as climate-related developed aid**. These audit results must be included in fund overviews and reporting, as part of a fund's internal and external accountability structure, in order to ensure gender-responsive delivery and balance between mitigation and adaptation activities. Adaptation financing, which has a clear gender component, is chronically underfunded.
- **A "best practice" set of robust social, gender, and environmental safeguards and guidelines for their implementation must be developed for each fund, in order to 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 existing international obligations, including on human and women's rights, labor standards and environmental law.
- **Lastly, climate financing instruments or programs should establish an independent evaluation and recourse mechanism and regular reporting requirements.** These should also address if and how funding activities are promoting gender equality. Women in recipient countries negatively impacted by climate change funding should be able to have their grievances addressed individually or as group.

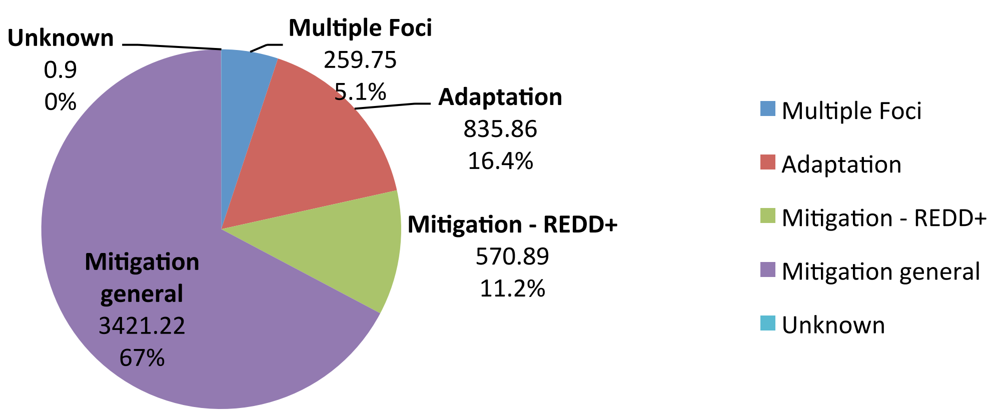
VI. *Climate financing reality and needs—a matter of quantity and quality*

Looking at the reality of climate change financing, the significant gap between financing needs of developing countries and financing provided by developed countries becomes quite apparent. A variety of cost estimates exist with differing numbers. According to numbers from the 2010 World Bank's World Development Report on Climate Change and Development[11], adaptation efforts in developing countries might cost up to US$100 billion per year in 2030, with mitigation efforts estimated to cost up to an additional US$175 billion per year. Sums such as these will have to come from a variety of sources, including public, private and innovative ones (such as levies on transportation fuel or transaction taxes for currency or finance trades).

Already, the private sector and carbon markets are playing an important role – a recent report estimates that as much as ¾ of current climate-relevant funding comes in form of investments and ownership interests.[12] However, these loan and equity instruments – predominantly spend on mitigation with a narrow emissions reduction focus – will have to be paid back and are thus taken with a view to profit-maximizing and financial returns. Such cost-benefit calculations with a narrowly defined results framework ("CO2-emission reduction per dollar spent") rarely take into account intangible and intrinsic normative values and co-benefits, such as social equity, poverty reduction goals or gender equality, and non-climate related environmental considerations such as biodiversity or livelihood protection. Thus, in the global climate finance discourse an honest appreciation of the role the private sector can play and the climate funding priorities where public sector financing is irreplaceable is long overdue.

Little private sector financing is available for adaptation, the climate finance area with probably the most immediate benefit for women, where the needs are the greatest for the poorest developing countries and populations groups, but returns-on-investments are low or non-existent. While some improvement has been made the last two years, adaptation remains significantly under-funded globally, both in overall spending, but also among dedicated publicly funded climate financing instruments (see Graph 1).

Graph 1: Approved public climate funding by dedicated climate funds according to funding area (in US$ million) --- *Source: www.climatefunds.update.org; accessed on 2/22/2012.*



[11] http://wdronline.worldbank.org/worldbank/a/c.html/world_development_report_2010/abstract/WB.978-0-8213-7987-5.abstract

[12] Buchner, Barbara et.al, (2011) *The Landscape of Climate Finance*. Climate Policy Initiative Venice Report.

No less than a shift in the way we think about climate change and solutions to address climate change is needed. Currently, climate change is treated as a mainly as a scientific-technological challenge that can only be addressed with technology-centered solutions. Most climate financing is targeted this way. Yet, climate change is caused by human behavior, and it will need significant changes in human behavior – including the way in which gender norms and roles are set and genders interact – to address climate change and to halt a further deterioration of the global climate. That makes addressing gender equality a fundamental part of the answer to climate change. Climate finance instruments therefore have to actively target and promote social, gender and environmental co-benefits of climate action in order to help developing countries to implement development pathways that are low-carbon, climate-resilient and gender-equitable and that secure men and women's individual right to development while respecting that the world's natural resources are finite. If climate change financing is to contribute to gender equality and women's empowerment, we must take a double mainstreaming approach to public climate change financing – namely the "mainstreaming" or climate-proofing of development policy and expenditures, which at the same time incorporates a gender mainstreaming and women's empowerment approach.

Equally important as the quantity of public 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 of countries **("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) the existing development assistance obligation of 0.7 percent of gross national income (GNI), so as not to undermine or divert from development assistance, because climate change causes additional costs and challenges over and above traditional development and poverty reduction expenses. A relabeling of scarce public resources from development to climate actions must be avoided.

These qualitative principles and criteria for public climate change funding are crucial – and relevant for gender equality and women's empowerment. For example, where adaptation financing is delivered to poor developing countries as concessional loans, not grants, it contributes to the debt burden many Least Developed Countries (LDCs) and Small Island Developing States (SIDS) are already facing, leading often to cuts in social-sector programs, which generally benefit women by lessening and supporting their care roles. All adaptation funding should therefore be delivered as grants, not loans. 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.[13] This is in line with Rio Principle 10 with stipulates that 'Environmental issues are best handled with the participation of all concerned citizens, at the relevant level'.

[13] For an in-depth discussion of the qualitative aspects of public climate change financing, see: Schalatek, Liane (2011). *A Matter of Principle(s). A Normative Framework for a Global Compact on Public Climate Finance.* Heinrich Böll Stiftung, Publication Series on Ecology, Volumer 13.

VII. Status quo of public climate finance tracking and accounting – what about gender?

Today, the global climate finance architecture is still evolving with a proliferation of actors, distribution channels and instruments since 2008 (see overview in Annex I). Public climate change financing started out largely gender-blind. Since then, some improvements have been made, although we are far away from a systematic integration of gender equality into climate financing or a systematic accounting of how much of climate finance expenditure contributes to gender equality. Both are desperately needed. It is hoped that the new Green Climate Fund will provide some "rationalization" and consolidation of climate funds and actors; it could evolve to become the main multilateral channel for public climate finance once it is fully operationalized. It is therefore crucial to ensure that the GCF will succeed in setting new best practice in gender responsive climate change funding.

Currently, public climate finance contributions are channeled globally through two different sets of institutions and instruments (although there are some overlaps with many contributions to dedicated climate funds reported as ODA).

- More than two dozen dedicated multilateral and bilateral climate funds and financingmechanisms[14]
- Climate-relevant official development assistance (ODA) utilizing traditional multilateral development banks, programs and agencies as well as national development institutions and bilateral finance institutions in traditional ODA donor countries[15]

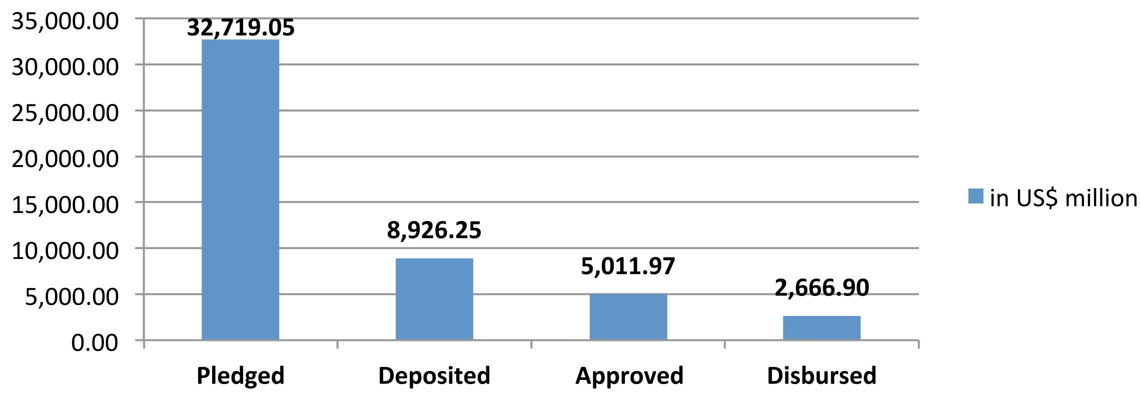
a. Gender as an "afterthought" in existing dedicated climate funds

Dedicated multilateral and bilateral climate funds and financing mechanisms rely mostly on voluntary payments by developing countries instead of mandatory and thus predictable budgetary assessments, with contributions and disbursements lagging far behind pledges. At the end of January 2012, funding pledged in more than 20 dedicated bilateral and multilateral climate finance mechanisms was roughly US$ 32.8 billion for adaptation, mitigation and REDD+, with about US$ 9 billion deposited and US$ 2.7 billion disbursed (see graph II). The relatively small amount of aggregated disbursement in these dedicated financing instruments points to the fact that several have only fairly recently begun concrete program and project financing and thus have not yet an established history of a large number of implemented projects.

[14] The website www.climatefundsupdate.org, a cooperation project of the Heinrich Böll Stiftung and the Overseas Development Institute tracks the most relevant of the dedicated multilateral and bilateral climate funds and provides detailed description of the funds' governance and participation structures.

[15] Climate-relevant ODA is tracked by the OECD-DAC using so-called "Rio Markers" for mitigation and adaptation spending based on OECD member states voluntary application of these markers on their ODA contributions and their voluntary reporting of these numbers.

Graph II: Money in dedicated climate funds – Pledged, Deposited, Approved, Disbursed
(Source: www.climatefundsupdate.org; 1/31/2012)



Gender considerations were not integrated from the start into the design and operationalization of existing dedicated climate financing mechanisms. While they today are not completely absent, most have been added only as an afterthought following a realization that social and gender co-benefits do not occur automatically as a result of low-carbon and climate-resilient investment. Consequently, they lack a systematic integration. The lesson learned here is that gender considerations need to be assertively designed into projects – or they won't be taken into account. On the positive side, the awareness for the need to become more gender-responsive is growing – by fund secretariats as well as in the boards and trust committees, by donor countries, as well as recipient countries submitting proposals and elaborating country-driven and country-owned investment plans.

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. But gender has not been integrated into the programs supported by 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 US$ 6.5 billion. In the **Pilot Program on Climate Resilience (PPCR)**, which funds programmatic adaptation portfolios in more than a dozen developing countries and regions, gender is not included in the operational principles, although most pilot countries have included some gender dimensions in their phase I proposals. These vary from the inclusion of gender experts in the country mission during project preparation, to the promise of consultations with gender-disaggregated groups or the development of gender action plans for specific projects. However, an integrated approach is missing. And overall the inclusion of gender indicators is insufficient. The challenge going forward will be to ensure that the program implementation in countries is conducted in a gender-responsive way. In the **Scaling-Up Renewable Energy Program in Low-Income Countries (SREP)**, the newest of the CIFs, the suggested structure of the investment plans requests the inclusion of information about "environmental, social and gender co-benefits" and asks for social co-benefits to include "greater involvement and empowerment of women and other vulnerable groups." Forest conservation funds such as the World Bank's **Forest Investment Program (FIP)** or the **UN REDD Programme**, mindful of the community focus of these programs, have elaborated guidelines for including women as targeted group in consultations on the development of investment strategies;

however project funding does not consistently include women as a beneficiary group or elaborate gender indicators.

At the **Kyoto Protocol Adaptation Fund (AF)**, which started funding in 2010, existing project proposals unevenly include some gender analysis. Up until a recent revision of the operational guidelines adopted in July 2011, it was not mandatory or a strong consideration for the project approval and subsumed under a vulnerability focus. The new version of the guidelines makes the inclusion of gender considerations in project and program planning, as well as in project consultation processes, if not mandatory, then at least an important review criterion. The most recent five project proposal have reflected this by including some gender analysis and in all but one case gender indicators. At the Global Environment Facility (GEF), gender has so far not been an obligatory decision criterion for project review and approval for the **Special Climate Change Fund (SCCF)** and the **Least Developed Countries Fund (LDCF)**, the two longest existing dedicated multilateral climate funds for adaption. The LDCF is supposed to fund and implement National Adaptation Programmes of Action (NAPAs), but only a third of the existing NAPAs include gender analysis or gender indicators. Women's participation in their development has been likewise uneven, despite clear UNFCCC guidance on this issue, although there is the potential both weaknesses might be addressed in some of the NAPA revisions currently underway. Some of the earliest NAPA implementation projects funded under the LDCF lacked the gender component entirely, but recent project proposals have seen improvements. Long relying for gender expertise almost exclusively on the gender policies and mandates of its ten multilateral implementing entities, the GEF is working to implement its own gender mainstreaming policy. The goal is to ensure that gender expertise in the GEF Secretariat is improved and all GEF implementing agencies are applying and documenting a gender mainstreaming approach to GEF project implementation.

b. The importance of climate-relevant ODA for gender equality and women's empowerment

While public attention on climate finance issues is very much focused on the dedicated climate funds, including the new GCF, climate-relevant bilateral ODA of OECD members is at least in the short- to medium term equally, if not more important as the focus for integrating gender equality in climate-related financing. Climate-relevant ODA is delivered bilaterally through a contributor countries own national development bank or development agency, or multilaterally, for example as part of a country's ODA contribution to a multilateral development organization. Bilateral ODA is still providing – and will likely continue to provide – a significant share of available global public funding for climate action. According to the OECD's Development Assistance Committee (DAC), preliminary figures for 2010 show that total climate-relevant bilateral ODA was US$ 22.9 billion in 2010, with two-thirds for spent on mitigation and one-third for adaptation. This represented about 15 percent of the total ODA in 2010.[16]

This is both a challenge as well as an opportunity for gender-responsive bilateral climate aid. For example, IDA 16, the most recent three year replenishment cycle for the concessional loan arm of the World Bank, has adopted both gender equality as well as climate change as focal areas. This could be an opportunity to effectively double-mainstream both gender equality and climate considerations in IDA development actions in the poorest World Bank client countries – as long as

[16] http://www.oecd.org/document/4/0,3746,en_21571361_44315115_49170628_1_1_1_1,00.html

the linkages of both issue areas are recognized.[17] Early indications are that more efforts, including raising gender-awareness among non-gender World Bank staff, might be needed. Many bilateral development organizations, even if not all, do have some gender policy or gender action plan on the book, as do the multilateral development banks. On a political leadership and rhetorical level, gender-awareness exits in many of these institutions. Unfortunately, in donor countries and donor agencies this has in most cases not translated yet into mainstreaming gender-awareness throughout a development agencies staff and its operations. Too few gender experts work in these organizations, and they are often isolated and not integrated in the organizational leadership structure. And gender mainstreaming efforts in these agencies are frequently relegated to actions in "traditional" sectors considered relevant for women's empowerment, such as health or education, but less so in the sector policies key to climate-relevant development actions, such as in the policies dealing with the macroeconomics and trade, energy, agriculture, water and sanitation or infrastructure. Staff training is key, as is a change in incentive structures within the organization, for example so that gender-competence and gender-responsive project and program financing is considered desirable and a strong component for promotion to leadership positions.

VIII. A way forward to close the accountability gap: gender audits of climate financing

One of the biggest challenges of globally accounting for climate finance flows and how much reaches which beneficiaries is the current lack of a common reporting format as well as mandatory reporting guidelines for contributing countries. Many experts have suggested that further developing the existing marker system by the Development Assistance Committee of the OECD (OECD-DAC) might be a step into that direction. Such an approach could be beneficial to ensure that climate finance contributes to gender equality by establishing a first regular gender audit of climate-relevant spending. The OECD-DAC marker system in addition to the Rio markers for adaptation and mitigation also includes a gender equality marker on which it asks OECD member countries to voluntarily report. The OECD reports regularly (although with a significant time delay, one of the challenges of the marker system) on member countries expenditure on gender equality. For the time-period 2009-2010, for example, this was reported as US$25 billion, or roughly 26 percent of bilateral ODA flows.[18] While not done yet on a regular or systematic basis, it is technically feasible to apply the gender marker alongside the Rio climate markers for adaptation and mitigation with a summary report and analysis publicly available, on official aid activities that address both climate and gender equality objectives. A request by the author to the OECD-DAC Statistical office to do just that resulted for 2009 in a detailed project database of some 800 activities worth roughly US$ 1.5 billion. That means – having done only a quick "back-of-the-envelope" calculation – that of all climate-relevant ODA expenditures in 2009 that the OECD recorded, around 17 percent of these activities indicated as an additional goal the advancement of gender equality and women's empowerment and the reduction of discrimination and inequalities based on sex. It would be useful to systematically track the Rio climate and gender markers over time in an effort to document improvement – or the lack thereof. Having such numbers available, from bilateral and multilateral ODA and from dedicated climate funds, would be real way to create

[17] See: Schalatek, Liane (2010). "More than an Add-on: The Centrality of Gender Equality for Development and Climate Solutions. A Look at Gender at IDA 16", Heinrich Böll Stiftung North America. http://www.boell.org/web/147-674.html.
[18] http://www.oecd.org/dataoecd/57/38/49732892.pdf.

accountability for gender-responsive climate projects by closing the existing data and evidence gap on gender and climate finance.

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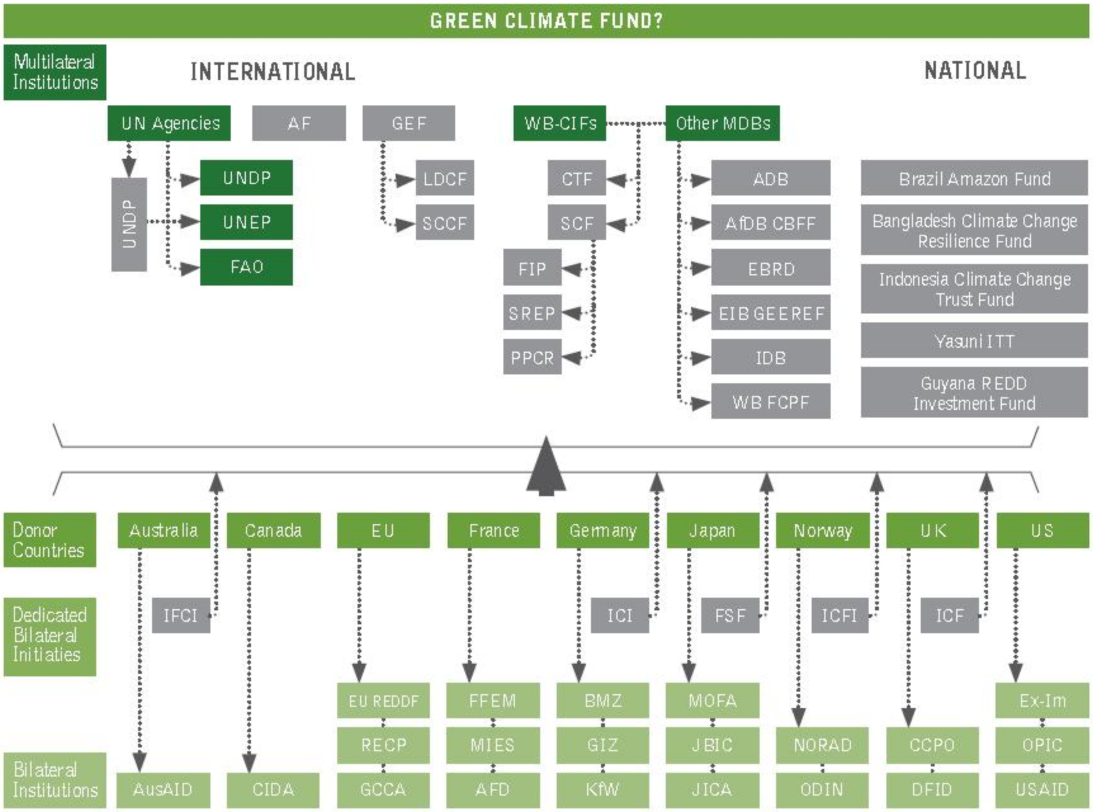
Annex I: The Global Climate Finance Architecture and Relevant Actors

(*Source: www.climatefundsupdate.org*)



GOVERNMENT AGENCIES, DEVELOPMENT BANKS, AND PROGRAMS

ACRONYM	NAME
AFD	French Development Agency
AusAID	Australian Agency for International Development
BMZ	Federal Ministry for Economic Cooperation and Development
CCPO	Climate Change Projects Office
CIDA	Canadian International Development Agency
DFID	Department for International Development
EU REDDF	European Union REDD Facility
Ex-Im	Export-Import Bank of the United States
FFEM	French Global Environment Facility
GCCA	Global Climate Change Alliance
GIZ	German Technical Cooperation
JBIC	Japan Bank of International Cooperation
JICA	Japan International Cooperation Agency
KfW	German Development Bank (KFW)
MIES	Interministerial Taskforce on Climate Change
MOFA	Ministry of Foreign Affairs
NORAD	Norwegian Agency for Development Cooperation
ODIN	Ministry of Foreign Affairs
OPIC	Overseas Private Investment Corporation
RECP	Africa-EU Renewable Energy Cooperation Programme
USAID	U.S. Agency for International Development

DEDICATED BILATERAL INITIATIVES

ACRONYM	NAME
FSF	Fast Start Finance
ICF	International Climate Fund (UK)
ICFI	International Climate Forest Initiative (Norway)
ICI	International Climate Initiative (Germany)
IFCI	International Forest Carbon Initiative (Australia)

MULTILATERAL FUNDS

ACRONYM	NAME
AF	Adaptation Fund (GEF acts as secretariat and World Bank as trustee)
APCF	Asia Pacific Carbon Fund (hosted by ADB)
CBFF	Congo Basin Forest Fund (hosted by AfDB)
CTF	Clean Technology Fund (implemented through World Bank, ADB, AfDB, EBRD, and IDB)
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program (implemented through World Bank, ADB, AfDB, EBRD, and IDB)
GEERF	Global Energy Efficiency and Renewable Energy Fund (hosted by the EIB)
LDCF	Least Developed Countries Fund (hosted by the GEF)
PPCR	Pilot Program on Climate Resilience (implemented through World Bank, ADB, AfDB, EBRD, and IDB)
SCCF	Special Climate Change Fund (hosted by the GEF)
SCF	Strategic Climate Fund (implemented through World Bank, ADB, AfDB, EBRD, and IDB)
SREP	Scaling-Up Renewable Energy Program (implemented through World Bank, ADB, AfDB, EBRD, and IDB)

UN AND REGIONAL AGENCIES, OTHER ACRONYMS

ACRONYM	NAME
AfDB	African Development Bank
AsDB	Asian Development Bank
CIF	Climate Investment Funds (implemented through World Bank, ADB, AfDB, EBRD, and IDB))
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
FAO	Food and Agriculture Organization
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNREDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation
WB	World Bank