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Gender and Finance: Coming Out of the Margins*

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Introduction and Overview

The financing of climate change adaptation and mitigation strategies in developing countries is one of the core issues at the heart of the political debate over the enhanced global climate protection policy architecture to be set in place by the Paris 2015 agreement, which will govern the global response to climate change from 2020 onwards. Undeniably, this agreement will have implications for the nature, pace and extent of sustainable development in developing countries. Climate financing is a critical lever for the transformation to low carbon development pathways and for undertaking mitigation actions to reduce anthropogenic greenhouse gas emissions which have been identified by climate scientists as the key culprit behind global warming. At the same time, financing climate change mitigation and adaptation actions in developing countries, if not carefully managed, can compete for the scarce overseas development assistance (ODA) funds as well as for domestic funding that are important for achieving poverty eradication, social development and gender justice in developing countries.

Climate finance must be managed at the global, regional and national levels to ensure and promote gender equality and the empowerment of women as key actors, both in climate protection and sustainable development efforts. Managing climate change impacts at the household and community levels will undoubtedly add to women's and girls' time burden, impacting their overall well-being. Hence, there will be need for more focused attention on climate-induced shifts in time-use patterns in men's and women's care activities. Understanding and taking actions to mitigate the most negative impacts will also require enhanced Time-Use Surveys, requiring data and analysis which will have to be financed.

Ultimately, climate finance matters for women on at least six grounds are:

1) The continued under recognition of women's roles and contribution to the two pillars of climate protection

Key Messages

1. The two-way inter-linkages between gender equality and women's empowerment and climate change are now well established: climate change impacts and how they are managed, including financing and capacity building support, can help to foster or hinder gender equality and women's empowerment goals (women's and men's lives, livelihoods and well-being) and enhancing gender equality and women's empowerment goals and processes can help in the successful achievement of climate goals and policies, at national, regional and global levels.
2. Climate finance is important for tackling areas, including promoting food security, ensuring and enhancing protection from the adverse impacts of extreme weather events, covering losses and damages from storms, droughts and hurricanes, the provision of clean energy for cooking, lighting and agro processing, public transportation, the accessibility of individuals, households and businesses and their responsibilities for energy efficiency, waste handling etc.
3. The distribution and flows of billions of dollars of climate finance, as they exist now and in the foreseeable future ($100 billion, per year, up to 2020, including $10.2 billion pledged to the Green Climate Fund) should be amenable to gender equality and women's empowerment, otherwise, they may impede or otherwise limit women's abilities to adapt to and to create and maintain climate resilience of individual women, households and communities.
4. Ultimately, if designed, implemented and evaluated with gender sensitivity and gender responsiveness, climate finance may present new opportunities for promoting gender equality and women's empowerment.
5. Gender machineries and gender advocates in developing countries must be empowered and resourced to become (more) proactively engaged with climate change policy, projects and programmes and their financing at local and national levels.

[*] This Policy Brief draws heavily on the Guidance Note prepared by Williams for the UN, UN DESA and the UNFCCC Secretariat In-session Workshop on Gender and Climate Change, July 3, 2016, Bonn, Germany and *Gender and Climate Finance: Coming Out of the Margins*, Mariama Williams, Routledge, 2015. A more updated version of this Note was also presented at the Eleventh Meeting of the Commonwealth Women's Affairs Ministers Meeting, 7-8 September 2016, Apia, Samoa.

policies—adaptation & mitigation—programmes and projects will further women's vulnerability and invisibility as key stakeholders in climate actions. Without proactive attention to women's and men's strategic gender needs, women may be left behind in mitigation activities as well as related environmentally sound technology transfer and development;

2) The potential trade-off between using ODA for climate versus traditional usage of ODA for social development activities (such as poverty eradication, health care and food security), which can arise if there is inadequate provision of climate finance at the global level, presenting a challenging dilemma for gender and other social and development actors;

3) Women and men in communities will require significant and sustained assistance in adapting, climate proofing and making resilient their employment/livelihoods and dwellings;

4) Women will need dedicated modalities of support (and capacity building assistance) in accessing and absorbing greater flows of finance for climate-related challenges;

5) With the ever warming trend and consequential growth in the frequency of extreme weather that increase the need for protection from, and recovery & rehabilitation from the losses and damages that will accompany such events, female and male-headed households, women in the MSMEs sector and women's groups will require access to growing streams of climate change financing at global, regional and national levels; and

6) Climate finance is also needed for the systematization of traditional and emerging indigenous adaptation and mitigation technologies within and across coastal, rural and the peri-urban areas of developing countries.

It is also important to recognise that climate finance may present new opportunities for promoting gender equality and women's empowerment, which can only be achieved by setting in place processes and mechanisms to:

• Improve the understanding of the primary, secondary, direct and indirect role and contributions of women and men, across their life-cycles, in adaptation and mitigation.

• Show how adaptation and mitigation policies impact women's and men's multiple roles, as workers, producers, mother, care-giver, consumers (highlighting the differential constraints, challenges and opportunities of each gender in these areas).

• Ensure that climate protection policy have gender-based analytical components.

• Embed climate focused gender analytical tools (that are climate policy relevant) into global, regional and national climate protection policies and climate financing architecture and funds.

• Ensure that the financing of climate change adaptation and mitigation policies, programmes and strategies aim to support the elimination of gender and other social gaps and promote women's and men's well-being.

I. A snapshot-situational analysis of the gender dimensions of climate finance

Women's participation in climate finance

It is the case that women are under-represented in financial decision making within the UNFCCC's key finance related bodies such as the Green Climate Fund and the Adaptation Fund (UNFCCC 2013 report and WEDO 2012).

The under-representation of women and gender concerns in the funding priorities of the various climate change financing forums such as the Global Environment Facility, the Climate Investment Funds and the Green Climate Fund is partly due to lack of gender sensitization of male and female leaders and in part due to inadequate or no gender analysis and perspectives among women and men leaders within the negotiations process and ultimately in the management of those funds.

In the current environment, most of the many high valued/returns, high profit, and high income activities are likely to be filled by demand from male owned or controlled entities. These include positions in climate finance management, carbon financing, carbon risk management, construction and transport sectors.

Pre-existing gender-based constraints (such as inequality in property rights and chronic low income and low savings) which create problems for women in the conventional financial markets, also operate in the context of climate change financing. Such constraints are interlinked with discriminatory norms in the financial markets resulting in inefficiency in resource allocation.

Gendered inefficient outcomes in climate finance programmes result in (a) misallocated resources in funding projects and programmes. These create personal and community damages and reduce access to existing natural resources, and (b) impact negatively and regressively access to critical resources such as water, sewage system/treatment and housing, thereby exacerbating social tensions and conflicts. In all cases, women are the ones who bear the brunt of the burden as individual women and households adopt coping strategies to deal with declining access (Perlata 2008 and Schalatek 2009). Examples of these include: the displacement of men and women when land have been turned over to a foreign entity who has been issued carbon 'rights' for tree-planting projects etc.; the aftermath of so-called 'land grabbing' for bio fuel production which have been acutely faced by indigenous women and men in the Amazon region in Brazil and elsewhere.

II. Engendering climate change finance and architecture

Engendering climate change finance must be leveraged around at least three broad areas: 1) Articulating overarching principles for a gender-sensitive climate change financing architecture; 2) Synthesizing elements common to all aspects of the financing environment, including requirements for gender sensitization of financing adaptation, mitigation and technology; and 3) securing leverage points around market and non-market financial mechanisms.

Principles to be considered/ taken by parties to ensure climate related actions are gender responsive and gender–sensitive

The first set of principles are those emanating from the Articles of the Convention and which have been reaffirmed and further expanded by subsequent COP decisions, most recently in the context of the Bali Plan of Action. They are *adequate, additional, appropriate, equitable* and *predictable.* This set of principles is relevant to gender equality because they have implications for the state of public financing and budgeting in developing countries. A risk in meeting the climate challenges — absent significant new and relatively unrestrained flow of funds — are dramatic shortfalls in expenditures on, and neglect of, economic and social development projects and programmes. To the extent that governments incur debts, or incur shortfalls in revenue as they attempt to meet climate change requirements. There are likely to be trade-offs between different sectors of domestic budgets. Cuts are most often made in the social sector budget, which impacts spending on essential public services such as health care, education and water. 'Appropriateness' and 'equity' in financing at the global level is important for locating and legitimizing gendered claims on the flow of financial and investment resources that are available for climate change. 'Predictability' ensures that governments have long-term access to climate finance and can have consistency across climate programs, including gender equality interventions.

This set of principles under-girding the climate change policy environment are appropriate grounding for gender sensitization of financial instruments, mechanisms and processes. However, they have not been sufficient to ensure gender equality outcomes of the funding mechanisms. Therefore, additional, complementary and more comprehensive sets of principles are required, including:

- Polluter Pays/Equity, Corrective Justice & Distributive Justice/Gender Justice
- Inclusiveness/Country-driven-ness/Direct access
- Transparency/Accountability/MRV of support offered and received

When combined with the principles under-girding the UNFCCC's normative framework, these additions provide a more comprehensive set of principles that are both necessary and sufficient to generate gender equality outcomes in climate financing.

Both distributive and corrective justice principles are relevant and important for integrating a gender perspective into climate change financing. Once accepted as part of the climate change policy framework, they offer sufficient and compelling rationale for promoting specific forms of affirmative action scenarios. These include set-aside programmes for women, especially poor women, who have historical and continuing disadvantages in accessing and controlling the resources necessary for successfully adapting individuals, households and communities to climate change challenges. Paradoxically, climate change may thus offer the opportunity to address past inequities and to improve the economic and social situation of women and other historically disenfranchised groups.

Steps and measures to be considered/taken by parties to ensure climate-related actions are gender responsive and gender-sensitive

Critical for creating a gender aware and gender sensitive climate change finance architecture is the integration of gender analysis and gender sensitive tools into the operational elements of climate change funds. This must cut across all areas and types of funding sources. The incorporation of gender analytical tools of assessment, design, monitoring and evaluation should form the basis of guidelines for the allocation and distribution of funds for communities and women's groups.

In this context, there must be an explicit focus on ensuring the application *of less than burdensome criteria* for accessing all funds for women's and community groups. Thus the application, registration, approval, implementation, evaluation and monitoring of all funds should be based on simplified, expedited processes, and upfront costs should be as small as possible. This will afford micro, small and medium sized projects — especially those operated by women — a better opportunity to access funds. In order to increase national governments' support, there must be a commitment to utilize positive incentives rather than the burdensome and overly-intrusive economic or other forms of policy conditionalities. Governments may then feel less constrained to utilize national revenue to leverage a larger number of women and other small community projects.

Effective and balanced participation of women in decision-making with regard to climate finance

Unquestionably, the more diverse the groups of stakeholders at the table, the better are decision making and consequential output. This should enhance efficacy and effectiveness. But this is not simply a numbers game. While there should be some semblance of balanced representation it should be informed representation. So both male and female decision-makers should have awareness and knowledge of gender and empowerment issues in the particular national context.

Funding for care

Easy and available access to funds for care activities that promotes sustainability in the household and community sectors is very important in the context of climate change and sustainable development. (Even where women have a high attachment to the labour market, they, nonetheless, bear primary responsibility for the care and nurturing of children and the elderly.)

A better balance between adaptation and mitigation in prioritizing funding

In the case of developing countries, especially the least developing countries and small island developing states, and many other equally vulnerable countries with a large swath of population living in poverty on coastlines vulnerable to floods in Asia, Africa and Latin America, there may even have to be a tilt towards more funding for adaptation, even as there are deeper commitments for mitigation at global levels.

III. Recommendations on more effectively integrating gender perspectives in climate finance

Mainstreaming gender issues and women's empowerment priorities into climate finance mechanisms' management structure and into project design, implementation, evaluation and monitoring will require a priori decision making on gender sensitive policies and guidelines and indicators. It is also important for consideration of the primary (dominant) finance instrument chosen.

The Green Climate Fund (GCF), the Adaptation Fund (AF) and other funding entities should seek to do more with regard to the following:

• Social and gender impact assessment can also be a useful part of vulnerability assessment as well as project assessment in evaluating funding proposals and projects.

• Integration of gender perspectives in the various performance mechanisms (performance assessment frameworks, results-based management now currently being adopted by some climate finance institutions (such as the GCF)).

• There is also need for more carefully calibrated pilot projection studies for various groups of countries on the impact of climate change and the consequential needs and priorities of women in different developing countries.

• Social and gender impact assessments are critical to identifying improvements to adaptive capacity and resilience of vulnerable groups of men and women within countries. At present, however, these assessments are marginal to the distribution and utilization of flows of funds for climate change.

• Dedicated readiness support for women's organisations and women owned MSMEs involved in climate related activities. This would also be applicable for indigenous groups and other readily identified vulnerable groups in each national context.

• Enable and promote greater transparency about project funding and the flow and distribution of climate finance.

National Designated Authorities/ National Implementing Entities and Accredited Entities — what the UNFCCC parties and other stakeholders who are submitting proposals to the GCF should/could do? What tools/approaches/policies should be put in place at GCF level and country level?

On the grounds of social net benefits, there can be targeted interventions by governments (via NDAs) and funding institutions for the development of projects and programmes that seek to eliminate the high transaction costs that women and community groups may face in attempting to access and utilize the financing available within existing financing instruments. Such actions could include initiating the provision of financing to women's groups, women-owned entities and projects through special windows that entertain applications for specific types of gender sensitive adaptation and mitigation projects, discounted premiums on insurance products and the subsidization of the administrative costs of registering projects developed by poor women. The Adaptation Fund is already implementing a facilitative entity that would be able to accommodate small scale request for funding. The GCF's readiness support and the set aside of $200 million for MSMEs pilot programmes and the $200 million for enhanced direct access are likewise steps in the right direction. But these must be made gender sensitivite and responsive to the specific challenges and constraints faced by women entrepreneurs.

It is only through such proactive efforts that the pernicious and pervasive issue of gender bias and segmentation can be eliminated. Additionally, a commercial entity could receive specifically targeted tax write-offs or subsidies for supporting gender-sensitive adaptation and mitigation projects. Likewise, national development banks with climate change portfolios may create a special gender window utilizing donor-sequestered contributions.

Where market based mechanisms, such as the CDM and REDD+, are allowed to operate projects, there should be provisions built into project documents etc. that stipulate clearly the protection of women's access and or ownership of land and their access to forests. Just compensation, structural and institutional changes will be needed, where necessary, including land reform that goes beyond western conceptions of property titles. In some cases, conventional land entitlement processes have been associated with further marginalization of women and the dispossession of families from land. Land reform must therefore be undertaken in a gender-sensitive consultative way, involving men and women stakeholders in the community. It must also take into account different forms and dimensions of the existing inequities and account for both distributive and corrective justice. Thus there has to be social and gender justice preconditions that must be settled prior to the operations of programmes under REDD+ and/or similar mechanisms.

There needs to be specific skills-upgrading and knowledge-building programmes geared towards women in order to enable more women to take advantage of climate change related opportunities in the medium to long run. Such capacity building and skill development efforts should cut across the financing of the thematic areas of adaptation, mitigation, technology transfer and financing. Capacity building efforts should focus on integrating women into all levels of mitigation actions, from rehabilitative work at home and commercial buildings to infrastructure to technical specialists in carbon risk management. Particular attention should also be paid by governments (via NDAs), project planners and implementers to building capacities or women to fully participate at all levels of carbon market financing instruments and mechanisms. This may mean that some of the funding streams associated with the Convention finance mechanism and bilateral as well as multilateral development banks may have to be sequestered or redirected toward gender-specific capacity building, education and awareness training.

Gender Machineries, Women's Organizations — new work & roles and access to finance?

Gender Machineries and gender advocates working on climate finance and sustainable livelihoods issues may need to connect two spheres of analysis and policy: 1) gender responsive budget (GRB) and 2) Climate Policy Expenditure and Institutional Reviews (CPEIR). While the CPEIR adds public environmental expenditure review component and wrestles with identifying and classifying climate-related expenditures in the national budgetary process, GRB analyses will have to confront the challenges around the gender dimensions, if any, of such expenditures. GRB exercises in the future will need to be mindful of the specific pathways and how and to what extent climate related new and additional incremental spending focused on scaling up the financing of climate priorities across sectors and economy-wide may act to either crowd-out (adversely impact) or otherwise reinforce gender equality and non-gender equality oriented expenditures.

Gender equality and women's empowerment activists may also advocate for and promote the enhancement of time-use surveys that integrate climate change dimensions. (Such work is already being initiated by Dr. Indira Hirway, the Center for Development Alternatives, India).

Some critical questions that should be at the heart of the GCF's and other climate funds' decision-making should include:

What kinds of adaptation readiness or capacity building programs and projects are needed for women owned and operated businesses distinct from male owned and operated businesses?

Who are the normal targets of adaptation, mitigation, capacity building and technical assistance?

To what extent are the needs, priorities and concerns of micro, SMEs and women entrepreneurs taken into account into the design, planning and implementation of adaptation and mitigation projects and programs?

Some Selected Resources on Gender and Climate Change

http://unfccc.int/gender_and_climate_change/items/7516.php

Irene Dankelman (ed.) (2010). Gender and Climate Change: An Introduction. EarthScan.

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