

TRAINING MODULE 5

Gender and climate finance

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1

Purpose of the training module

1A *Rationale*

As the United Nations' lead development agency with extensive field experience, the United Nations Development Programme (UNDP) has implemented numerous innovative initiatives that support national-level work on gender equality and women empowerment. UNDP's work on gender is guided by the Beijing Platform for Action (BPFA), Convention on the Elimination of All Forms Discrimination against Women (CEDAW) and frameworks provided by the Sustainable Development Goals (SDGs).

UNDP Gender Team presents updated versions of 10 training modules and policy briefs on gender dimensions of climate change covering a range of themes and sectors. An additional set of knowledge products has also been added covering the gender and REDD+ interface. These knowledge products are designed to build capacity in member countries with respect to gender and climate change within the context of sustainable development. Their preparation has been made possible by contributions from the Government of Finland.

This fifth module in the series deals with the nexus between gender climate finance.

Icon Key



*Activity
or Exercise*



*Link to other
Modules*



*PowerPoint/video
presentation*



Readings



*Important
information*



*Timing
indication*



*Internet
link*

1B *Module structure and method*

This module provides basic information and learning tools needed to understand and advocate for the integration of gender considerations in climate funds, mechanisms and processes. It addresses the following topics:

- The cost of climate change impacts and response and the role of climate finance in sustainable human development
- Gender dimensions of climate finance
- The need and options for gender-responsive climate change finance

Part II of this module outlines learning objectives and presents what users can expect to know when the training concludes. Part III spells out the key take-away messages, followed by Part IV, which presents the climate finance – sustainable development interlinkages, and Parts V and VI, which addresses gendered vulnerabilities to climate change impacts and options for making adaptation and mitigation finance responses gender-responsive. At the end of the training, users will have a strong understanding of the intersections among climate finance and sustainable development, gender inequality and climate risks, gender-related vulnerabilities to climate change and the positive and important roles that women play in climate change and, by extension, in ensuring that financing options for mitigation and adaptation are worth the investment.

The module also presents case studies and other learning tools (e.g., hand-outs and group activities) to think through issues to consider when designing gender-responsive responses to climate change and to help facilitate use of the module. In addition, the module employs seven pictures and icons to help make it user-friendly (see Box 1). The module includes several cross-references in order to encourage facilitators and participants to consult the other modules in this series.

Training based on this module could be delivered in three sessions:

- Session 1: Parts III and IV (1 hour)
- Session 2: Part V (1 hours)
- Session 3: Part VI (1 hours)

Total estimated session time: 3 hours

See Appendix B, Learning Tools, for a breakdown of time for different activities.

2

Objectives

- *Understand the basics of climate finance, the costs associated with the climate change impacts and the climate effort (mitigation and adaptation) as well as the link with sustainable human development.*
- *Understand gender dynamics associated with climate finance, including specific gender-based inequalities that contribute to women's disproportionate exposure and vulnerability to the adverse effects of climate change as well as women's positive contribution to the climate effort and the reason why this matters for climate financing.*
- *Identify entry points for gender-responsive climate finance.*



3

Key messages



Climate change impacts and responses have a high cost. This cost is bound to get steeper the longer the global community takes to respond to the climate challenge. In addition, climate change impacts can deepen poverty and make development and sustainability goals and aspirations unattainable. Its impacts overly burden the poorest and the most disadvantaged groups in society (e.g., the elderly, women, children and indigenous peoples).

Whereas climate change poses risks to the achievement of sustainable development objectives, the efforts at tackling the challenges create opportunities for advancing sound social policy that gives due recognition to the unique contributions and skills of all members of society. Climate finance plays a unique role in addressing climate change challenges and leveraging opportunities.

Many countries in the developing world continue to have difficulties in accessing public and private climate finance. Funding options at the global level help support much-needed mitigation and adaptation priorities in the poorest and most vulnerable countries. Similarly, by mainstreaming climate change into national planning and budgeting processes, countries and local communities can also help promote the climate effort at national and subnational scales.

Beyond global climate finance, a special effort is needed in making sure that national climate finance options consider gender aspects of climate change impacts and budget and finance priorities for climate change response. Social inclusion should be linked to other national development priorities along with other important budgetary considerations, such as transparency and accountability.

As the global community transitions in to the implementation phase of the post-2015 development agenda, it is imperative that gender equality and women's empowerment continue to influence, shape and drive the collective climate and human development effort. Climate finance can be an important catalyst in this regard.

Gender-based inequalities (in law and in practice), gender-defined roles in society and sociocultural constraints render women disproportionately vulnerable to climate change.

The current architecture of climate finance shows different levels of gender sensitivity. While there has been progress in reflecting gender concerns in climate finance mechanisms (especially with multilateral funds such as the GCF and GEF), much effort is still needed, at the project and activity levels, to address the so called 'implementation gap' by ensuring that funding streams take gender issues into account and benefit the most vulnerable groups of society, including women.



Public and private climate change financing needs to account for and mitigate the negative impacts of market actions on women's access to resources.

Women are powerful agents of change and continue to make increasing and significant contributions to sustainable development, despite existing structural and sociocultural barriers. They make considerable contributions to livelihoods, family well-being, natural resource management, biodiversity conservation, health and food security, which are all important assets that policy-makers should draw upon to inform climate change responses.

Despite growing recognition of the different vulnerabilities as well as the unique experiences and skills women and men bring to development and environmental sustainability efforts, women still have lesser economic, political and legal clout and are hence less able to cope with—and are more exposed to—the adverse effects of the changing climate.

Gender-based discrimination places women at a competitive disadvantage in accessing and utilizing the various sources of climate finance. In turn, gender-blind climate finance has the potential to exacerbate existing gender inequalities.

At a minimum, financing for adaptation and mitigation efforts should require robust and context-specific social and gender impact analyses. There are several analytical and advocacy tools, guidelines and case studies that can be drawn on to strengthen this critical work on gender and climate change, as well as a growing pool of national experts on gender and climate policy, all of which could be tapped to make climate finance gender-responsive.

4

Climate finance and sustainable human development

Learning objective:

Understand the cost of climate change adaptation and mitigation, the ABCs of climate finance and its relationship to sustainable human development.

1. As the Earth's average surface temperatures rise, so do the attendant costs. Where as the cost estimates of climate change impacts and responses vary, the general consensus is that the price tag for unmitigated climate change will be substantial and will continue to increase absent abatement actions in the near term. Thus, a recent study shows that unmitigated climate change can lead to a decline of the global economy by 23 percent by 2100 (Burke et al. 2015), while another similar research suggests that inaction on climate change will cost an additional US\$44 trillion by 2060 (Channell et al. 2015).
2. Global cost estimates for adaptation (Para 3) and mitigation (Para 4-5) efforts vary widely, with annual costs ranging from US\$249 billion to US\$1,371 billion by 2030 (UNDP 2011).
3. For adaptation, the World Bank estimates that costs would be in the range of US\$75 billion to US\$100 billion per year between 2010 and 2050, assuming the Earth's average surface temperature will be roughly 2°C warmer by 2050 (World Bank 2010). Recent estimates provide a price tag that is four to five times bigger. For example, according to a new United Nations Environment Programme (UNEP) report puts the cost of adapting to climate change in developing countries between US\$280 and US\$500 billion per year by 2050 (UNEP 2016). Table 1 provides a representative list of cost estimates for the adaptation effort.

TABLE 1 Cost estimates for adaptation

Source	Cost	Comments
UNEP 2016	US\$280 and US\$500 billion per year	New additional adaptation finance needed by 2050 (US\$140 billion to US\$300 billion by 2030)
UNDP (2011)	US\$105 billion/year	New additional adaptation finance needed by 2030
World Bank (2010)	US\$70 billion to US\$100 billion/year	Annual cost by 2050 of developing-country adaptation measures to a 2°C warmer world.
UNFCCC (2007)	<ul style="list-style-type: none"> • US\$14 billion/year • US\$11 billion/year • US\$5 billion/year • US\$11 billion/year • US\$8 billion to US\$130 billion/year 	Estimated overall additional investment and financial flows needed for adaptation in 2030 by sector – This translates to a US\$49 billion to US\$171 billion range in total adaptation cost.
<ul style="list-style-type: none"> • Agriculture, forestry & human health • Fisheries • Water supply • Coastal zones • Infrastructure 		

Note: 'Additional' means that the resources expected are over and above expected future increases in funding under existing official development assistance (ODA) programmes.

Sources: UNEP 2016; UNDP 2011, World Bank 2010, UNFCCC 2007

4. Mitigation costs are difficult to estimate, as they are a function of what climate targets one picks (e.g., 2C/450ppm or 1.5C/500ppm) and the time of action (serious mitigation now or deferred action in 2030). Further, mitigation ordinarily involves changes in behaviour (e.g., driving less) and technologies (e.g., switch to wind and solar energy) and it is not easy to accurately estimate the aggregate economic costs associated with such changes (see Chen et al. 2016). The IPCC's estimates that the reduction in emissions needed to provide a likely chance of achieving the goal of keeping Earth surface temperature at 2°C would cut overall global consumption by 2.9 percent to 11.4 percent by 2100 (IPCC 2014). This assessment relies on a 'business-as-usual' scenario where global growth continues at current levels (i.e., growth not being derailed by climate change impacts) and that behaviour and technological changes take effect immediately (see Box 2 and Table 2). Thus, the likes of Sten, the author of the influential assessment of climate change cost (see Box 2), claim that the IPCC estimates are misleading in that they have the potential of insinuating that "there is an alternative option in which fossil fuels are consumed in ever greater quantities without any negative consequences to growth itself" (Stern 2016).

Box 1 From Stern to AR 5 – Estimating the cost of action and inaction on climate change

Climate change is a serious concern human welfare and the health of our ecological systems. Cost estimation of what needs to be done to avert the impacts of climate change and cope with those impacts that cannot be avoided. Cost estimation for climate change cost entails intense and sometimes controversial modelling. Most modelling studies that explore long-term mitigation scenarios focus on a given climate target (e.g., keeping global temperature increase below 2°C compared to pre-industrial levels). Because reductions take place over time, however, the timing for decisive action for reducing emissions often leads to variance in mitigation costs (Annemiek et al. 2015). The Stern Review – a 700-page economic analysis of climate change officially commissioned by the British Government – calls for immediate and decisive action on climate change, as delayed action would be prohibitively expensive. Accordingly, the overall costs of unabated climate change will be equivalent to loss of about 5 percent of global GDP annually and could increase to 20 percent of GDP (Stern 2006). In contrast, the Review estimates that it would cost an average 1 percent of annual global GDP by 2050 to stabilize GHGs at the 500 ppm to 550 ppm levels. This cost, contrasted with the counterfactual scenario without any mitigation action, is much lower. The Stern Review was completed 10 years ago and much has happened in the decade since. In 2008, the author of the Stern Review noted that, because climate change is happening faster than predicted, the cost of mitigation would be about 2 percent of GDP, 1 percent higher than stated in the original report (The Guardian, 25 June 2008). In a more recent interview with The Guardian, the author said, “We have delayed action. The potential damages now look bigger than I suggested then. In that sense, I underplayed the consequences of not getting on with it. But the costs of action are a good deal lower than I indicated then, in that technical progress has been faster than we thought. The cost of solar power [for example] is not far off a factor of 10 less than in 2006” (The Guardian, 27 October 2016).

The Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC) focused on 450 ppm GHG stabilization and found considerably higher mitigation costs in terms of percentage loss in macroeconomic consumption (IPCC 2014). Accordingly, a further warming of 2°C could cause losses equivalent to 0.2 percent to 2 percent of world GDP. On the other hand, there are varying cost-effective benchmarks for estimating macroeconomic mitigation costs depending on whether 1) future mitigation actions begin immediately, 2) there is a single global carbon tax, and/or 3) all key technologies are available. Under these assumptions, mitigation scenarios that reach atmospheric concentrations of about 450 ppm CO₂-eq by 2100 entail losses in global consumption—not including benefits of reduced climate change as well as co-benefits and adverse side-effects of mitigation—of 1 percent to 4 percent (median: 1.7 percent) in 2030, 2 percent to 6 percent (median: 3.4 percent) in 2050 and 3 percent to 11 percent (median: 4.8 percent) in 2100 relative to consumption in baseline scenarios that grows anywhere from 300 percent to more than 900 percent over the century (IPCC 2014). Thus, with immediate action, the cost is lower compared to delayed action, as the costs increase overtime. According to one estimate, delaying the start of immediate and decisive action on mitigation to 2030 would increase the cost by an additional 14 percent (Chen et al. 2016).

5. One tangible way to estimate the cost of mitigation is by estimating the cost of mitigation plans that have been put in place by countries. With the adoption of the Paris Climate Agreement, the implementation of the climate actions proposed by more than 190 countries (WRI 2015) may necessitate new sources of finance. For example, the International Energy Agency (IEA) estimates that US\$13.5 trillion will be needed, over the course of the next 15 years (2015–2030), for investment in energy efficiency and low-carbon technologies to implement the Intended Nationally Determined Contributions (INDCs) made as part of the Paris Agreement, and an additional US\$3 trillion will be needed to limit the global temperature increase to 2°C (IEA 2015).

TABLE 2 Cost estimates for mitigation

Source	Cost	Comments
IEA (2015)	INDCs - renewables	US\$13.5 trillion in efficiency measures and low-carbon technologies by 2030
IEA (2009)	US\$10.5 trillion (\$510 billion/year over next 20 years)	Additional energy investment needed in a business-as-usual fossil fuel scenario globally (between 2010-2030) to ensure a 50% chance of maintaining GHG concentration at less than 450 ppm CO ₂ e*
UNDP (2011)	0.2% to 1.2% of annual world GDP	Investments needed to reduce the concentration of greenhouse gases (GHGs)
World Bank (2010)	\$140 billion to US\$175 billion/year	Annual net cost by 2030 of developing-country mitigation measures to stay on a 2°C trajectory
UNFCCC (2007)	\$200 billion to US\$210 billion/year	Global additional** investment needed by 2030 to reduce global GHG emissions by 25% below 2000 levels
Stern (2006)	-1% to +3.5 % of global GDP	The cost of stabilizing the greenhouse gas concentration in the atmosphere at a maximum of 550 ppm CO ₂ e* by 2050

* CO₂e (carbon dioxide equivalent) is the unit used to report GHGs or reductions. GHGs are converted to CO₂e by multiplying their respective global warming potential (GWP) and this allows for reporting of GHG emissions in a standardized value.

** 'Additional' means that the resources expected exceed expected future increases in funding under existing official development assistance (ODA) programmes.

Sources: IEA 2015, 2009; UNDP 2011; World Bank 2010; UNFCCC 2008

6. The international community is now mobilizing resources to finance the mitigation and adaptation actions needed to adequately respond. At COP 15, as part of the Copenhagen Accord, developed countries pledged US\$30 billion in 'fast-start' finance from

2010–2012, with a pledge to increase the financing to US\$100 billion annually by 2020 (Copenhagen Accord). Because many climate finance mechanisms are based on voluntary contributions, this constitutes a huge resource challenge, especially given the recent upheavals in the world economy. Nevertheless, there has been a notable increase in the flow of climate funds in recent years—global climate finance increased by 18 percent in 2014, making the year a standout as some US\$391 billion was invested in low-carbon and climate-resilient growth (Buchner et al. 2015).

7. Thus far, we have been mostly focused on costs of climate change impacts and the climate effort (i.e., adaptation and mitigation) as well as the need for climate finance, which helps mobilize development funds to assist developing countries in reducing GHGs and adapting to the impacts of the changing climate. But it is important to realize that there is no widely accepted definition of climate finance. On the contrary, there is often divergence on “what type of funding constitutes climate finance, how it should be delivered, and how much money developing nations will need to mitigate climate change and adapt to its impacts” (WRI 2013). Broadly, however, it may be understood as funds needed to assist developing countries in reducing GHGs and coping with climate change impacts. Such funds cover a broad array of forms of finance from public, private and alternative sources that target low-carbon and climate-resilient development to international public funds that support coping strategies in vulnerable communities and ecosystems (see Box 2).

Box 2 *What is climate finance?*

In its broadest interpretation, climate finance refers to the flow of funds toward activities that reduce greenhouse gas emissions or help society adapt to climate change’s impacts. It is the totality of flows directed to climate change projects—the same way that ‘infrastructure finance’ refers to the financing of infrastructure or ‘consumer finance’ refers to providing credit for purchases of big-ticket household items.

The term is most frequently used in the context of international political negotiations on climate change. In this context, climate finance—or international climate finance—is used to describe financial flows from developed to developing countries for climate change mitigation/adaptation activities, like building solar power plants or walls to protect from sea level rise. This interpretation builds off the premise that developed countries have an obligation to help developing countries transform their economies to become less carbon-intensive and more resilient to climate change. Some define climate finance even more narrowly, incorporating the notion of ‘incrementality’ or ‘additionality’. For example, the Cancun Agreements—where developed nations pledged to financially assist developing nations with their climate mitigation and adaptation activities—explicitly recognize that tackling climate change requires “new and additional” funding. Under this definition, only those financial commitments that truly represent investments beyond a business-as-usual case would qualify to be categorized as climate finance. However, there is little agreement on what qualifies as ‘additional’, much less how to quantify it.



Box 2 What is climate finance?

Public vs. Private Climate Finance

We can make further distinctions between public and private climate finance. Private climate finance typically refers to capital provided by the private sector; that is, the sector of the economy not controlled by the state. The private sector is made up of a wide range of actors, including individuals (consumers), small and medium enterprises, cooperatives, corporations, investors, financial institutions, and philanthropies. Public climate finance constitutes public dollars raised through taxes and other government revenue streams for climate change projects, whether international or domestic.

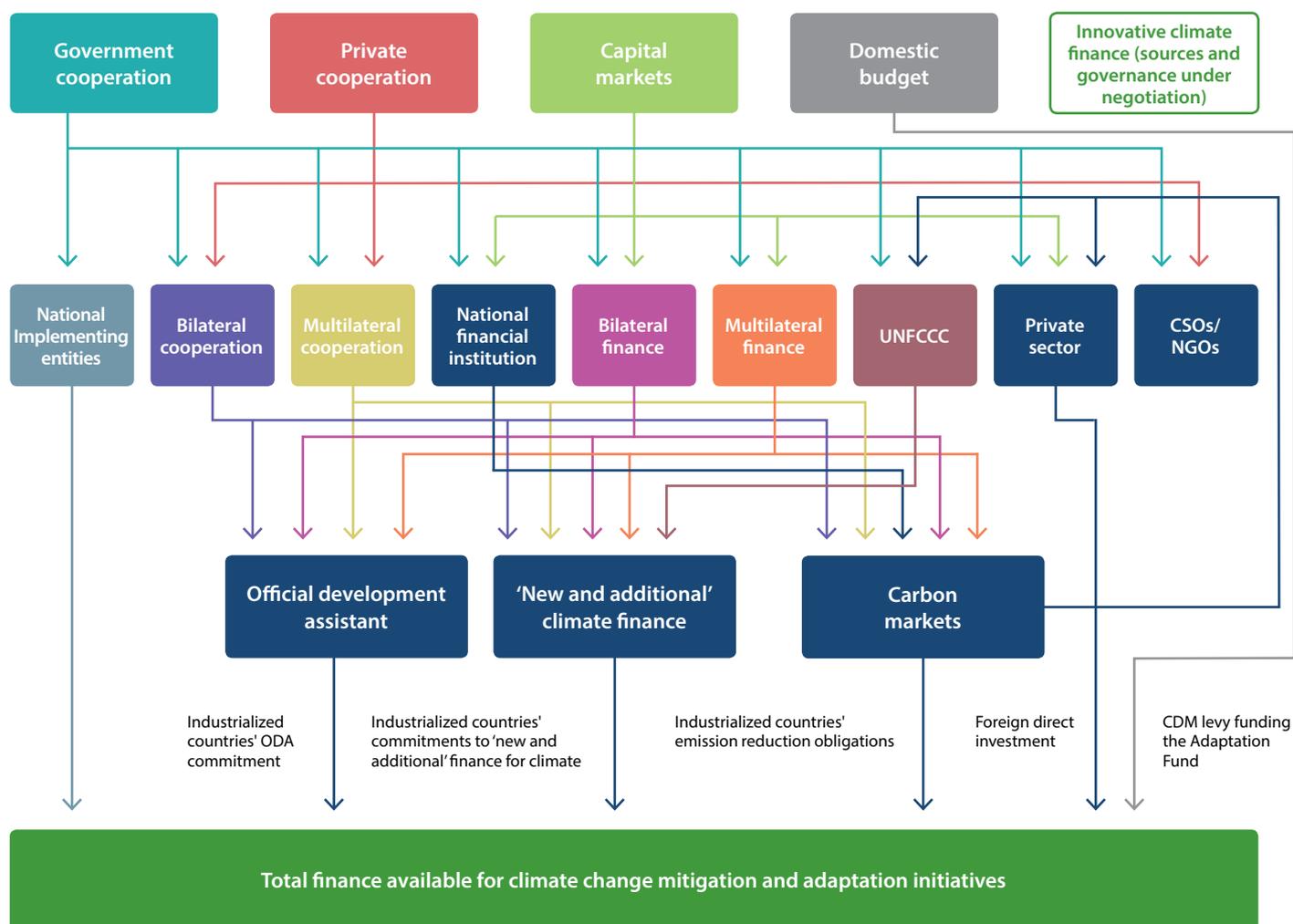
As you can see from this brief breakdown, there are many varying definitions and interpretations of climate finance. However, there is one thing that most experts can agree on when it comes to climate finance: there is a great need for more of it, especially in developing nations.

Sources: Extracted from WRI 2013.
<http://www.wri.org/blog/2013/04/why-climate-finance-so-hard-define>



8. Adaptation and mitigation efforts globally will necessitate mobilization of significant resources to cover the cost of the goods, services and technologies that communities need to deal with the ill effects of climate change. Financing climate change responses therefore encompasses the role and actions of financial institutions and decision makers and includes a range of actors, funds and mechanisms. These actors include governments, international quasi-governmental institutions (e.g., UN agencies and multilateral development banks) and private sector actors such as investors, corporations and hedge funds. The mechanisms include a mix of market- and non-market-based mechanisms and they have complex governance structures (see Flynn 2011 and UNDP 2011a, Figure 1, for the various sources, agents and channels of climate finance). Currently, there are over 50 international public funds, 45 carbon markets and 6,000 private equity funds providing climate change finance (Flynn 2011). According to the Climate Policy Initiative, in 2010, total public finance committed for the climate effort amounted to US\$97 billion compared to US\$391 billion in 2015, with the largest contribution coming from the private sector (62 percent) (Buchner et al. 2015).

FIGURE 1 Climate change finance: Sources, agents and channels



Source: Glemarec 2011

9. Article 2 of the Paris Climate Agreement calls for “making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development”. Another provision – Article 9 – goes into the equity aspects of the climate debate. It states that developed countries shall provide financial resources to assist developing countries to help them reduce GHG emissions and adapt to the adverse effects of climate change. Thus, under the Paris Treaty, developing countries will benefit from financial support for mitigation and adaptation actions, while developed countries are expected to continue to lead in mobilizing climate finance from a variety of sources.
10. The 2030 Agenda for Sustainable Development, which includes the Sustainable Development Goals (SDGs) covering 17 goals with 169 targets, identifies climate change as a critical threat to the ability of all countries to achieve sustainable development. Specifically, SDG 13 aims to “take urgent action to combat climate change and its impacts”. The five targets associated with SDG 13 focus on climate resilience, integration of climate into planning and policies, education for climate action, climate finance and capacity-building. Furthermore, other SDGs (their targets) also refer to climate change. The emphasis given to climate change within SDGs and emphasis given to sustainable development in the Paris Climate Agreement underscores the fact that all effort in sustainable development will depend on success in the climate effort. Climate finance has a crucial role in addressing not only the ill effects of climate change, but also achievement of the post-2015 global goals of zero carbon and resilient development. Box 3 shows an example from INDCs.

Box 3 INDCs and climate finance

The INDCs are the most recent and, politically, most relevant expressions of the actions countries want to take and use to speak to specific development challenges included in the SDGs. Many of the INDCs (around 73 percent), almost all those from developing countries, contain conditional elements whose implementation will be dependent on support provided and other forms of resource mobilization. Additionally, various INDCs provide financial cost and support assessments. According to a recent research paper, 57 percent of the conditional INDCs include estimates of quantified financial needs for the implementation of planned actions, whereas over 40 percent have not specified financial needs or have only done so in a very general manner. The indications, provided in the conditional INDCs investigated (conditional and unconditional elements), sum up to over US\$4 trillion with roughly US\$2 trillion assessed for mitigation actions, over US\$600 billion for adaptation and ca. US\$2 trillion unspecified. It is estimated that the sums amount to over US\$300 billion per year.

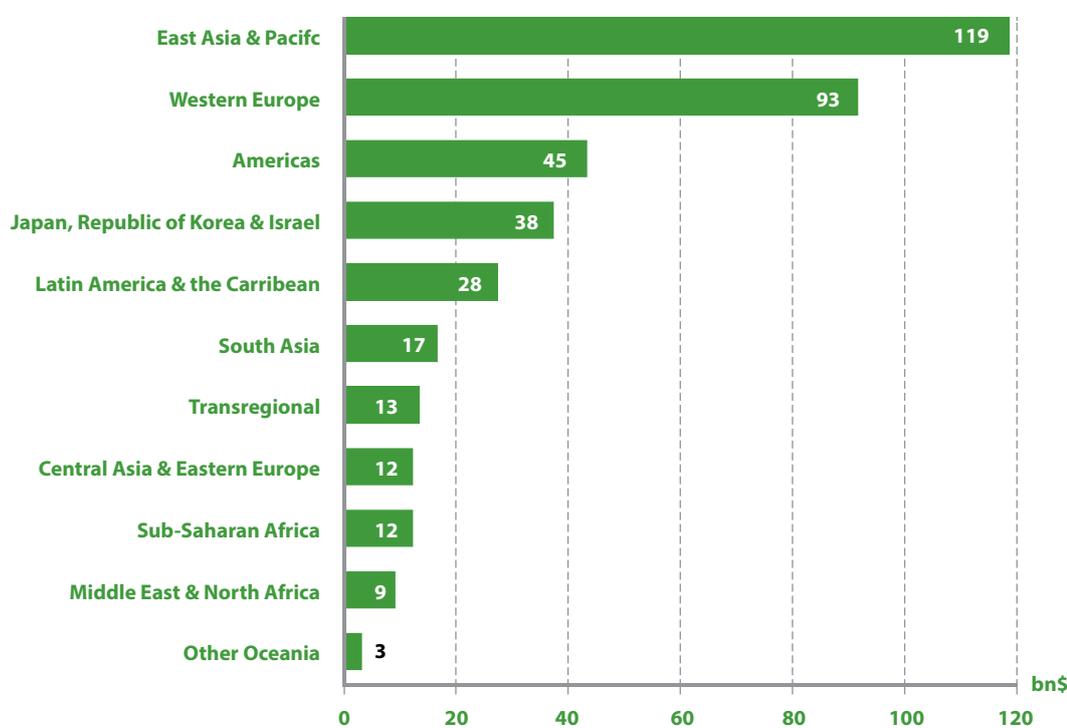
Source: CFAS 2016

11. The scale of the climate challenge suggests that there is a dire need to increase funds significantly to support mitigation and adaptation efforts at all scales. As noted previously, a total of US\$16.5 trillion is required during the period 2015–2030 to make the necessary switchover to renewable and fuel-efficient technologies to meet the 2°C climate goal. Similarly, new studies indicate that the cost of adaptation will be two to three times higher than current global estimates by the year 2030 and four to five times higher by the year 2050. Thus, UNEP’s latest report on adaptation notes:

“Previous global estimates of the costs of adaptation in developing countries have been placed at between US\$70 billion and US\$100 billion a year for the period 2010–2050. However, the national and sector literature surveyed in this report indicates that the costs of adaptation could range from US\$140 billion to US\$300 billion by 2030, and between US\$280 billion and US\$500 billion by 2050.” (UNEP 2016: p. xii)

Mobilizing such financing is an imperative since delayed action will result in higher costs in the future (see Para 4, Table 1). Besides the need for increasing funding, there is also need to balance investments on mitigation and adaptation, as emphasis has been predominantly on mitigation efforts. In 2014, adaptation finance reached US\$25 billion (17 percent of all public climate finance) (CPI 2015). Similarly, it is also important to ensure that there is a more equitable geographic spread of funding streams, as more money seems to go to certain regions than others (Buchner et al. 2015; see Figure 2)

FIGURE 2 Total climate finance breakdown by region in 2014 (US\$ billion)



Note: The figure demonstrates that investments in the poorest and most vulnerable regions (sub-Saharan Africa and Southeast Asia and Oceania) is relatively low.

Source: Buchner et al. (CPI) 2015

12. Besides the need to make climate finance (for mitigation and adaptation efforts) adequate, it is also imperative to address issues of access, capacity, transparency and equity in the access and use of such finance (see Paragraphs 13-15).
13. **Access** is a testing issue in any discourse on climate finance. All developing countries, especially the least developed countries, continue to be challenged by this issue. In fact, countries that receive the least amount of public climate finance are often the most vulnerable to climate change effects, as they have low capacity (e.g., social, educational, technological constraints, etc.) that prevents them from applying for, accessing and utilizing sources of climate finance (UNDP 2011a). Even with the existing climate funds in place, many developing countries and groups still lack the capacity to adequately access them. The Clean Development Mechanism (CDM), which supports projects that reduce GHG emissions reductions in developing countries and assists developing host countries to achieve sustainable development, is a fitting illustration. As of December 2016, there were only 246 – of a total of 8,459 – registered CDM projects in Africa, making up a mere 2.9 percent of the total number of registered CDM projects. Latin America and Asia and Pacific (AP) account for 13 percent and 81.8 percent, respectively (see UNEP DTU 2016). Also, while the AP region accounts for over 81.8 percent of CDM projects, 89 percent of these projects go to only two countries (India and China) (see UNEP DTU 2016). The reasons for this imbalance include low level of development (and hence lower GHG emissions and less abatement potential), limited human and technical resources, and lack of institutional capacity (Arens et al. 2011).
14. **Capacity** in accessing climate funds as well as running programmes and projects supported by such funds with efficiency and effectiveness is another key imperative for achievement of the mitigation and adaptive objectives of climate finance. Many developing countries lack “the financial resources necessary or the institutional, policy, and skills systems” needed to use climate finance effectively; these countries are not climate-finance-ready (UNDP 2012). Climate change finance readiness relates to the capacity of a country to “plan for, access, deliver, and monitor and report on climate finance, both international and domestic, in ways that are catalytic and fully integrated with national development priorities” and the SDGs (MDGs under the previous framework) (UNDP 2012). These capacities need to be strengthened across scales so that countries and local governments are better equipped to access, absorb and properly use the resources they receive for climate change response. Mainstreaming gender equality concepts within these efforts is essential to ensuring the support that is made available will advance climate-resilient development that corresponds to women’s and men’s mitigation and adaptation needs.

The scale of the financial challenge to address the climate challenge is in the order of hundreds of billions, far beyond the capabilities of most in the global south. National climate funds are a mechanism that supports countries’ management of climate finance by facilitating the collection, blending, coordination of and accounting for climate finance. Carefully designed, national climate funds would allow countries to make more prudent and effective use of the climate finance and funds they receive (see Box 3).

15. **Transparency** in climate finance is a key facet for success, since funds can be used to help build adaptive capacity and resilience of socio-ecological systems. Large inflow of resources and the imperative to spend may lead to misuse of resources; the modalities for

receipt and use must be transparent (Lockwood 2013; Transparency International 2011; UNDP 2011b). Transparency on climate finance implies, among others, monitoring, reporting and verification and tracking climate finance from source to final use (Buchner et al. 2011; van Drunen et al. 2009). Engagement of civil society and the public in decision-making and establishing effective accountability measures and institutions should also be a key feature of a good climate finance regime. Deficits in good governance, such as lack of political will, corruption, poor coordination among sector agencies, political instability and marginalization of vulnerable groups, could impede the climate effort (see Lockwood 2013; Habtezion et al. 2015).

16. **Equity** is another important component of climate finance, as resources for climate change response must recognize that climate change impacts can have disparately harsher impact on the poor and the most vulnerable groups of society, including women and girls. Climate finance can reinforce (or help bridge) the disparities the often lead to increased vulnerability, particularly among poor countries and communities (see Modules 1 and 2 for additional discussion on this topic).



For an overview of the gender and climate change nexus, see TM 1

For more information on the interface among gender, climate change adaptation and disaster risk reduction, see TM 2

Summary questions

- *What are the cost implications of deferred action on climate change*
- *What is climate finance? How might climate finance help support the attainment of the SDGs?*
- *Mention some of the structural problems at the national level that contribute to the challenges of accessing climate finance.*

5

Gender aspects of climate finance

Learning objective:

Understand the gender dimensions of climate finance.

16. Gender is an important subject in the context of climate finance for two reasons:
 - Women are agents of positive change. Recognizing their concerns, needs, unique experiences and contributions in the design and operationalization of climate finance mechanisms would increase the value of and return on adaptation and mitigation investments.
 - Despite significant strides in addressing gender inequalities over the years, women are still among the most disadvantaged groups of society and are exceptionally vulnerable to adverse effects of the changing climate. Gender-blind climate finance can unintentionally reinforce these vulnerabilities.
17. There is strong empirical evidence establishing that gender equality and women's empowerment are key for the achievement of the sustainable development goals (Klugman et al. 2014; see Box 4 for illustrative statistics).



Box 4 Women as agents of positive change

- *Studies also show that countries with higher representation of women in congress/parliament are more likely to set aside protected land areas and to ratify multilateral environmental agreements (UNDP 2011).*
- *As primary users and managers of biomass products in many communities, women play an essential role in natural resources management as well as in other productive and reproductive activities at the household and community levels. Review of 17 studies in natural resources management demonstrates that increased participation by women lead to improvements in local natural resource governance and forest (and fisheries) conservation efforts in India and Nepal (Leisher et al. 2016). For example, one study found that women's participation is associated with a 28 percent greater probability of forest regeneration (Agrawal 2006).*
- *There is strong evidence (e.g., India and Nepal) that shows conservation outcomes were improved in forest projects by providing women with more powers in decision-making (World Bank 2012).*
- *A study of 61 countries cited in UNDP's '2011 Human Development Report' showed that an increase in the per capita number of women in parliaments and environmental NGOs is negatively correlated with levels of deforestation, which demonstrates that women's participation in decision-making is key to dealing with structural inequities as well as environmental degradation (UNDP 2011).*
- *Recent research from the McKinsey Global Institute finds that, if women were to participate in the economy "identically to men", they could add as much as US\$28 trillion, or 26 percent, to annual global GDP (roughly the combined size of current US and Chinese economies) in 2025 (MGI 2016).*

Sources: MGI 2016; UNDP 2011, 2014; Leisher et al. 2016; Agrawal 2006; World Bank 2012

18. The positive role that women play in development and environmental sustainability illustrated in Box 4 denotes that "incorporating gender awareness and gender criteria into climate financing mechanisms and strategies would likewise constitute 'smart climate finance.'" (Schalatek 2009) However, women do not have easy or adequate access to funds to cover weather-related losses or to avail themselves of adaptation technologies (Schalatek 2009). The reasons range from cultural and social barriers in education, political participation and decision-making processes to legal restrictions on access to capital, markets and land ownership (UNDP 2014). To illustrate, nine in 10 countries currently have at least one law impeding women's economic opportunities (World Bank 2015), including access to credit, and only in two countries in the world (Rwanda and Andorra) does the share of women in parliament match their share in the population (UNDP 2014).

Box 5 Gender issues around climate finance

- Only 0.01 percent of all worldwide funding supports projects that address climate change and women's rights.
- In 2011 and 2012, only US\$469 million—just 2 percent of all bilateral aid—was directed towards initiatives that had women's economic empowerment as a principal objective.
- In 2015, just 14 out of 193 (7 percent) of finance ministers globally were women.
- In 2015, female representation in the governing bodies of the major climate funds was, on average, just 22 percent.
- Following the adoption of a Gender Policy for the Global Environment Facility (GEF) in 2011, gender-responsive projects in Latin America increased by 75 percent relative to the level of such projects implemented before the adoption of the gender mandate.
- Targeted investments in gender equality and women's empowerment would also yield returns in environmental conservation, achievement of the Sustainable Development Goals (SDGs), poverty alleviation and social policy. For example, the number of malnourished children is 60 percent higher in countries where women do not have the right to own land and 85 percent higher in countries where women lack any access to credit.
- Globally, women occupy 21 percent of seats in national parliaments. In Latin America and the Caribbean, they do better, with around 25 percent of seats. In the parliaments of Arab states, they hold less than 14 percent of seats.
- A 2012 assessment of Climate Development Mechanism (CDM) projects concluded that only five of the 3,864 projects (0.13 percent) included gender considerations within project documentation.

Sources: GGF & INWF 2015; Aguilar, L. et al. 2015; UNDP 2014; UNFCCC 2012

19. There are notable efforts, especially with multilateral funds, to integrate gender considerations into climate change responses. However, the current climate finance architecture still has gender gaps that need to be overcome, especially when it comes to implementation of projects on the ground. Table 3 provides a catalogue of climate finance funds and mechanisms along with their governance structures and briefly analyses their gender-responsiveness. Women bring unique perspectives and skills in natural resources management that are beneficial for effective adaptation and mitigation (see Table 1). Therefore, by ensuring that climate change financing is geared toward catalysing the necessary institutional and policy changes to advance sound social policy and gender equality, one can also ensure that the returns on investments in adaptation and mitigation efforts are greater. Integrating gender perspectives and gender criteria into climate financing mechanisms and strategies would hence enhance the value and sustainability of climate efforts (UNDP 2011a; Schalatek 2015). Part VI discussed ways in which climate finance can be made more gender-responsive.

TABLE 3 *Gender aspects of key climate funds*

Fund	Governance	Gender aspects
Adaptation fund	<ul style="list-style-type: none"> Operationalized in 2009 Finances concrete adaptation projects and programmes in developing countries that are parties to the Kyoto Protocol and particularly vulnerable to the adverse effects of climate change Works with direct access modality Financed by a levy on CDM projects and by voluntary donor and other contributions, the Adaptation Fund has committed US\$354.89 million to support 61 countries, including 22 least-developed countries and 13 small island developing states. Managed by the Adaptation Fund Board consisting of 16 members and 16 alternates. The Global Environment Facility provides secretariat services to the Board and the World Bank serves as trustee of the Adaptation Fund (both on an interim basis) <p>→ https://www.adaptation-fund.org/</p>	<ul style="list-style-type: none"> While no specific gender references were included in the original operational guidelines, accreditation procedure and project review criteria of the Adaptation Fund, the Fund's Operational Policies and Guidelines were revised in June 2011 to reference gender considerations. In October 2013, it approved new environmental and social policy standards, which reference gender equality as a key principle. In March 2016, its Board approved a new gender policy and action plan to strengthen equal access among women and men to Fund programmes and resources. The new Gender Policy and Action plan builds on the existing gender policies and gender action plans of other climate funds. The policy states, "The Fund's resource allocation for concrete adaptation projects and programmes contributes to gender equality and supports the empowerment of women. Fund projects and programmes without articulated gender considerations shall not receive Fund resources" (Art. 22). The Gender Action Plan (2017-2019) seeks to provide a framework and accountability tool for the full operationalization of the new Gender Policy by setting clear time-bound goals and priorities.



Fund	Governance	Gender aspects
Least developed countries fund	<ul style="list-style-type: none"> Operationalized in 2002, one of the longest standing international climate funds Assists 55 least-developed countries in national adaptation programme of action preparation (NAPAs) and their implementation; main sectors targeted include food security and agriculture, coastal management, and water resources By 2016, the Fund had approved around US\$1 billion for the funding of projects and programmes in 49 countries, leveraging almost US\$4 billion in financing from partners. Managed by the Global Environment Facility <p>→ https://www.thegef.org/topics/gender</p>	<ul style="list-style-type: none"> The Global Environment Facility has progressed towards incorporating a gender perspective into the Least-Developed Country Fund and Special Climate Change Fund operations. For example, the 2010 Revised Programming Strategy of the Global Environment Facility for the Least-Developed Country Fund and Special Climate Change Fund states that the funds will “(1) encourage implementing agencies to conduct gender analyses; (2) require vulnerability analyses to take gender into account; and (3) integrate gender as appropriate in all results frameworks and in updated operational guidance” (UNDP 2011c). The Cancún Adaptation Framework affirms that enhanced action on adaptation should follow a “country-driven, gender-sensitive, participatory and fully transparent approach” (UNFCCC 2011). The ongoing implementation of national adaptation programmes of action and future implementation of the Cancún Adaptation Framework should fully integrate gender considerations.
Special climate change fund	<ul style="list-style-type: none"> Operationalized in 2002, established in response to guidance from the Conference of the Parties (COP7) in Marrakech in 2001 Established to support adaptation and technology transfer in all developing country parties to the UNFCCC; supports long-term and short-term adaptation activities. Managed by the GEF <p>→ https://www.thegef.org/topics/gender</p>	<ul style="list-style-type: none"> In May 2011, the Global Environment Facility approved a Policy on Gender Mainstreaming, which will inform Least-Developed Country Fund and Special Climate Change Fund operations. The policy also makes the gender capacity of new implementing agencies a criterion for GEF accreditation. In October 2014, the GEF Council, its decision-making body, approved the GEF’s Gender Equality Action Plan as a concrete road map to implement its gender mainstreaming policy during the GEF’s sixth replenishment period (2015-2018). The policy calls on the GEF and its Partner Agencies to mainstream gender into GEF operations, including efforts to analyse and address in GEF projects the specific needs and role of women and men, as appropriate for each intervention.



Fund	Governance	Gender aspects
Forest Carbon Partnership Facility	<ul style="list-style-type: none"> Operationalized in 2008 Helps developing countries to reduce emissions from deforestation and forest degradation, forest carbon stock conservation, the sustainable management of forests and the enhancement of forest carbon stocks in developing countries (activities commonly referred to as REDD+). Consists of Readiness Fund and Carbon Fund. 47 REDD+ country participants (18 in Africa, 18 in Latin America and the Caribbean, and 11 in Asia-Pacific) Governed by Participants Assembly and Participants Committee (14 REDD+ countries, 14 financial contributors plus observers); World Bank functions as Trustee, Secretariat and Delivery Partner <p>→ https://www.forestcarbonpartnership.org/</p>	<ul style="list-style-type: none"> The World Bank's Environmental and Social Safeguard Policies address the question of gender only within the context of benefit-sharing of social and economic benefits by indigenous groups and other forest-dependent communities (World Bank 2008). In August 2016, the World Bank's Board of Executive Directors approved a new Environmental and Social Framework that expands protections for people and the environment in bank-financed investment projects. The standards enunciated in the new framework centre around 'sustainability' and inclusion, which it elaborates as " policies to promote equality and non-discrimination by improving the access of all people, including the poor and disadvantaged, to services and benefits such as education, health, social protection, infrastructure, affordable energy, employment, financial services and productive assets". The document makes several references to gender and gender equality and provides flexibility in implementation for safeguards.



Fund	Governance	Gender aspects
Climate Investment Funds	<ul style="list-style-type: none"> Created and formally approved in 2008, started to roll out piloting programmes in 2009 Pair of funds to help developing countries pilot low-emission and climate-resilient development Climate Investment Funds consist of distinct funds: the Clean Technology Fund finances transfer of clean technologies in countries or regions that have the potential for mitigation; the Strategic Climate Fund finances programmes that pilot new climate change approaches, including the Forest Investment Programme, Pilot Programme for Climate Resilience and Scaling Up Renewable Energy Programme in Low-Income Countries Channelled through the Asian Development Bank, African Development Bank, European Bank of Reconstruction and Development, Inter-American Development Bank and the World Bank Group The World Bank is the Trustee of the Climate Investment Funds. The organizational structure includes separate Trust Fund Committees for the Clean Technology Fund and Strategic Climate Fund and separate sub-committees for the Pilot Programme for Climate Resilience, the Forest Investment Programme and Scaling Up Renewable Energy Programme in Low-Income Countries <p>→ http://www-cif.climateinvestmentfunds.org/</p>	<ul style="list-style-type: none"> The World Bank and the regional multilateral development banks implementing the Climate Investment Funds have gender policies for their development financing operations. In June 2014, the Climate Investment Fund's Gender Action Plan (2015-2016) was adopted. It seeks to mainstream gender into CIF policy and programming in support of gender equality in climate-resilient, low-carbon development investment in CIF countries.



Fund	Governance	Gender aspects
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UN-REDD

- Operationalized in 2009
- United Nations Collaborative Initiative (UNDP, FAO and UNEP) on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
- The UN-REDD Programme is a Multi-Donor Trust Fund. UNDP has been appointed as the Administrative Agent.
- <http://www.un-redd.org/>

- The 2011 to 2015 UN-REDD Programme Strategy has made gender equality one of its guiding principles (UN-REDD 2011).
- During COP 16, the UNFCCC established seven safeguards (Decision 1/CP.16, Annex 1) to be promoted and supported when undertaking REDD+ activities. While these safeguards do not explicitly mention 'gender', there are useful references to "relevant international conventions and agreements", "respect for the knowledge and rights of indigenous peoples and members of local communities" and the need for "participation of relevant stakeholders, in particular indigenous peoples and local communities".
- Other UNFCCC REDD+ decisions have impacted and encouraged the uptake of gender-sensitive REDD+ policy and action. For example, at UNFCCC COP 16 in Cancun in 2010, parties guided countries in Decision 1/CP16 that, when developing and implementing their REDD+ national strategies or action plans, to address gender considerations, among other issues (UNFCCC 2011). Building on this guidance, at COP 17, the Durban Outcomes (Decision 12/CP.17) further guided countries that, when providing information on how safeguards are addressed within their efforts on REDD+ (now commonly referred to as "safeguard information systems" (SIS)), gender considerations should also be respected in this process (UNFCCC 2012).



Fund	Governance	Gender aspects
Clean development mechanism	<ul style="list-style-type: none"> Established through the Kyoto Protocol in 2007 Allows emission-reduction projects in developing countries to earn certified emission reduction credits (each credit is equivalent to one tonne of CO₂). These credits can be traded and used by industrialized countries to meet part of their emission reduction targets under the Kyoto Protocol. As of December 2016, 7,747 CDM have been registered (see UNEP DTU 2016). <p>→ https://cdm.unfccc.int/</p>	<ul style="list-style-type: none"> CDM has not been arguably effective in promoting sustainable development objective (contrasted with its mitigation objective). As an official mechanism of the UNFCCC, which mandated incorporations of gender considerations in COP 18 in Doha (2012). However, structurally, the CDM lacks guidelines on developing and implementing gender-responsive policy and projects (Schalatek 2015). Most CDM projects tend to overlook small-scale mitigation projects, in which the poor—particularly women—are likely to engage. For example, typical women’s activities that could count as adaptation and mitigation (such as tree planting) could be overlooked. As of 2007, the CDM Executive Board has approved programmatic CDM (pCDM) that allows the bundling of otherwise distinct projects under a Programme of Activities and ensuing registry. Although it has its own limitations, pCDM could help leverage needed financing for small local-level projects that tend to benefit poor and marginalized groups in society, including women.
	Green climate fund	<ul style="list-style-type: none"> Established at the 16th Conference of the Parties to the UNFCCC in 2010 (operationalized in 2015) Designed by a Transitional Committee comprised of 40 members (15 from developed countries, 25 from developing countries); the Transitional Committee was also open to observers. Governed the Green Climate Fund Board comprising 24 members (as well as alternate members) with equal number of members from developing and developed country parties The World Bank serves as a trustee. Supports adaptation and mitigation projects and programmes <p>→ https://www.greenclimate.fund/home</p>

Figures for CDM are based on <http://cdm.unfccc.int/Statistics/index.html> (as of December 2016).

Figures for CIFs are based on <http://www.climateinvestmentfunds.org/cif/> as well as the respective home pages provided in the Table.

Figures for LDCF and SCCF are based on the respective home pages provided in the Table.

For in-depth analysis of the funds and mechanisms in the table, read Schalatek and Nakhooda 2015 and Schalatek 2015.

Sources: Figures for funds are based on <http://www.climatefundsupdate.org/projects> as well as their respective home pages provided in the Table.

20. The diverse climate finance mechanisms and funds continue to evolve. The following links list and describe diverse finance regimes for adaptation, mitigation, technology transfer and capacity-building:



www.unsystem.org/content/climate-finance-options-cfo-platform
www.climatefundsupdate.org

Summary questions

- *Mention some of the challenges that women face in accessing climate finance.*
- *Select any one of the funds/mechanisms listed under Table 3 above and explain what could be further improved regarding the integration of gender considerations.*
- *Explain the economic imperative for gender-responsive climate finance.*

6

Engendering climate finance

Learning objective:

Explore ways and means of incorporating gender perspectives as well as increasing access and efficiency in climate financing

21. Climate finance offers enormous opportunities for addressing the economic damage associated with climate change. It also provides opportunities for leveraging resources to help meet similar global sustainability and development targets and aspirations, including the achievement of the SDGs.
22. Climate change responses require resources for a diversity of concrete adaptation and mitigation action; climate finance is therefore a key factor for success. The centrality of climate finance to the climate effort is an even more compelling reason to ensure that it is equitable. As argued in Part IV, one way to ensure equity in climate finance is to ensure its gender-responsiveness (which would also help increase the sustainability and efficiency of investments in climate efforts).
23. Ensuring gender-responsiveness in climate finance entails a methodical effort in seeking opportunities to engender all scales of governance and all phases of programme and project development, management and execution. Box 6 provides key principles and actions for gender-responsive climate financing.

Box 6 *Key principles and actions for gender-responsive climate financing*

- *Gender equality and women's empowerment as guiding principles and a crosscutting mandate for all climate finance instruments rooted in a human-rights-based approach*
- *Gender-responsive funding guidelines, allocation criteria and financial instruments for each thematic funding window or sub-fund*
- *A beneficiary and people-centred approach to adaptation and mitigation measures, paying particular attention to some of the small-scale and community-based actions in which women are over-represented, including as owners of micro, small and medium-sized enterprises in developing countries*



Box 6 Key principles and actions for gender-responsive climate financing

- *Explicit gender criteria in performance objectives and results measurement frameworks and for the evaluation of funding options. Such criteria should include a mandatory gender analysis of the proposed project or programme, a gender budget and some clear quantitative and qualitative indicators measuring how projects and programmes contribute to gender equality objectives, as well as the systematic collection of sex-disaggregated data. Indicators need to be project- and programme-specific and allow for aggregate monitoring and evaluation of gender equality impacts on the fund portfolio level.*
- *Gender-balance and gender-expertise of an institution's staff as well as its technical advisory bodies and panels to ensure that gender equality principles are integrated into the development of funding, accreditation and programming guidelines and are considered in programme and project review and the monitoring, reporting, verification and evaluation of a mechanism's funding portfolio*
- *Special efforts to seek the meaningful input and participation of women as key stakeholders and beneficiaries in fund-related country-coordinating mechanisms to determine a country's funding priorities. This would be done throughout the funding cycle of a programme or project from design to implementation to monitoring and evaluation, including through a special focus on participatory monitoring approaches.*
- *A regular audit of the gender impacts of funding allocations in order to ensure balance between mitigation and adaptation activities and gender-responsive delivery across different scales and geographical foci of activities*
- *A robust set of social, gender and environmental safeguards and guidelines and capacity-building support for their implementation that guarantee gender equality, women's rights and women's full participation. These safeguards should comply with existing international obligations, including on human and women's rights, labour standards and environmental law.*
- *Independent evaluation and recourse mechanisms easily accessible to groups and individuals, including women, affected by climate change funding in recipient countries to allow them to voice their grievances and seek compensation and restitution.*

Sources: Schalatek and Nakhooda 2015

24. Climate change finance has goals that are compatible with gender equality and women's empowerment. Focusing climate finance on activities, projects and programmes that are typically reserved for women would help contribute to gender equality and the empowerment of women and girls. Such actions would improve and increase the reach of adaptation and mitigation activities at all levels, which, in turn, would also aid broader sustainable development goals. It is therefore important to mainstream gender into the gamut of climate change responses (see Box 7).

Box 7 *Mainstreaming gender and empowering women*

- *Ensure that projects' and programmes' broader social implications are factored into decision-making processes*
- *Maximize synergies among mitigation, adaptation, poverty eradication, gender equality and women's empowerment*
- *Streamline application processes and support women's and small-scale initiatives' participation in adaptation and mitigation activities*
- *Improve infrastructure, public health and disaster preparedness*
- *Ease women's and girls' care burdens*
- *Promote women's economic empowerment*
- *Embed adaptation and mitigation strategies into gender equality projects*

Sources: UNDP 2011a

25. The nature and scope of economic and social empowerment processes must be broadened to address the social and economic costs of climate change. There needs to be better understanding of the relationships among the various forms of finance and their actual impact on social policy and ease of access to them (see Box 8).

Box 8 *Market and non-market mechanisms*

- *Use a mixed system of market- and non-market mechanisms*
- *Focus on positive incentives in policymaking*
- *Integrate gender priorities into private sector regulations and policy frameworks*
- *Ensure that information and analysis for decision makers accounts for gendered differences*
- *Expand gender sensitization efforts to the business and philanthropic communities*

Sources: UNDP 2011c

26. Strategic opportunities and openings exist for informing, modifying and/or reforming existing global frameworks, institutions, instruments and mechanisms (such as the United Nations Framework Convention on Climate Change (UNFCCC), World Bank and GEF) so as to make them more gender-sensitive. Below are a few examples:
- As countries move towards the implementation phase of the Paris Agreement, their Nationally Determined Contributions (NDCs), submitted under the UNFCCC process at COP 21 (as well as other related national instruments), there is a huge potential for embedding gender-responsive and gender-transformative approaches that promote women's empowerment while also delivering results for zero-carbon and climate-resilient futures. Like NDCs, other similar tools such as the national low-emission development strategies provide even more scope and opportunity for mainstreaming gender considerations into mitigation and development planning finance.
 - Following the United Nations Framework Convention on Climate Change (UNFCCC) during the Eleventh Conference of the Parties (COP 11) in 2005, developing countries have implementing readiness programmes to reduce carbon emissions from deforestation and forest degradation through REDD+ ('reducing emissions from deforestation and forest degradation in developing countries, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks') (UNREDD 2016). REDD+, which has now become operational within the ambit of the Paris Climate Agreement, creates incentives for governments, companies or owners of forests in developing countries to undertake measurable, reportable and verifiable reductions in greenhouse gas (GHG) emissions from activities in the forest sector. This mitigation effort can also be seen as an opportunity (and an imperative) to ensure that REDD+ also delivers co-benefits in the form of sustainable development, poverty reduction and gender equality. REDD+-related climate finance could play a key role to this end.
 - Most of the prioritized national adaptation programme of action (NAPA) projects that were proposed by least-developed countries have yet to be implemented. Building upon least-developed countries' experience with NAPAs, COP 16 launched a new process, the Cancún Adaptation Framework, to help developing countries plan and implement national adaptation plans (NAPs), which, in turn, could serve as a tool for developing medium- and long-term adaptation needs and planning and implementing strategies to respond to those needs. It is expected that parties will continue to mobilize resources to support the NAPA/NAPs process (UNFCCC 2012). Crucial to this process is ensuring that NAPs are gender-responsive and participatory, reflect the needs of vulnerable communities and are formulated from gender-sensitive climate, economic and social data and information.
27. As discussed in Part V, there have been notable successes in incorporating gender considerations within existing global public funds and mechanisms. From the Clean Development Mechanism to the recently established Green Climate Fund, there are varying levels of gender sensitivity in documents that constitute the funds and in planning documents (e.g., gender policy and/or action plans). However, in addition to external support, developing countries are also making domestic investments in climate efforts that are likely to increase (Bupna et al. 2008) and continue to take advantage of financing opportunities from a wide array of private and public, national and global financing options. Such diversity of funding calls for efficient use of resources for national climate and development

priorities. National Climate Funds (NCFs) are tools developed by UNDP and are designed to help in this regard. NCFs are “nationally-driven and nationally-owned funds that help countries to collect climate finance from a variety of sources, coordinate them, blend them together and account for them” (Flynn 2011). Carefully designed, NCFs would allow countries to make more prudent and effective use of the money they receive.

28. National budgetary processes have a long way to go in mainstreaming gender issues. While governments generally enunciate their support for gender equality, this rhetoric and the ways in which they raise and spend money often do not match up. This rift needs to be eliminated. Gender-responsive budgeting can help by ensuring that public resources are used more effectively and equitably, with focus on reprioritizing financial flows to address gender gaps rather than just increasing overall expenses (for more information, see UN Women 2012). It can also help promote gender equality goals by improving accountability for public resources to the populace, especially to women, who are, by and large, more marginalized than men in decision-making about public money (Elson 2002).
29. Beyond national climate funds, it is also important that climate change finance readiness – a reference to the capacities of countries to plan for, access, deliver, monitor and report on climate finance in ways that are catalytic and fully integrated with national development priorities and achievement of the sustainable development goals (see UNDP 2012) – be strengthened at the national level be so that countries and local authorities are better-equipped to access, absorb and properly use, in a participatory and gender-responsive manner, the funds they receive. It is not enough for only multilateral funding entities to be gender-responsive; national processes and mechanisms within the context of climate finance readiness must also be gender-responsive. If the climate finance preparedness processes do not integrate gender, it is unlikely that the outcomes of these processes will be gender-responsive.

Box 9 Good practices – Cambodia NCF supports gender mainstreaming initiatives

The Cambodia Climate Change Alliance Trust Fund (CCCA TF) was launched in 2010 as the funding arm of the Cambodia Climate Change Alliance (CCCA), a national programme to support capacity development and institutional strengthening to prepare for, and mitigate, climate change risks. The Alliance aims to directly help vulnerable communities by enhancing their resilience to climate change and other natural hazards. The CCCA TF is financed by bilateral donors, including the European Union, Sweden, Denmark and UNDP.

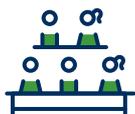
UNDP and other donors and implementing partners are working hard to mainstream gender into the CCCA programme and its activities. The Cambodian Government’s adoption of the Cambodia Climate Change Strategic Plan in 2012 under the support from the CCCA programme is a great opportunity to achieve this. Including gender dimensions in the Strategic Plan is key because this plan will be implemented at the policymaking level of the government and engages various partners at the decision-making level. Furthermore, the Ministry of Women’s Affairs has received a US\$15,000 grant under the CCCA policy development component to conduct a technical review of the key sectoral climate change mainstreaming roadmaps that the priority sectoral ministries will develop to ensure that gender aspects are being considered in these respective roadmaps. These will also provide inputs to the overall development of the Cambodia Climate Change Strategic Plan.

Source: Flynn 2011; UNDP Cambodia 2012

30. Increasing the access to and transparency in existing climate finance mechanisms would also promote the efficiency and effectiveness of climate change responses.
- Most developing countries have difficulties in accessing the different forms of climate finance. All available tools should be used to help improve access to technological and financial resources for adaptation and mitigation. National Climate Funds and gender-responsive budgeting can also help in this respect by ensuring that public resources are used more effectively and equitably. Because, in some ways, lack of capacity in accessing climate funds and in efficiently and effectively running related programmes and projects is at the root of the ‘access’ challenge, the capacity development aspect to this needs to be properly tackled.
 - Just as important, finances for adaptation and mitigation programmes and activities need to be used fairly and transparently and promote accountability and good governance.



Khadija and climate finance



Group exercise (see Appendix B: Learning tools)

Summary questions

- *What are some of the key principles and actions for gender-responsive climate financing?*
- *How might NDCs provide a window of opportunity for engendering climate finance frameworks, institutions, instruments and mechanisms? What other entry points do you see for engendering climate finance?*
- *Discuss some of the tools that could be employed to ensure that climate funds are more accessible to poor countries. How should climate funds be developed to ensure that they ultimately benefit poor communities and especially rural women?*

7

Conclusion

31. The costs associated with the warming climate are alarming, the more the delay on decisive action by the international community, the more expensive it will get. Because marginalized communities and groups (e.g., women, immigrants, the elderly, the disabled) are more exposed to climatic risk, the costs of climate change are more difficult for them.
32. Climate finance ('financial flows mobilized by industrialized country governments and private entities that support climate change mitigation and adaptation in developing countries') can catalyse the much-needed transition to zero-carbon and climate-resilient development while also fostering equitable social policy, including gender equality and women's empowerment.
33. Gender equality, women's empowerment and climate change are substantially interrelated. Climate change could worsen social inequalities by deepening poverty and derailing the achievement of SDGs. Climate finance mechanisms that do not take heed of gender disparities could exacerbate them. Alternatively, gender-responsive mitigation and adaptation financing efforts could help advance social policy, including poverty reduction and women's empowerment, and accordingly promote sustainable development. It is thus important to incorporate gender perspectives into the various climate financing instruments, mechanisms and processes and thereby avert unintended harm to social development, poverty eradication and gender equality.
34. Broadly, there is a need to engage with the broader family of existing climate finance frameworks, networks and instruments to ensure more meaningful integration of gender perspectives into their governance and processes. The recent progress in multilateral finance mechanisms in terms of gender policy needs to be supported and expanded to cover the private sector and non-market and market finance mechanisms at national and global levels. It is critical that ongoing investment and financial support for climate change responses break the current cycle of gender-blind decision-making processes within the larger global financial structure. In this regard, streamlining application and approval procedures for climate funds could help reduce the time and cost for women and community groups to gain access to resources. Gender-based criteria for fund disbursement and project selection should also be developed to encourage gender mainstreaming in all funded projects and to ensure that small-scale projects—particularly those involving women—are supported and targeted for funding.
35. There is a need to make good use of national-level climate finance tools, such as national climate funds, climate finance readiness strategies and gender-responsive budgeting, which help countries manage, coordinate, implement and account for international and

domestic climate finance. Such tools would help countries strengthen their national capacities to use climate finance effectively and to integrate these resources appropriately within their national development planning and sustainable development goals.

36. Beyond ensuring access, issues of accountability, efficiency and good governance need to be addressed so that financing for adaptation and mitigation activities is used fairly and transparently.

A

Appendix A: Case studies

CASE 1 *Climate finance and gender – The Philippines*

What do women's rights have to do with climate finance? Investing in women is one of the most effective ways to advance sustainable development and fight climate change devastation. Taking an in-depth look at The Philippines, WEDO (Women's Environment and Development Organization) explores the gender dimensions of climate finance at the national level in our latest publication *Gender and Climate Change Finance: A Case Study from The Philippines*.

Existing conditions and discrimination determine who is most impacted by 'natural' disasters. Women tend to be poorer than men by significant margins and people in poverty bear the brunt of climate change impacts. They are most dependent on the environment for livelihoods, food, fuel and medicine. Women often lead communities in conserving natural resources, adapting crops to changing soil and climatic conditions and rebuilding following natural disasters. The feminization of poverty and gendered divisions of labour present clear differences in how climate change impacts women and men and their respective capacities for coping with and adapting to climate changes. And while women tend to bear a disproportionate burden of adjustment to climate change, they contribute less than men to greenhouse gas emissions.

Investing in women is one of the most effective ways to advance sustainable development and to fight climate change devastation. WEDO and the Heinrich Böll Foundation partnered with Athena Peralta—a Manila-based advocate on ecology, economy and gender—to document the gender impacts of climate change on women in The Philippines and to assess how decision makers at the national level are addressing gender roles and women's rights, lives and livelihoods in climate finance policy.

The study concludes with proposals to ensure that women and gender are adequately addressed in national climate financing policies, programmes and frameworks. These include:

- Creating mechanisms that guarantee women's equal access to negotiating, developing managing and implementing adaptation and mitigation financing
- Including disaggregated indicators on mitigation and adaptation funds for targeting and monitoring benefits to women
- Developing principles and procedures to protect and encourage women's access to national adaptation programmes and projects
- Conducting gender impact assessments of adaptation and mitigation strategies

- Implementing the ‘polluter pays’ and ‘shared but differentiated’ principles
 - Ensuring mitigation strategies includes financing new, green technologies and developing and enforcing necessary regulations regarding greenhouse gas emissions
-

→ Source: WEDO 2008

CASE 2 *Women’s participation in gender-responsive AF project in Senegal*

The Adaptation to Coastal Erosion in Vulnerable Areas four-year project in Senegal, supported with US\$8.6 million from the AF and the first AF project to close in 2014, aimed to protect people, houses and economic and cultural infrastructure at three coastal sites against coastal erosion and salinization of agricultural lands. It was managed by the Centre de Suivi Ecologique (CSE) as the NIE and relied on Dynamique-Femme, an association of about 60 local women’s groups with 2,600 members, as one of three project-executing entities. Association members worked as part of the project to protect and clean up beach areas (including by addressing the lack of sanitation infrastructure for local residents in the coastal community of Joal, one of three project sites) and rehabilitated infrastructure for traditional local fish processing. Women in Senegal’s coastal communities traditionally process and sell fish, while men do the fishing. The involvement of Dynamique-Femme as an executing entity in the project drew on their local community ties and knowledge and prior experience with similar activities, including the association’s network for information outreach and capacity-building activities with local communities.

→ Source: Schalatek 2015, p. 235

B

Appendix B: Learning tools

TASK 1 *Rehabilitation of disaster-stricken households – Bangladesh*



Khadija and climate finance



5 minutes (video presentation) – 20 minutes (group discussion and reflections)

Notes to the facilitator

- **Context**

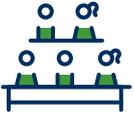
Khadija and climate finance

Khadija Begum lost her home in cyclone Aila, which barrelled through southern Bangladesh in 2009. Two years later, she was selected for one of 2,000 new houses, paid for by the national climate fund at a cost of US\$1,400 each. The result: a floor, four pillars and a roof. Khadija's 'home' has no walls, no running water and no toilet. Khadija told Transparency International Bangladesh how the builders sold some of the iron and cement they were given. They weren't officially accountable to anyone, so their work went unmonitored. And the money they were entrusted with slipped off the radar.

→ Source: www.transparency.org/news/feature/rio20_the_future_we_want_is_corruption_free

- **Encourage a general discussion on governance aspects of climate finance and, specifically, transparency and accountability.**

TASK 2 *Group discussions based on case studies*



Group discussion based on Case 1: Climate finance and Gender (The Philippines) and Case 2: Women's participation in gender-responsive AF project (Senegal)



40 minutes

Notes to the facilitator

Divide the participants into two groups and facilitate a discussion along the lines of the following questions:

Group one – The Philippines

- What did you learn from this project?
- How does this case study relate to your national context?

Group two – Senegal

- What did you learn from this project?
- How does this case study relate to your national climate finance context? What 'finance'-related national policies need to be more gender-responsive?

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