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In-session workshop on gender-responsive climate policy with a focus on mitigation action and technology development and transfer

Session IV, Enhancing gender-responsiveness in mitigation action and technology development and transfer – challenges and opportunities

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COP decision 18/CP.20 invited parties to "achieve gender-responsive climate policy in all relevant activities under the Convention." It also established the two-year Lima Work Programme on Gender and mandated as a key component under that work program that the Secretariat host an in-session workshop on gender responsiveness of mitigation and technology approaches under its 42nd SBI session in June 2015, to be followed by a similar in-session workshop on adaptation and capacity-building at the 43rd SBI session in June 2016.

The sequencing of these two in-session workshops mandated under the Lima Work Programme on Gender sends an important message: To address gender equality in the context of urgent actions to address climate change it is not enough to focus on women's greater vulnerability and general capacity-building needs (where most of the discussion on gender and climate change has been stuck in the past). Parties also need to recognize and respond to the respective role and capabilities of men and women in reducing emissions by addressing their technology needs to contribute effectively, efficiently and equitable to important mitigation actions.

Rationale for gender-responsive mitigation financing

This presentation focuses on gender-responsive mitigation financing with a particular look at the challenges and opportunities for the provision of gender-responsive mitigation financing that is channeled through the financial mechanism of the UN Framework Convention on Climate Change (UNFCCC).

Climate finance is a core means of implementation for mitigation action at national level and also for the transfer of and access to adequate and appropriate technology, which is environmentally, socially and economically sound. Which technology is adequate and appropriate for specific mitigation projects and programs and in specific contexts has to be determined by the needs of local communities and men and women as direct beneficiaries of such climate actions.

As climate change is not gender-neutral with differentiated impacts on men and women in many developing countries as well as differing capabilities by men and women to contribute to climate solutions, climate finance to address climate change impacts and support climate actions cannot afford to be gender-neutral, but must be fully gender-responsive. There are two main reasons for the provision of scarce public climate finance to be gender-responsive:

1. The OECD experiences with development finance and the aid effectiveness discourse, such as the Busan Aid Effectiveness Declaration have confirmed that gender-responsive financing is more efficient, effective and contributes to more gender equality as well as sustainable and inclusive growth.
2. Climate finance does not happen in a normative vacuum. Country parties to the UNFCCC are with a few exceptions also signatories to the Convention for the Elimination of All Forms of Discrimination Against Women (CEDAW) and other relevant human rights covenants, for example on economic, social and

cultural rights or on civil and political rights.[2] Extensive research and most recently the UN special rapporteurs for human rights have confirmed the compatibility of parties' climate change and human rights obligations and the responding mandate to act.

UNFCCC need to "catch up" in gender mainstreaming gender

Regarding gender mainstreaming , the UNFCCC in terms is actually lacking behind not only the other Rio Conventions – for example the Convention on Biological Diversity has had a gender action plan since 2008, with the current one running from 2015 - 2020 – but also needs to catch up to the operating entities of its own financial mechanism. Both the Global Environment Facility (GEF) and the Green Climate Fund (GCF) have an explicit gender policy as well as elaborated gender action plans on how to implement a gender mainstreaming focus. In both financial entities, gender considerations have also been integrated in core operational policies. For example, the GEF and the GCF require that implementing agencies working with them have an organizational gender policy. Both take gender into account in the consideration of project proposals as part of their wider set of investment criteria. In both institutions, the management of results looks at gender-specific and gender-responsive indicators, both at the project and fund portfolio level. Also under the UNFCCC, the Kyoto Protocol Adaptation Fund has implemented a principles-based social and environmental policy applicable to all its funded projects which includes an explicit focus on human rights and gender equality.

For the UNFCCC, the current ADP negotiations provide an opportunity for catch-up" both in the work stream on post-202O as well as with respect to pre-2020 ambition.

- As the ADP consolidated text from the June session, which is to form the basis of the Paris agreement, is further streamlined, a key reference to gender-responsive financing in the finance section (section F) of the new agreement needs to be safeguarded and maintained (currently under options for paras. 81 and 82). Likewise in the section on technology (section G) a textual reference needs to recognize the role of women as active participants in the value chain of environmentally, socially and economically sound technologies and the need for gender-responsive technology provision (currently in para. 131.6).
- In the work on pre-2020 ambition, the gender-responsiveness of mitigation actions can be increased by ratcheting up the provision of core public climate finance with a pathway to reach the existing long-term climate finance commitment of US$ 100 billion by 2020.

The provision of core public finance for climate action pre- and post-2020, including for mitigation, is indispensable since many of the gender-responsive mitigation actions that need to be financed might not guarantee a sizable "return-on-investment," which most private sector investors (maybe with the exception of a growing number of social impact investors) prioritize.

Key considerations for gender-responsive mitigation finance

There are a number of key considerations to ensure that mitigation finance is gender-responsive. While both operating entities of the financial mechanisms of the UNFCCC, namely the GEF and the GCD, have already committed to a gender mainstreaming approach, both organizations can still make further progress by addressing these key questions. These considerations are also relevant for the provision of mitigation finance outside of the UNFCCC, including through multilateral development banks and bilateral entities.

We need a new and different look at mitigation action which moves us beyond the "business-as-usual" (BAU) approaches of primarily large scale projects focused on a few middle income countries. This, of course, is the experience of the Clean Technology Mechanism under the Kyoto Protocol, whose projects are predominantly found in just a few emerging market economies, as well as the reality in many climate financing instruments outside of the Convention, including the Clean Technology Fund under the World Bank's Climate Investment Funds). In these mitigation projects, if gender is considered at all, it is at most via a "do-no-harm" safeguards framework with the assumption that in such a top heavy planning approach social benefits more generally will be eventually realized through a "trickle down" of positive impacts at the community level. This is of course has nothing in common with a gender-responsive project-design, which is clearly what is required.

Instead, mitigation project and program development must recognize women as key agents in addressing mitigation (as consumers, entrepreneurs, family and community managers and environmental stewards) by scaling up the provision of funding for smaller-scale community- and beneficiary-owned mitigation actions which for example address persisting energy poverty. By involving women and men early, equitably and comprehensively in the setting of funding priorities and the conceptualization, design and implementation of clean energy projects and programs, women and men can gain equal access to modern and clean forms of energy via off grid, mini-grid, mini-hydro or other decentralized energy solutions for lighting, cooking, heating, cooling, pumping, transportation and communications, thereby acknowledging and easing the drudgery of women's traditional care work. In such supported projects, local women and communities play also a key role in participatory monitoring by providing a continuous feed-back loop and allowing for early corrective action in project implementation.

A commensurate technology transfer is needed, not of "high tech" but of "appropriate tech." This is also a matter of cost-effectiveness and efficiency, since the appropriate technology is often less costly, low tech and frequently drawing on traditional practices. Such tech application is also more sustainable when women and men as beneficiaries are involved on equal terms in an early planning stage in determining what the appropriate technology. Such early consultation and engagement also helps to ensure that climate technology design and development fulfills the needs of local women and men as end-users by giving due consideration to how the technology application is maintained as well as to its affordability and ease of access and use as primary deployment criteria.

Multiple benefit mitigation financing approaches

For gender-responsive mitigation finance multiple benefit solutions in mitigation actions are the cornerstone. The emissions reductions goal of the project or program must be flanked and counter-balanced by ensuring the parallel provision of several economic, social and non-climate environmental non-carbon benefits, if the funded action is not to increase inequality or violate human rights. However, a big obstacle to achieve such multiple benefit mitigation solutions has been the way the effectiveness of mitigation finance has been determined. As it is currently practiced in climate funding mechanisms, mitigation finance effectiveness is largely defined as the cost-effectiveness of emissions reductions (namely how much "CO2 emissions bang for the buck" can be achieved – see for example key results measurement indicators in the GEF, the GCF or the CTF).

Such a narrow understanding of effectiveness is inherently biased in favor of large economy-of-scale approaches, which often lead to false solutions in addressing mitigation often with negative impacts on women and men and their communities and to the potential violation of their basic human rights. Examples of such misguided large scale false mitigation solutions are agricultural approaches that prioritize plantation crops for biofuel or soil carbon sequestration potential over food security and might lead to land consolidation at the expense of smallholder farmers, many of which are women in developing countries. Further examples are large energy infrastructure projects, such as big hydro dams, which lead to the displacement and resettlement of local communities, where compensation schemes based on formal ownership and male breadwinner bias discriminate against women, or the continued application of "clean coal" technology in energy generation in the name of addressing energy poverty but with a energy distribution focused on export industry or energy export over household and community needs.

Addressing the funding bias toward large-scale mitigation projects

This existing bias in favor of large-scale energy mega projects disadvantages the multitude of smaller, bottom-up, needs-based mitigation interventions that are often best suited to contribute to gender-equality via gender-responsive approaches. They also perpetuate the myth that the scaling up of mitigation finance must be synonymous with large scale interventions, as if wide-spread replication and the aggregation of smaller-scale interventions did not matter in addressing climate change.[3]

A key problem for many small-scale interventions, and their replicability, is the issue of administrative costs. In relation to the overall project costs, it is more expensive to administer small scale mitigation projects. However, instead of reverting to a gender-blind economy-of-scale solution as the default to address this problem, climate funds should rethink the way administrative fees are charged by project and program implementing entities. Learning from progressive taxation schemes, the administrative fee structure should be inverted to be "fit-for-purpose." This would mean paying larger administrative fees to implementers of small-scale community-driven and gender-responsive mitigation actions, which often need more capacity-building, direct support and implementing agency involvement in support of local beneficiaries, then large scale projects administered via financial intermediaries worth tens of millions of US dollars. To illustrate the point on a specific example: should an organization working with a local community in a continuous exchange with the beneficiaries and taking pro-active steps to engage women equitably on a US$ 1 million small hydro project to provide electricity for daily life really be paid the same 8 -10 percent administration fee by the GCF as a commercial bank that is structuring or blending a US$ 50 million GCF loan with co-financing from other institutions into US$ 100 million worth of green credit lines? A reduction in administrative fees for many large-scale financial intermediary projects (especially if they provide public finance already as a subsidy or guarantee component for commercial financing) could very well be used to make small scale mitigation projects more attractive for project developers and implementers.

Access to mitigation finance for local communities and men and women

Affordable, adequate and reliable access to finance remains the core challenge for mitigation projects that directly and equitably benefit local men and women. As elaborated earlier, the public provision of mitigation finance remains important in order to address existing barriers to finance, which often discriminate against women, by providing sufficient grant finance, often in smaller tranches, for local groups and communities. Public finance is also necessary to engage the domestic private sector in recipient countries in investing in mitigation actions through the provision of concessional finance with subsidy elements or through risk guarantees.

The needs of many local communities and men and women for smaller scale financing remain woefully under-addressed, despite some promising experiences of innovative financing schemes. For example the GEF Small Grants Programme (SGP) has since 1992 provided US$450 million via financing tranches of US$ 50,000 or less to 14,500 projects in 126 countries. Such a program should be built on and improved and scaled up, for example by addressing the current challenge in the SGP, which requires co-financing for SGP projects. The co-financing requirement remains a key obstacle for many women's groups in developing countries should be abolished and the GEF financing allocated for the program increased.

An uptake and scaling up of the SGP in the context of the Green Climate Fund is thinkable. The GCF could draw on the experience of the GEF SGP as well as on innovation by the Kyoto Protocol Adaptation Fund. The latter has recently supported a project in South Africa, where the South African National Biodiversity Institute (SANBI) as the national implementing entity for the Adaptation Fund has used AF money to set up a small grants facility. This is an example of "enhanced direct access" (EDA), where recipient countries receive funding directly from a climate fund and make funding decisions on the national or sub-national level within the approved financing envelope. The key to the EDA project in South Africa is that SANBI as the implementing agency is not only passing on money in smaller grant amounts to local communities, but that they are also actively working with them in the project design and implementation and for example drawing on local women's groups as executing entities for small-scale projects. The GCF could replicate such a Small Grants Facility, with gender responsive funding guidelines project in each GCF recipient country when it starts funding projects by late 2015. The GCF Board is currently discussing an EDA pilot approach that could include national small grants provision. Such a national GCF-funded Small Grants Facility would allow for bottom-up, community-owned and gender-responsive mitigation and adaptation projects.

Engagement of women entrepreneurs

For gender-responsive mitigation finance, the engagement of women entrepreneurs, which form the majority of the micro-, small- and medium-size enterprise sector (MSME) in developing countries, must be actively supported to allow them to invest in mitigation-relevant products and technologies. For example, in Rwanda, women own 60 percent of small business, in Lao 68 percent. These women-led MSMEs are often in the informal sector, frequently home-based and service-oriented and provide key benefits for their communities. For mitigation-relevant investments, these women entrepreneurs needs small-scale, patient loans provided at low concessional rates (not at interest rates of 20% or more as is charged in many microfinance institutions serving women in developing countries).

The GCF will focus its engagement of the domestic private sector in developing countries on financial intermediaries, such as domestic commercial banks. In order to ensure that this channeling through domestic financial intermediaries is gender-responsive, the GCF needs to ensure that the concessionality of the funding it provides to local banks is passed on to the local bank customers, including women customers. GCF concessional finance to local commercial banks in form of subsidies or risk guarantees should be used to buy down the interest rates those developing country banks charge women entrepreneurs, who often lack the formal ownership of assets used as collateral to secure commercial loans at reasonable rates. As the GCF is currently developing an MSME pilot program under its Private Sector Facility, it must ensure that domestic finance provision counteracts and addresses the gender discrimination of access to commercial finance in many developing countries. This must also include capacity-building for domestic loan officers (who often have cultural gender biases that discriminate against female customers) by providing banks with incentives to target women entrepreneurs for example via green credit lines for MSMEs.

ENDNOTES:

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[2] All 187 parties that are signatories to CEDAW are also without exception parties to the UNFCCC, although not all 196 parties to the UNFCCC have ratified CEDAW (with the United States, Iran, Somalia, Sudan and South Sudan being among the exceptions).

[3] A case in point is the finding of the Global Alliance for Clean Cookstove that burning biomass for cooking and heating, on which 3 billion people worldwide depend, contributes to climate change by releasing black carbon, which results from incomplete combustion. Black carbon is estimated to contribute the equivalent of 25 to 50% of carbon dioxide warming globally, and residential solid fuel burning accounts for 21% of global black carbon emissions, about 84% of which is from households in developing countries. In South Asia, for example, more than half of black carbon comes from the use of inefficient cookstoves. http://cleancookstoves.org/impact-areas/environment/index.html.