The Women and Gender Constituency

Submission to Td 1.3 – Means of Implementation

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Reacting to the Summary Report and Co-Facilitators Reflections:

Overarching point on the on the summary reflections regarding MOIs, and applying to the respective sections on finance, technology and capacity-building -- omission of a reference to human rights and gender-responsiveness -- the GST must results in the recommendation that in order to ratchet-up the ambition of climate actions towards the goals of the Paris Agreement the provision of means of implementation must people-centred, human-rights based and gender-responsive

On finance:

The existing climate finance flows to address the climate emergency are not adequate, they are not predictable, they are often not new and additional (pitting development against climate expenditure and mitigation against adaptation against loss and damage) and they are not accessible, and especially not directly accessible to the countries, communities and people that need the support most nor in a way that protects and supports the human rights of women and diverse and intersectional gender groups, Indigenous peoples, youth or people living with disabilities. So Paris Alignment of all financing flows and especially of dedicated climate finance must mean finance mobilized and provided in a way that is people-centred, respects and promotes human rights and is gender responsive

Science/IPCC tells us trillions are needed, developing countries in their NDCs, many of them conditional, tell us trillions are needed, but only billions are delivered and in particular the delivery of public climate finance from developed to developing countries is too low – still have not even reached the USD 100 billion promised for 2020 –

T**he climate debt of the Global North toward the Global South is piling up**—we have the adaptation finance gap and still no plan with targets on how to double adaptation finance by 2025 and we know that addressing losses and damages will be hundreds of billions. At the same time developing countries are facing **unsustainable debt levels**, with the debt crisis and climate crisis, each reinforcing the other in a vicious cycle.

Climate justice and debt justice go hand in hand: Already 93% of the 63 countries most vulnerable to the climate crisis are in debt distress, or at significant risk of debt distress,

The indebtedness of vulnerable developing countries reduces their fiscal space when they need it most, as they are losing enormous shares of their GDP due of loss and damage from extreme weather events (Dominica 200% of GDP in 2017; Pakistan 10% of GDP in 2022), Major climate and weather events in developing countries alone in 2022 causing economic losses and damage at least more than USD 100 billion (but significantly undercounting total costs as non-economic loss and damage and smaller events are not included). For economic loss and damage alone, at a low estimate this could rise to USD 447 billion annually by 2030.

This is why the WGC and broader civil society is calling for a new loss and damage fund that is guided by climate justice core principles, should be grant financed and placed under the convention, with a governance structure that is equitable and gives voice and votes to communities and population groups particularly vulnerable to and affected climate change, including women.

For developing countries, needing to spent so much on debt services, which has to be paid in foreign currencies, perpetuates an export-oriented extractive development, often means cutting **spending on public services and weakening social protection systems that are crucial in the face of growing and more severe climate impacts** – including devastating losses and damages à **those impacts are not gender neutral; they victimize in particular women and girls doubly and triply –increasing burden of unpaid care when public services are underfunded or fail as climate impacts and disasters hit**

For **many climate-related investment needs, including in local public goods, there is no substitute for public finance, and in particular public grant finance**, so we cannot focus public finance just on crowding in or leveraging private sector finance.

Which is why **we need to speak <u>about the quality of climate finance</u> as a core means of implementation – which is not addressed in the summary reflections.**

The **adequacy of finance** provided must be part of the discourse about aligning all financial flows with Paris agreement [para. 85]. **According to the OEDC 71% of public climate finance provided in 2020 was in the form of loans**. But this tells only part of the story and masks why increasing the climate finance provision through dedicated climate funds under the UNFCCC is so crucial – important as we discuss the NCQG and the role of dedicated climate funds and finance vs. wider financial flows.

As we are considering MDB reforms, 91% of public finance provided by MDBs in 2020 was loans, of which only 23% were concessional. Even for adaptation, MDBs provided only 15% of their adaptation finance and less than 5% of their mitigation finance as grants (according to the 5th Biennial Assessment of the SCF).

In contrast the majority, namely 56%, of climate finance provided via dedicated multilateral climate funds, especially those under the UNFCCC such as GCF, GEF and others, was in the form of grants, with the rest in highly concessional loans. (OECD report). **Multilateral climate funds provided almost all of their adaptation finance and 30% of their mitigation finance as grants. This context is relevant to consider as the GCF as the largest multilateral climate fund is currently in the midst of its second replenishment – developed countries can showcase ambition at the pledging conference in October here in Bonn.**

The summary report findings also **don't address the issue of accessibility of climate finance and the need to enhance and simplify access, especially direct access**, and especially direct access to the most climate affected communities and groups, in particular women and feminist or gender groups**.**

Support for locally led action on climate change, especially led by local women's and gender groups needs to be significantly expanded and existing climate funds need to simplify and enhance direct access of women's and gender groups to finance, including via the enhanced direct access modality and by increasing the involvements of these groups as implementing partners.

For example: Climate funds should set a progressively increasing target how much of their climate finance should be so devolved and implemented following the principle of subsidiarity on the most local level, using and supporting local gender expertise.

This also means improving the generation and use on gender-disaggregated and intersection data as well as the reporting on how much climate finance is provided and spent gender-responsive and on the local level, for example in biennial reports and under existing OECD systems. Currently, only 1.5% of climate-related ODA identified gender equality as the primary objective, and only roughly a third as a significant objective (Oxfam 2020 Shadow Report). This correspondingly means that still two thirds of expenditure of climate-related ODA was for projects/programs that either didn't screen for or didn't see gender equality as an objective (significant or principal) of climate interventions.

Currently, according to the OECD-DAC GenderNet assessment for the GEF Action Coalitions, out of the climate-related development assistance that also addressed gender equality in 2018-19, a significant portion with US$ 2.4 billion per year was channelled through non-governmental organizations. However, only US$ 43 million, and thus only 1.8% of that amount, went to "feminist, women-led and women's rights organisations and movements and institutions" according to OECD-DAC creditor purpose coding.

Also missing from the summary report findings is a potential role of alternative (public) sources of finance and the need to reverse the flow of wealth out of developing countries into higher income countries as part of the needed discourse on financial (and economic and trade system) reform, not just that of individual players -- this is also needed for scaling up and aligning all financial flows with Paris Agreement.

Supporting progressive, retributive national and global taxation schemes or levies that meet the principles of fairness, predictability and are based on polluter pays principle could contribute to scaling up international climate finance and domestic resources, such as a **climate damages tax (charge on extraction of fossil fuels)** could raise around 210 billion at USD 5 per tonne CO2, a windfall tax on high profits of climate damaging industries, a **wealth tax on the world's richest people** (according to Oxfam just on 5% of the world billionaires could raise 1.7 trillion per year), aviation/frequent flyer or shipping could raise significant funding amounts, **as well as ending fossil fuel production subsidies (EU) and stopping the financing of fossil fuels.**

And lastly, when talking about making all financial flows consistent with the Paris goals one also needs to talk and look at i**ssues of tax avoidance and stopping illicit financial outflows from developing countries**. Currently USD2 trillion per year are going from poorer to richer, a multitude of what is received in ODA, and climate finance, even if provided new and additional -- **AND we need to talk about comprehensive debt relief, including through a sovereign debt restructuring mechanism a part of financial systems reform.**

ON Technology:

Technology support is not gender-neutral – important to also address the gender-differentiated technology needs as well as addressing the barriers to access to appropriate, environmentally sound and affordable technologies, in line with need and preferences of women and diverse gender groups. Important EXAMPLE -- that the UNFCCC technology mechanism and the CTCN (climate technology center and network) – gender action plan to ensure that gender is a consideration, including with a new gender expert roster to have local expertise and gender support in responding to countries ' technology needs that are fit for purpose.

While focusing on reducing the cost of technology is important as described in the summary reflections do, the issue of access, addressing barriers to access, including for example the TRIPS regime as well as ensuring that it is deployed to the benefit of people (purpose) should be also reflected. From a gender perspective, it is crucial to look at technology approaches for climate investments with a focus on micro, small and medium-sized enterprises, where women dominate, and their climate-related technology needs, MSMEs are the backbone of sustainable development in many countries and key for a low-carbon and climate-resilient transition.

ON CAPACITY-BUILDING:

Pleased that the summary report reflections underline the needs-based approach to capacity-building and country-ownership, but need to reflect stronger that especially for adaptation and loss and damage many of those capacity-building needs are on the community and local needs, but it needs to be a two-way street and we also need to stronger lift up the lived experience and capacity of indigenous and community actors, and including of women and diverse gender groups.