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### **IGES** ADB **NOT**

# IGES Issue Briefs on Gender and Climate

### Harnessing Climate Finance for Women in Cambodia, Lao PDR, and Viet Nam: A Survey of the Policy Landscape\*

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#### Main messages

- Women are disproportionately susceptible to the risks of climate change but lack equal access to the benefits of climate finance.
- This imbalance represents a missed opportunity: women are more inclined to invest in health, nutrition, education and other drivers of development.
- Rectifying this imbalance could prove challenging. Sticking points range from difficulties distributing revenues from climate projects to uncertainties surrounding "a gender sensitive approach" in the Green Climate Fund.
- A suite of reforms will be needed to overcome these challenges. Important reforms include channeling climate finance into community funds that generate livelihood benefits and build social capital; institutionalising inclusivity in planning and funding decisions; and auditing and steadily improving the gender responsiveness of international support mechanisms such as the Green Climate Fund.
- These reforms can help increase supplies of climate finance; equally essential is that women possess the tools and influence to demand more from climate finance.

### 01 Introduction

Over a two week period in March and April of 2013, representatives from the Cambodia Ministry of Women Affairs (MoWA), Lao Women Union (LWU), and Viet Nam Quang Binh Province Women Union (PWU) participated in a series of climate change workshops. The workshops followed a recognisable format, but concentrated on a frequently overlooked problem. Women have not been given equal access to climate finance. The climate change workshops were part of a technical assistance project that the Asian Development Bank (ADB) initiated with a grant from the Nordic Development Fund (NDF) to expand access to those resources for women in Southeast Asia.<sup>1</sup>

The purpose of this issue brief is to survey the policy landscape to identify promising practices that can inform this technical assistance project. The survey suggests the need for a suite of reforms that integrate gender into projects, policies, and international support mechanisms. Proposed reforms include channeling climate finance into community funds that generate livelihood benefits and build social capital; institutionalising inclusivity in planning and funding decisions; and auditing and steadily improving the gender responsiveness of international support mechanisms such as the Green Climate Fund (GCF). The proposed reforms can boost *supplies* of climate finance; equally essential is that women possess the knowledge and influence to *demand* more from climate finance. This technical assistance project aims to boost both these supplies and demands in Cambodia, Lao PDR, and Viet Nam.

The remainder of the issue brief proceeds as follows. After summarising links between climate and gender, the next section highlights good practices from the Clean Development Mechanism (CDM), voluntary markets and premium certification schemes. A subsequent section draws upon experience with the Climate Investment Funds (CIFs) and development assistance programmes to identify lessons for Nationally Appropriate Mitigation Actions (NAMAs) and the GCF. The final section highlights how this project can help transform theoretically promising approaches into real world applications.

# 02 Making the Connection Between Climate Finance and Gender Equity

Climate change will levy a costly toll on socioeconomic systems. But those costs will not be borne equally (Nelson et al, 2002). A relatively greater reliance on natural resources and socially ascribed gender roles often make women more vulnerable to extreme climatic events (Neumayer & Plümper, 2007). The gender-climate discussion has hence tended to revolve around climate adaptation. This tendency has, at times, perpetuated images of women as passive victims of climate change. But these images depart starkly from reality. Whether managing organic waste or retailing clean cookstoves, women are often at the front lines of greenhouse gas (GHG) mitigation. If given the right incentives and training, women can steer communities down low carbon development paths while accessing climate finance. Studies on microfinance suggest that women would be generally more inclined to invest those resources into health, nutrition, education and other drivers of development (see also Table 1 for supportive literature)(Doepke & Tertilt, 2011). Unfortunately, when it comes to climate finance, this potential remains largely unrecognised.

#### Table 1: Studies on Gender and Spending

Country	Author/Date	Effect		
Cote d'Ivoire	Hoddinott & Haddad, 1995	Proportion of food expenditures grows when wife's proportion of income grows		
Canada	Phipps & Burton, 1998	Share of wives' income affects children's care, clothing, and nutrition Female headed households spend greater proportion of budget on food		
Kenya and Malawi	Kennedy & Peters, 1992			
Bangladesh	Pitt & Khandker, 1998	Micro-credit provided to women increases children schooling		
Brazil	Thomas, 1990	Mothers' non-wage income tends to be spent on good/services with larger nutrition and health benefits		

Source: Doepke & Tertilt, 2011

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This oversight originated with negotiations over the United Nations Framework Convention on Climate Change (UNFCCC) in Rio Di Janeiro in 1992. At the time, the UNFCCC was one of three Rio agreements that lacked active involvement from women.<sup>2</sup> Partially due to this lack of involvement, it would take more than a decade for gender to gain a foothold in international climate negotiations. And although a recent UNFCCC decision that calls for gender balance in national climate delegations can help strengthen that standing (UNFCCC, 2012), it falls short of a clear mandate to recognise the virtues of women's empowerment in climate funds.

### -1 The Clean Development Mechanism (CDM)

The CDM illustrates this shortfall. The CDM is a project-based offset mechanism created under the UNFCCC (and its Kyoto Protocol) to serve two goals: provide developed countries with affordable offsets; and promote *sustainable development* in host countries (UNFCCC, 1997). The latter goal could include women's empowerment or gender equity as part of the social dimension of sustainable development. Host countries' Designated National Authorities (DNAs) have been authorised to assess whether projects meet sustainable development criteria. Through June 2012, however, only five of 3864 projects listed gender issues on project documentation (see Figure 1) (UNFCCC, CDM Executive Board, 2012).

<sup>1</sup> Technical Assistance 7914 (RETA 7914) Harnessing Climate Change Mitigation Initiatives to Benefit Women is being implemented by the Women Organizing for Change in Agriculture & Natural Resource Management (WOCAN) serving as the Regional Coordinator as well as individual consultants in Laos PDR. The Institute for Global Environmental Strategies (IGES) is serving as the RETA 7914 Regional Knowledge Coordination Hub.

<sup>2</sup> The other two were the Convention on Biodiversity and United Nations Convention to Combat Desertification. The Convention on Biological Diversity's (CBD) Gender Plan of Action acknowledges "the vital role that women play in the conservation and sustainable use of biodiversity"



#### Figure 1: Number of Sustainable Development Claims by Indicator

Several practices could improve upon the limited recognition. Some address gender indirectly. For example, the UNFCCC has promoted programmes of activities (PoAs) that allow a collection of similar, small-scale interventions to be bundled and registered as a single project. On balance, smaller projects (clean cookstoves) tend to be more gender responsive than larger projects (wind farms). Other efforts involve helping countries to evaluate a project's development benefits. The UNFCCC recently released a voluntary tool to help standardise the assessment of those benefits. Another set of options involves methodologies to calculate baselines and reductions for different categories of CDM projects. Some methodologies have been designated as holding "potential to directly improve the line of uppear and abildrar".

the lives of women and children." A final set of possibilities involves countries purchasing certified emissions reductions (CERs). Finland, for instance, helped develop a "gender spectacle tool" to screen whether CDM projects promote gender equity prior to the purchase of credits (Green Stream, 2010).

Perhaps the most promising practices involve certification schemes with links to voluntary carbon markets. The Gold Standard certification schemes enable "quality projects" to earn certifications and boost purchase prices by meeting additional sustainability criteria. These criteria include "promoting livelihood and education for women ranging from special schooling opportunities as well as other woman-specific training, awareness-raising (The Gold Standard, 2009)." In a similar albeit more targeted effort, the Women Organizing for Change in Agriculture and Natural Resource Management (WOCAN) recently introduced a Women's Carbon Standard that will use women's empowerment screening tools to certify projects for premium credits (WOCAN, 2013). Importantly, the Gold Standard and Women's Carbon Standard are designed to operate within both the compliance and voluntary carbon markets. In recent years, companies have sought to enhance their corporate social responsibility image by a paying a premium for projects that not only offset their carbon footprint but bring additional co-benefits to affected communities. In 2012, for instance, buyers paid an average price of USD 5.9/tCO2e for voluntary emission reductions (VERs) and spent USD 80 million alone on Gold Standard clean cookstove and water filtration projects (projects that generally benefit women) (Peters-Stanley & Yin, 2013).

Equally encouraging are good practice projects that exemplify how to leverage carbon finance to help women. For instance, the Indian Bagepalli CDM Biogas Programme (registered in 2005) not only shared project revenues with 5,500 women participants but reduced fuel-wood collection, improved health, and created time to engage in income-generating activities (UNFCCC, CDM Executive Board, 2005). Other projects take a page from a

technique familiar to microfinance wherein project funds help build entrepreneurial skills and bring livelihood benefits to women who produce, retail, use, and repair technologies across a value chain. A Gold Standard project in Bangladesh, for instance, enabled the purchase of 30,000 solar home systems (SHS) that brought affordable energy to families while employing female engineers to install and maintain the new systems. In this case, the non-governmental organisation (NGO) Grameen Shakti worked closely with communities to measure and aggregate GHG reductions before selling credits on the carbon market (UNFCCC, CDM Executive Board 2007). The additional carbon revenue was then used to defray the costs of the SHS and strengthen the value chain.

In sum, a number of gold standard CDM and voluntary offset projects incorporate screening criteria and premium credits to bring additional benefits to women. This practice may be attractive to socially responsible buyers, but may be less so for mainstream investors. A related challenge involves monitoring reductions and distributing carbon revenue directly to women using the technology. Identifying who should get how much revenue can be a protracted and contested process; it promises to become even more costly with increases in the number and diffusion of stakeholders. Some community-based forestry projects manage a similar dilemma with benefit sharing contracts that channel revenues to revolving funds that support the entire community with livelihood benefits and income generating activities (Jindal, Swallow, & Kerr, 2008; Mwayafu, Kimbowa, & Graham, 2011). In these cases, inclusivity and transparency in the contracting helps to get out in front of otherwise contentious distribution issues. Positioning women not only in front but at other strategic junctures in planning and funding decisions will also be important for climate actions known as nationally appropriate mitigation actions (NAMAs).

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# -2 Nationally Appropriate Mitigation Actions (NAMAs), the Clean Investment Funds (CIFs), and Development Assistance

In 2007, countries agreed on a Bali Action Plan (BAP) to serve as a blueprint for a post-2012 climate change regime. As part of the BAP, developing countries agreed to take "NAMAs in the context of sustainable development" in exchange for "technology, finance and capacity building support in a measurable, reportable and verifiable (MRV) manner (UNFCCC, 2007a)." Since 2007, more than 60 countries have pledged projects, programmes, and policies to the UNFCCC as NAMAs; the technology, finance, and capacity building for so-called "supported NAMAs" will likely be delivered through a Green Climate Fund (GCF). The GCF business model is still being negotiated. It is nonetheless apparent that considerations other than GHG mitigation costs could factor into financing supported NAMAs. Equally apparent is that the GCF will aim to "promote environmental, social, economic and development co-benefits and tak[ing] a gender-sensitive approach (UNFCCC, 2012b)."

The Climate Investment Funds (CIFs) offer hints into how this gender-sensitive approach will take shape. The CIFs were created in 2008 to "bridge the finance and learning gap between now and a post-2012 climate agreement." Managed by the World Bank, the ADB, and other multilateral development banks, the CIFs are divided into funds targeting large-scale technologies (Clean Technology Fund (CTF)), small-scale energy technologies (Scaling Up Renewable Energy Program (SREP)), forestry (Forest Investment Program) and adaptation (Pilot Project on Climate Resilience (PPCR)). A recent gender audit of the CIFs revealed wide-ranging variations in the degree to which gender was integrated into the investment plans (IPs) that countries submit for the different funds under the CIFs (IUCN, 2012).

In the case of Clean Technology Fund (CTF), for instance, gender was referenced in one of four of the IPs. For the Pilot Program for Climate Resilience (PPCR), more than half of the IPs 1) specifically allocated (earmarked) resources for women's groups; 2) included gender indicators to measure and evaluate progress; and 3) ensured women participated in planning and allocation of funds (IUCN, 2012). While it may be possible to integrate practices common to adaptation funds (PPCR) into mitigation funds, the CIFs audit underlines a salient point: just as inclusivity and transparency can help get in front of distribution difficulties, targeting funds specifically for women groups and auditing the support mechanism can help mainstream gender across several stages of decision making.

	CTF Large Scale Technologies	PPCR Adaptation Resilience	<b>FIP</b> Forestry	SREP Small Scale Technologies
Number of plans	16	16	4	5
Refer to gender	25%	100%	100%	100%
Refer to women only as a vulnerable marginalized group alongside the sick, children and elders	18%	56.25%	75%	20%
Recognize women as relevant stakeholder and agents of change	7%	43.75%	25%	80%
Involve women in the national/regional women mechanism either during consultation or as a key stakeholder for the implementation	NA	56.25%	NA	0%
Earmark resources for the promotion of gender equality and women empowerment	NA	50%	0%	NA
Engage women and women organizations in the development of documentation	NA	75%	0%	0%
Include national legal background, the gender policy framework in the country/region	NA	50%	50%	NA
Include gender indicators in all its components	NA	25%	75%	100%

#### Table 2: The Extent of Gender Mainstreaming in the Clean Investment Funds

Source: IUCN, 2012.

Apart from the resources managed for CIFs, the other climate-related projects that development banks manage offer potentially valuable lessons on the role of gender. As demonstrated in Figure 2, there has been a notable increase in projects related to climate and gender. The ADB lists 195 projects with some links to both areas (ADB, 2012). Though only four projects are officially listed with gender and climate markers in the World Bank's project database, a closer inspection of project descriptions revealed approximately 150 projects potentially fitting this characterisation.<sup>3</sup> Beyond suggesting a need for more systematic classification, the listed projects demonstrate the value of recognising gender and climate in projects even if they are not the main goal of the project.

#### Figure 2: Number of Projects by Development Bank



Source: ADB, 2013; World Bank, 2013 Note: The figures are based on a review from February 2013; figures include both climate change adaptation and mitigation.

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This added value is apparent in recent energy projects. For example, during a World Bank Lao PDR Rural Electrification Project it became evident that the lack of initial finance to connect to the electricity grid presented a formidable barrier to energy access in female-headed households. This revelation led to the creation of a separate "Power to the Poor" (P2P) initiative that opened a revolving loan fund to help overcome the initial cost barrier (Larseon & Rex, 2008). Other projects illustrate how explicitly recognising and addressing capacity building needs for women can give momentum to a project. For example, the ADB has underwritten a project that will collaborate with engineering departments in Bangladesh's local governments to institutionalise women's participation in rural infrastructure planning (ADB, 2013). In this case, the project goes beyond seeing potential to helping women realize with that potential by building capacity and ensuring meaningful engagement in planning activities.

In sum, the CIFs and development assistance suggest that the NAMAs may bring more resources to women than the CDM and voluntary markets. This is, in part, because the resources will exceed levels flowing through the CDM (reaching as high as 100 billion US dollars by 2020). It further reflects that some of these resources will be allocated through a non-market fund that "takes a gender-sensitive approach." Yet, the transition from a project-based market mechanism to more variegated flows of finance is unlikely to be seamless. A potential hurdle is the uncertainty over the business model of the GCF, making it unclear how resources will be allocated for supported NAMAs. A related difficulty involves determining the fit between projects, policies, and support mechanisms. Ideally the GCF (that has a gender audit) would promote policy level NAMAs (that are developed in an inclusive manner) that help scale-up successful projects (that build entrepreneurial skills and social capital). However, making these multi-level connections will require more than just potential linkages; it will require people who have the knowledge and influence to pull the parts together.

## Conclusions: Integrating Gender into Climate Projects, Policies, and International Support Mechanisms

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Making these connections brings the issue brief back to the workshops in Lao PDR, Cambodia and Viet Nam. The three main components of the technical assistance project upon which those inceptions workshops were based—pilot projects, policy dialogue and capacity building—can help bridge climate and gender within and across multiple levels.

The first component of the technical assistance involved the pilot projects. In all three countries, demonstrating the benefits of a pilot was considered essential to deepening policymaker support and expanding stakeholder ownership. The projects will range from a biomass energy project in Cambodia to biogas project in Viet Nam (a Lao PDR pilot project is currently being negotiated). While the pilot projects will vary in substance, in each it will be important to build entrepreneurial skills and social capital.

A policy dialogue linking climate and gender is the second major component of the technical assistance project. In Lao PDR, the Guideline on Development and Consideration for CDM Projects (2012) and Climate Change Action Plan (2013-2020) offer a potential channel for making that link. In Viet Nam, the Climate Change Action Plan presents a possibly attractive entry point for gender. In Cambodia, the National Climate Change Strategy and Green Growth Strategy (2013-2030) provide several possible connections between gender and climate. These policies could foreseeably become NAMAs supported by the GCF, and it will be increasingly important that women are meaningfully included in the decision making processes that translate these policies into actions. It will be equally crucial that officials responsible for NAMAs are fully aware of potential intersections between climate and gender related policies.

A final theme covered by the technical assistance project involves the beneficiaries. Harnessing climate benefits for women requires not only linking climate and gender in projects, policies, and support mechanisms, but equipping the beneficiaries with the tools and positioning to make those connections. In other words, it will involve empowering representatives from the Lao Womens Union (LWU), Cambodia Ministry of Women Affairs (MoWA), and Viet Nam Quang Binh Province Women's Union (PWU) with the ideas and influence to push for a GCF, NAMAs, and pilot projects that explicitly value women. Over a two-week period in March and April of 2013, participants took the first step in that direction. There are many steps to follow—and they will be reported in a series of knowledge products based on this project.

<sup>3</sup> The figures for the InterAmerican Development Bank suggested only two projects were formally classified as focusing on gender and climate (both initiated in 2012). And the African Development Bank has 21 climate projects and 20 gender projects; three of the projects include activities related to gender and climate.