

Inputs by the Heinrich Böll Stiftung Washington, DC (hbs) to the UNFCCC Standing Committee on Finance, supported by the Women's Environment and Development Organization (WEDO)

Call for evidence: information and data for the preparation of the 2020 Biennial Assessment and Overview of Climate Finance Flows

Introduction – BAs are no longer gender-blind

The 2018 Third Biennial Assessment and Overview of Climate Finance Flows for 2015-2016 (BA) for the first time included some considerations and as well as a limited articulation and analysis of the gender dimensions of climate finance. As such, the 2018 BA in effect was – albeit belatedly -- acknowledging some of the improvements in integration of gender equality considerations into climate finance delivery over the past few years that a number of climate finance providers, in particular dedicated public multilateral climate funds¹, but also developed country contributors to official development finance (ODA) and related development finance institutions (DFIs) have made.

The 2018 BA Technical Report discussed the OECD-DAC methodological approach of the gender equality markers, and its intersection with the Rio Markers. Under its elaboration of access to climate finance, the report also provided a short analysis of some existing gender policies and gender mandates in dedicated climate funds (such as the Climate Investment Funds, CIFs; the Adaptation Fund, AF; the Green Climate Fund, GCF; and the Global Environment Facility and its related sub-funds, GEF).

The 2018 BA Executive Summary and Recommendations included a prominent (and the first ever explicit) recommendation to climate finance providers on gender and climate finance:

(m) Encourage climate finance providers to improve tracking and reporting on gender-related aspects of climate finance, impact measuring and mainstreaming

The following submission aims to provide some recommendations on how to advance the implementation of the 2018 BA recommendation on gender and climate finance, as well as improve the integration of gender considerations into the 2020 BA.²

Significant progress since Cancun (2010)

Since the Cancun Agreements there has been acknowledgement in the UNFCCC proceedings that gender equality and the effective participation of women are important for all aspects of any response to climate change. Gender-responsive climate financing is needed. Gender responsiveness here means that the gender dimensions of climate finance mobilizations, governance and provision are not only considered, but also acted upon through mainstreaming and integration in policies, procedures and funding actions. Public climate financing mechanisms and instruments have a special role in advancing the gender-responsiveness of climate finance. Ensuring gender-responsiveness is a matter of using scarce public climate finance in an equitable, efficient and effective way. Doing so also acknowledges that climate finance decisions are not made within a normative vacuum, but must be guided by the acknowledgement of women's rights as unalienable human rights, as the providers of public climate finance have done in various other UN fora and conventions (such as the Convention on the Elimination of all Forms of Discrimination Against Women, CEDAW).

¹ For a more detailed discussion of these developments, see: Schalatek, Liane (2019), Climate Finance Fundamentals 10: Gender and Climate Finance; available at: <https://climatefundsupdate.org/wp-content/uploads/2019/11/CFF10-2019-ENG-DIGITAL.pdf>.

² This is a further elaboration of comments and a presentation given at BA Informal Webinar on October 13th, 2020, by Liane Schalatek, Associate Director, Heinrich Böll Stiftung Washington, DC. Contact: liane.schalatek@us.boell.org. Recording and the powerpoint presentation are available at: <https://unfccc.int/event/webinar-on-improving-reporting-on-climate-finance-inputs-impacts-and-results>.

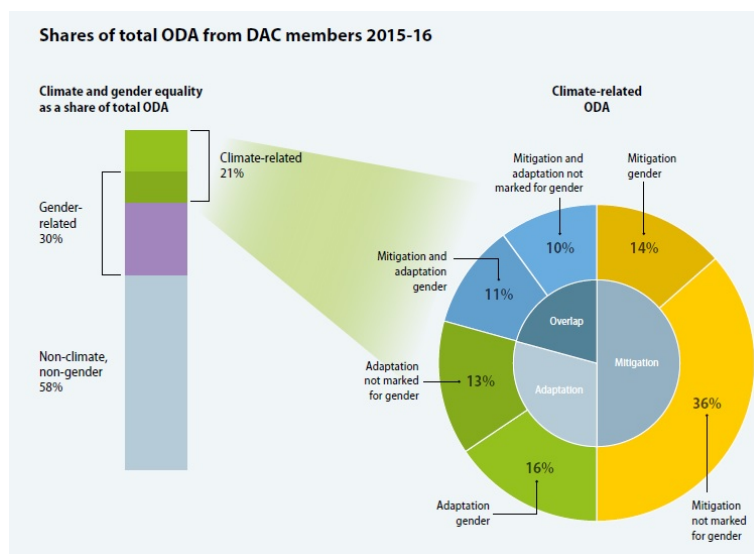
Over the past few years, important advances in existing dedicated multilateral climate funds have been made; each of these funds now has articulated gender policies and gender actions plans. These funds account to varying extent to the wider public on their gender mainstreaming efforts and successes but do so by primarily through some reporting with varying detail and granularity. However, new best practices for gender-responsiveness in funding climate actions are needed by addressing not only how they fund, but also what they will fund. For example, the structures of these funds provide little access to climate finance for women and women's groups and are not prioritizing women's funds, organizations, or other gender-related groups as targeted beneficiaries of climate actions, nor key partners and collaborators.

Status of gender-responsive climate finance: Going beyond the OECD DAC marker system

Currently, there is little public accountability of the quality and quantity of funding provided in multilateral climate funds with respect to promoting gender equality through climate actions. Efforts at most climate funds often focus on procedural integration of gender considerations into processes and project development ("quality-at-entry" determination), but do not provide a gender accounting or gender budgeting approach for how much of their climate finance delivery and implementation is targeting climate and gender equality outcomes. Qualitative and quantitative gender integration approaches also vary significantly among public multilateral climate funds along with overall funding procedures, eligibility and access criteria, making an aggregation of gender-relevant climate finance flows across climate funds difficult.

From the contributor countries' side, there is some effort to track the gender intent and purpose of climate flows (using this as a proxy for gender-responsiveness of climate finance) via the OECD DAC system by looking at the overlap between gender equality markers and the Rio Markers for adaptation and mitigation. The 2018 BA in its reporting highlighted this methodological approach and the calculated outcomes for climate-relevant ODA in 2015-2016, but also discussed the serious shortcomings of an approach that is largely dependent on the self-categorizations of ODA-providers, with the danger of political "inflation" of reported results (both for gender equality and climate-relevant ODA flows).

Even so, as the graphic below from the OECD³ highlights, the overall share of ODA during 2015-2016, which developed countries labeled as both gender-sensitive and climate-relevant was only 8.6% (with 3.4% of overall ODA targeting both gender equality and adaptation; 2.9% targeting both gender equality and mitigation; and 2.3% targeting gender equality and cross-cutting climate actions).



³ <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/Climate-related-development-finance-in-2018.pdf>, p.9.

For the 2020 4th BA on 2017-2018 climate flows, highlighting and analyzing this overlap between Rio Markers and Gender Equality Markers in the OECD DAC is still instructive, especially in the absence of data on gender being included in the biennial reports developed countries submit to the UNFCCC.

Oxfam's recently published 2020 Climate Finance Shadow report has calculated for 2017-2018 flows – see relevant table below - that only an estimated 1.5% of climate-related ODA identified gender equality as a primary objective, and 34% identified gender equality as an important but not principal objective. A remaining 64% of projects either determined that gender equality was not a significant objective (33%) or were not screened (32% not marked).⁴

Table 6: OECD-DAC gender equality markers for climate finance in 2017–18⁶¹

	Not significant (0)	Significant (1)	Principal (2)	Not marked
Bilateral donors (DAC members)	47%	47%	2.5%	4%
MDBs	23%	23%	1%	53%
Multilateral climate funds (GCF, CIF, AF)	0%	55%	0%	45.5%
Other multilateral institutions (GEF, GGGI, IFAD, NDF)	0.1%	5.5%	0.7%	94%
Total	32.5%	34%	1.5%	32%

Source: OECD (2020a).

Relying mainly on the OECD DAC for reporting is, however, insufficient, as at best the OECD is an imprecise, more qualitative than quantitative assessment of what progress we've made. Also many multilateral organizations are not required to report on the OECD DAC gender markers, and therefore don't.

Important additional efforts are needed, including for the 2020 4th BA, which should include references to gender impacts more broadly and less concentrated into just one or two sub-sections (such as the one on methodology or the one on access as in the 2018 3rd BA).

To signify the importance of mainstreaming gender considerations into climate finance flows, as well as the analytical discussions of those flows, the 2020 4th BA for example should consistently **reference and highlight the requirement and need for gender-disaggregation every time a reference is made to the beneficiaries of climate finance for both adaptation and mitigation**. This is of course, particularly important in the discussion of adaptation impacts of climate finance, for which the number of beneficiaries still considered as the core indicator. It is also important for example in the discussion of beneficiaries of mitigation actions, such as the number of men and women respectively provided with clean public transport options through climate finance. Here, if aggregated numbers for specific sectors are not available, showcasing best practice project-efforts could serve as an illustration.

Likewise, **talking about the effectiveness of climate finance in the 2020 4th BA must go beyond a narrow discussion on cost effectiveness** (as for example the focus on the cost per ton of CO₂ reduced or avoided as an indicator of effectiveness of mitigation finance provision is). It would be useful to include in the BA a more reflective discourse of effectiveness taking into account the sustainable development co-benefits or multiple benefits pursued by climate finance (for example a lot of climate projects make reference to the SDGs they support, including SDG 5 on gender equality and women's empowerment). This would not only reflect the reality that in many countries and context climate finance flows and the action they support cannot be separated from broader sustainable development mandates, but also acknowledge the lessons from the ongoing coronavirus pandemic, namely that the effectiveness of climate actions and their compact depends on also achieving outcomes related to health, economic development or the resilience of social support systems more broadly.

⁴ <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/621066/bp-climate-finance-shadow-report-2020-201020-en.pdf>; p.23f.

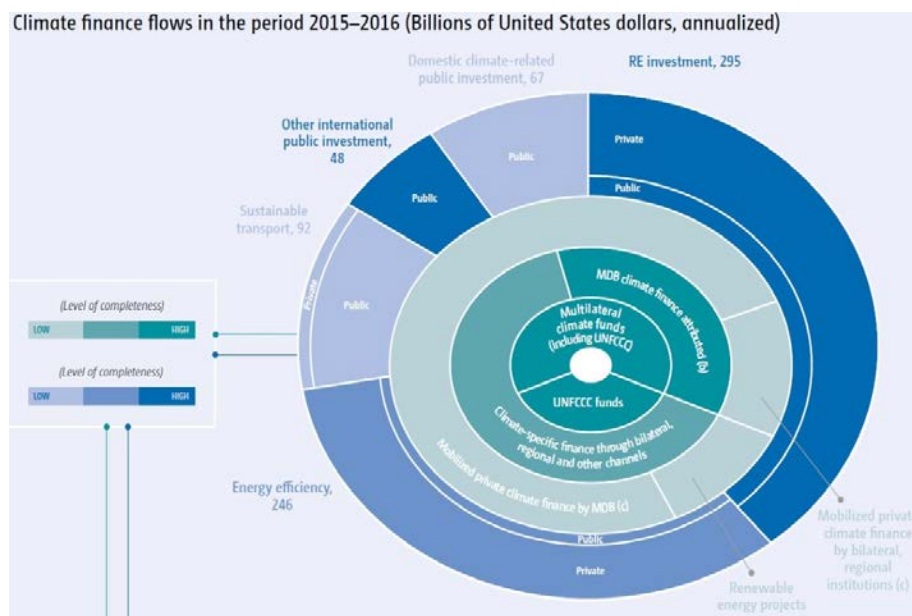
Such an approach would also align with the IPCC Special Report on 1.5°C, which recognized synergies with gender equality, poverty reduction, and well-being in multiple sections and ways, asserting that “upscaling and acceleration of far-reaching, multilevel and cross-sectoral climate mitigation and by both incremental and transformational adaptation” can reduce the impacts of climate change.⁵ The literature demonstrated some key ways gender equality is a part of that effective, system-changing climate action:

- “System co-benefits can create the potential for mutually enforcing and demand-driven climate responses (Jordan et al., 2015; Hallegatte and Mach, 2016; Pelling et al., 2018), and for rapid and transformational change (Cole, 2015; Geels et al., 2016b; Hallegatte and Mach, 2016). Examples of co-benefits include gender equality, agricultural productivity (Nyantakyi-Frimpong and Bezner-Kerr, 2015),...”
- “The pace and scale of urban climate responses can be enhanced by attention to social equity (including gender equity), urban ecology (Brown and McGranahan, 2016; Wachsmuth et al., 2016; Ziervogel et al., 2016a) and participation in sub-national networks for climate action (Cole, 2015; Jordan et al., 2015).”⁶

Without an accompanying discourse on effectiveness that considers and measures the ability of finance to rapidly shift development pathways into alignment with limiting warming to 1.5°C, which requires looking at sustainable development approaches and mandates, the lessons of the pandemic will not be heeded.⁷

Starting with the core of the “climate finance flow onion”

In describing and highlighting efforts for climate finance providers for tracking, reporting, impact-measuring and mainstreaming gender-related aspects of climate finance in the 2020 4th BA, there should be an increased focus on a more detailed analysis of the actors in the **inner rings of the BA’s onion diagram of climate flows**, meaning a focus on **climate funds under the UNFCCC first, followed by a discussion of the experiences of dedicated multilateral climate funds**. This is where the level of completeness of climate finance data is the greatest.



⁵ https://www.ipcc.ch/site/assets/uploads/sites/2/2019/06/SR15_Full_Report_High_Res.pdf

⁶ Ibid.

⁷ https://wedo.org/wp-content/uploads/2020/09/CanadaClimateFinance_FINAL_8312020-2.pdf

As indicated earlier, all of the UNFCCC climate funds have gender mainstreaming mandates and gender policies, often with time-bound gender actions plans with success indicators. Already, there is some coordination and exchange between the GEF, AF and GCF on gender integration efforts. Those practices of sharing of best-practices experiences and exchanges on challenges and succession of gender mainstreaming mandates and outcomes across funds should be further strengthened, for example to see if there could be **some joint indicators/joint tracking efforts that would allow aggregation of gender impact measurement across these UNFCCC climate funds.**⁸

The gender integration efforts of UNFCCC climate funds and their continuous improvement and refinement in tracking, monitoring and accounting for the gender equality impacts of the climate finance they provide are especially important because of **their signaling function to the wider climate finance architecture.** UNFCCC climate funds work with many climate finance providers on the outer layers of the BA's "climate finance union" as accredited entities and implementers. These partnerships are not insignificant. Take the example of the GCF: it counts all MDBs, most UN agencies, a number of international commercial banks, and many regional and bilateral development banks under the IDFC among its now almost 100 accredited entities.⁹ The GCF has already succeeded in strengthening the gender policies and practices of many of its implementation partners through the funding relationship. It is thus thinkable that if the GCF were to set certain gender and climate finance tracking standards, ideally coordinated with and replicated by the GEF and the AF, that such standards could be applied through an increasingly large segment of actors in the climate finance architecture, both public and private

UNFCCC climate funds also have a mandate under decision 21/CP.22 to include in their respective annual reports to the COP information on the integration of gender considerations in all aspects of their work. A look at some of this reporting, however, reveals that there is substantial room for **more granularities and details**, also in highlighting of **funds' best practice projects or procedures and in tracking and monitoring relevant finance flows.** The 8th Report of the GCF to the COP in 2019¹⁰ for example provided a limited narrative on some procedural aspects of applying the gender policy (i.e., the percentage of approved projects with gender assessments and gender action plans), but no qualitative or quantitative information on gender equality outcomes nor aggregate sex-differentiated beneficiary numbers of its portfolio, nor an accounting of the share of approved and/or disbursed climate fund in support of intended gender equality and climate impacts.

For example, those annual reports of UNFCCC climate funds to the COP could highlight certain funding approaches that are more likely to reach and support women more directly, such as small grants approaches and other forms of devolved financing or targeted private sector support that focuses on increasing access to finance for micro-, small- and medium-sized enterprises (MSMEs) to concessional climate finance disbursed via local financial institutions. In most developing countries, women-led businesses are overrepresented in the micro- and small-sized category. Those reports should also transparently describe efforts to **address persistent reporting gaps.** For example, while all climate funds are now expecting integration of gender aspects to varying degrees for project consideration and approval (**quality-at-entry**), there are substantial weaknesses in monitoring and reporting of quantitative and qualitative gender dimensions in implementation at project level and in aggregating gendered results at the portfolio level, such as the sex-disaggregated number of not only intended, but verified beneficiaries or the percentage of finance spent in support of gender equality outcomes in climate actions (**quality-in-implementation**). Sharing information on such data gaps, or ways to overcome and address them, could then also be lifted and included in the BA.

Reporting accuracy on gender integration efforts, though, for the UNFCCC climate funds, must happen in-house, and especially in the way those funds describe their mission and intended impacts to the wider public, including

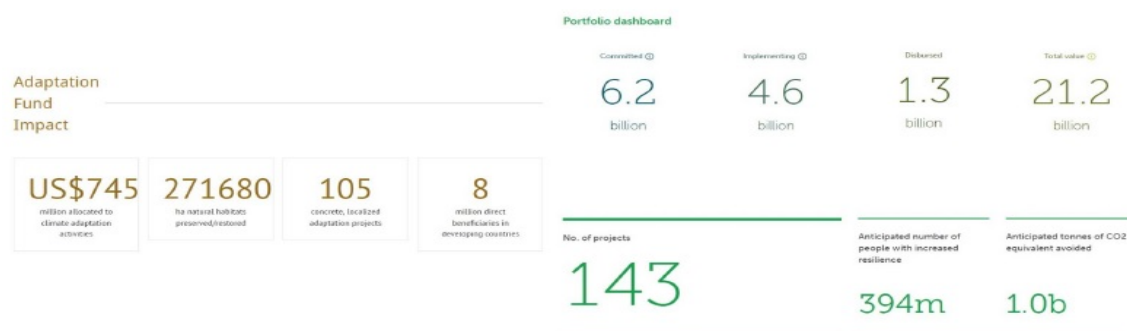
⁸ Similarly to joint efforts of the MDBs-IDFC in tracking climate finance across their portfolios. See for example for the joint climate resilience metrics here:
https://publications.iadb.org/publications/english/document/A_Framework_and_Principles_for_Climate_Resilience_Metrics_in_Financing_Operations_en.pdf.

⁹ <https://www.greenclimate.fund/about/partners/ae>.

¹⁰ <https://www.greenclimate.fund/sites/default/files/document/gcf-b23-10.pdf>

with the way funds present their own project portfolios on their website. As quick screenshots from the aggregate portfolio reporting of both the AF (left) and the GCF (right) showcase, neither fund made an effort to present the sex-disaggregation of beneficiaries (which they request from their implementing partners at the project level) in their portfolio aggregation.

Aggregate Portfolio Reporting on Selected Fund websites



And in order to monitor how successful gender-integration efforts in UNFCCC funds are at the project-level , **increased transparency is crucial.** It is not enough to report that a large percentage of projects have gender assessment and project-specific gender action plans, as they are required to under the GCF's gender policy for example. Compliance on this procedural mandate is the minimum and the existence of those assessments and gender action plans themselves is not the success. How they are informing project design and implementation is the issue.

The annual required project performance reporting of accredited entities for projects they are implementing, for example, is made public at the AF, but not yet for the GCF. In light of the admission in the GCF's Annual Portfolio Report for 2018 that many of its accredited entities with projects under implementation did not comply with the Secretariat's request for projects to report against the project-specific gender action plans they initially submitted, this is a concerning fact.¹¹ And the 2019 GCF Annual Portfolio Report highlights that for projects several years into implementation gender assessments and gender action plans should be reviewed and refined for clarity of targets and indicators and to include sex-disaggregated data, as well as for transformative actions that address gender-biased power relations, equal access to resources and joint decision-making.¹² Public scrutiny of those individual annual project-related performance reports might help, as would not accepting such reports from accredited entities if required gender impact reporting is fully lacking or inadequate. Transparent publication of those reports, and thus increased public accountability, would also allow for outside assessments, including from by civil society and affected communities.

Such outside assessments would be necessary where in-house project-level assessments are not developed to track fulfillment of actions outlined in gender plans, nor any aggregate reporting on gender-related indicators within projects. Any measure of compliance with each project's own gender action plan is also missing, much less any more substantive tracking of the depth and quality of gender integration within projects across funds. The Independent Evaluation Office of the GEF's Evaluation of Gender Mainstreaming in 2018¹³ looked at a sample of projects to assess the quality-at-entry gender integration, from gender-blind to gender-transformative, but such an approach would need to be extended to all projects throughout their project cycle. Aggregate portfolio reporting begins with project-level reporting and assessment, noting the opportunity posed by project performance reporting for doing so, while additional proxy indicators, proposed below, could better capture current activities before comprehensive assessment structures are established.

¹¹ <https://www.greenclimate.fund/sites/default/files/document/gcf-b24-inf04.pdf>

¹² <https://www.greenclimate.fund/sites/default/files/document/gcf-b27-inf04.pdf>

¹³ https://www.gefio.org/sites/default/files/ieo/evaluations/files/gender-study-2017_2.pdf

Improving gender equality impact measurement of climate finance flows further

Currently, the results management and performance measurement frameworks of most climate funds and many multilateral institutions delivering climate-relevant ODA have gendered indicators; sex-disaggregated indicators and sex-disaggregated data collection is also demanded by many climate funds and climate finance providers at the project level; yet, as described, the aggregation of such data at portfolio level and related reporting and showcasing is insufficient even for some of the most straightforward measurements, such as the sex-disaggregated number of beneficiaries.

In improving the gender impact equality measurement of climate finance flows, it might be useful to go beyond sex-disaggregated indicators and terms of using a number of suitable additional **proxy indicators**, for example with respect to sectors or financial instruments used that focus on or finance some of the climate activities that disproportionately benefit women because of their specific capabilities and experiences with addressing or building resilience to the impacts of climate change. Such proxy indicators for gender-responsive climate finance could track and monitor:

- Locally devolved and/or local community focused activities and the share of finance that is directly supporting locally led climate change projects (by some estimates, this share is relatively small and accounts for only 10% percent of all dedicated climate finance flows¹⁴), such as under devolved financing approaches (including the Enhanced Direct Access pilots under the AF and the GCF or small grants financing approaches such as the GEF's Small Grants Programme).
- The percentages of projects/programs financed (and the aggregate funding sum for those projects/programs both in nominal terms, and as percentage of overall nominal project funding) that have directly engage national women's machineries or women's organizations as executing entities in on-the-ground implementation efforts or that have representatives of such gender equality institutions in project/program related decision-making and advisory bodies.
- The percentage and aggregate sum of public funding made available for private sector engagements that focuses on increasing the access for MSMEs to local financial institutions for patient, affordable loans for climate actions.

In tracking sector-specific climate finance, increasing the specificity of certain sub-sectors can serve as proxy indicators for gender as well. And to the extent that the BA reports on some of those sector-specific financial flows, more detail could be added to account for the gender-responsiveness of climate finance flows to the sector.

- For example, by not just focusing on how much climate finance in the aggregate flows towards energy access projects, but by differentiating further how much of this finance is targeted to address energy poverty specifically, tracking such flows acknowledges that energy poverty disproportionately affects women in many developing countries.
- Likewise, for a better understanding of the differentiated impact of climate finance on men and women, climate finance flowing toward the agriculture sector should track and monitor spending for food security and related support measures, and who can access these, separately in acknowledgement of the disproportionately large role that women smallholder farmers and home gardens play in ensuring food security in many developing countries. Tracking and reporting on financial flows in support of the role and use of traditional/local agricultural knowledge and practice (such as in support of local seed banks or local food processing ventures) also serves to highlight funding approaches disproportionately benefitting women and thus increasing the ability to monitor the gender-responsiveness of climate finance flows.

¹⁴ Soanes, M, Rai, N, Steele, P, Shakya, C and Macgregor, J. (2017). Delivering real change: getting international climate finance to the local level. IIED Working Paper. IIED, London.

Submitted by:



The Heinrich Böll Foundation is a non-profit organization that is part of the global green movement. The foundation is based in Berlin, Germany, and has a network of over 30 offices around the world. It advances political and socioeconomic transformations through civic engagement and political dialogue. The Washington, DC office, in line with the foundation's guiding principles and values, works to strengthen civil liberties, human rights, and democratic institutions. We promote gender equality, social justice, and equity. We strive to preserve a habitable planet for current and future generations.

For our work on climate policy and climate finance, including with a focus on public climate finance tracking, the GCF and the gender dimensions of climate finance, see: <https://us.boell.org/index.php/en/climate-policy-finance>

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