



Session 4

Gender-sensitive climate finance

September 21, 2021

Key Message Report

Introduction

The objective of the session was to exchange and discuss experiences in the international, public and private climate change financing sector aimed at integrating gender considerations and facilitating access to funds for this purpose. This session also sought to identify opportunities to facilitate access to international climate funds according to the type of possible destinations (civil society or public policies). In the September 21 session, experiences on institutional arrangements that have been developed in countries such as Costa Rica and Mexico were presented.

The session was moderated by Marina Casas, a gender specialist in the Economics of Climate Change Unit of the Sustainable Development and Human Settlements Division of the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). Nina Kolybashkina, from the Climate Investment Fund (CIF), made a presentation on the work that the CIF is developing to integrate a gender approach to climate finance.

Continuing with the experiences, Maria Elena Herrera of the Fondo Nacional de Financiamiento Forestal, commented on various programs that, in Costa Rica, are being carried out to strengthen the work of women in the forestry sector. On the other hand, Emilia Reyes, representative of the NGO Equidad de Género: Ciudadanía, Trabajo y Familia shared her vision on the importance of addressing gender equality issues from a macroeconomic perspective.

The main messages of the session are summarized below. [Link to the live broadcast](#)

Key messages

On climate finance

- Addressing the climate crisis, the inequalities crisis and the health crisis caused by COVID-19 requires not only policy redesign, but also technical, human and financial resources, as well as multilateral and inter-country cooperation.
- They highlight the progress of the operational entities of the **UNFCCC Financial Mechanism** and other climate funds in making efforts to integrate gender considerations into the programming guidelines and structures of the funds.
- Importance of **systematically integrating a gender approach so that climate finance favours gender equality and women's empowerment.**
- To this end, it is important to have a **fiscal transition in line with the ecological transition** we are undergoing that, in turn, considers the need to mobilize the maximum available resources to ensure women's access to the fiscal solutions of that transition, even in contexts of fiscal consolidation and adjustment.

About Climate Investment Fund- Climate Investment Fund

- Established in 2008 with over \$8 billion, it is one of the world's largest multilateral fast-track climate funds.
- Concessional finance is a strategic tool for unlocking capital, providing developing countries with the necessary impetus to achieve low-carbon and climate-resilient development in partnership with six multilateral development banks: the World Bank, the Asian Development Bank, the European Bank for Reconstruction and Investment and the International Finance Corporation.
- **The results of the CIF:** 74 investment plans in different countries and with different approaches. 322 in total by 2020.

- **Business model:** has comparative advantages and focuses on the five elements: Country-led participatory programmatic approach, coordination of multiple Global Development Banks, large-scale coherent intervention packages, consideration of social inclusion from the outset, predictable and flexible concessional resources scaled up.

The CIF are engaged at global, regional and national levels:

- Global programs that align with the international commitments set out in the Paris Agreement.
 - Regional windows tailored to regional needs and challenges: The CIF is seeking to build on its experience through its existing Middle East and Caribbean regional windows to develop new regional programs. For example, discussions are already underway to create a Sahel-specific window linked to the region's recently approved Climate Investment Plan.
 - Support at the national level for investment planning and blended finance with multilateral development banks.
- **Ongoing projects**
 - CTF (\$5.7 billion): to foster low-carbon transformation in developing countries by providing resources for private and public sector investments in the renewable energy, energy efficiency and clean transport sectors.
 - PPCR (\$1.2 billion) supports developing countries in integrating climate resilience into their development planning, and implementing public and private sector resilience solutions in low-income countries.
 - The FIP (\$758 million) helps developing countries advance sustainable natural resource management and provides direct grant investments to address deforestation and forest degradation.
 - SREP (\$839 million) facilitates low-carbon transformation in the world's poorest countries by supporting the scaled-up deployment of renewable energy solutions that improve energy access.

Climate Finance Learning Lab

- Green recovery
- Development Impacts
- Transformational Change

The role of traditional knowledge in mitigation and adaptation strategies, in particular the role of indigenous women.

Results

- CIF operates globally with 75% of funding coming from the public sector and 19% going to Latin America and the Caribbean.
- The CIF's funding to date is \$7.5 billion, but more important is FIC's catalytic role in attracting co-financing to different projects. And this leverage has been 1:8.
- We have had excellent results in energy efficiency projects, clean energy, new technologies. Access to energy has reached more than 10 million people.
- Another area of work is capacity building and 45 million people have been reached.
- 44 million ha that have been sustainably managed by FIC funds.

CIF Gender Policy and Procedures

- CIF Gender Policy (2018) ¹, "Gender equality efforts are central to the CIF's goal of transformative change for reasons of efficiency, effectiveness and for the goals of development impact, gender equity and social inclusion."
- Gender Action Plan Phase 3 (FY21-24): gender transformative change such as improving women's asset position, voice and livelihood status, as well as increasing women's participation in markets and institutions ².
- Gender scorecard: analysis, gender-disaggregated indicators and activities targeting women
- Review of the gender team in the project preparation phase.
- Gender equity and inclusion is addressed at various stages of the MOU subproject: information sharing, design, implementation, monitoring and evaluation. At the information sharing level, special attention is given to the levels of participation of men and women.
- Many MOU countries require subproject review committees to ensure that the subproject proposal has clearly and fully identified how women and men will participate in and be affected by the project.
- In addition, at the design stage, countries create gender-inclusive subproject selection criteria, where additional points are applied to subproject proposals that are led by women and/or adequately address how to increase women's participation.
- Applications that do not include a focus on increasing women's participation are not disqualified, but are selected and provided with technical assistance to refine their proposal to include a gender-inclusive approach.
- At the application review stage, applicants are advised to assess how the project will involve both men and women and to incorporate sex-disaggregated data.

Gender CIF Portfolio

In 2014 the gender program was launched and from there we have these results:

- No. (and %) of CIF projects with gender analysis 54% (71) in 2014 and 61% (187) in 2020.
- No. (and %) of CIF projects with activities targeting women 54% (71) in 2014 and 69% (212) in 2020.
- No. (and %) of CIF projects with gender-disaggregated monitoring and evaluation indicators 46% (61) in 2014 and 54% (166) in 2020.
- Total number of projects approved 132 in 2014 and 309 in 2020.
- Implementation is complicated and gender analysis is essential.

CIF Best Practices in Latin America

CIF investments in the forestry sector in Mexico

- 687.02 million (total); 66.0 (CIF), 4 projects since 2011, implemented by IDB and WB.
- Coordinated and multi-level efforts to strengthen political, institutional, social and market capacities.
- Supporting value chains through smaller-scale investments in climate goods and services
- Gender dimensions:
 - Gender training and capacity-building CONAFOR (National Forestry Commission), funding window dedicated to women's productive activities
 - Behavioural communication on the role of women in natural resource management.
 - Training of women as local community promoters.
 - New jobs, including leadership positions for women in the male-dominated forestry sector.
 - Gender-sensitive evaluation criteria for grant projects under the DGM to secure funding for (47 out of 55 women-led sub-projects).

FIC Theory of Change

The goal is to achieve **gender-transformative impacts** by improving women's wealth, voice and livelihood status. But how can this be achieved? There are several layers:

1. CIF and Program Governance

- CIF Policy Requirements
- Supporting gender-responsive country ownership
- Gender technical support
- Representation of women's interests
- South-South learning on gender mainstreaming
- Gender-sensitive M&E by analysing sex-disaggregated aspects.

2. Green growth and sustainable livelihoods

- Access to energy
- Jobs in the renewable energy sector
- Inclusive transport
- Disaster risk reduction
- Agricultural productivity, water and food security
- Productive landscapes
- Security of tenure
- Climate-health nexus

This is insufficient to bring about change because we often see women as a vulnerable and excluded group but they are not necessarily sufficiently empowered. So the third layer is:

Local and national institutions

3. Women's leadership, skills and mobility opportunities.

- Inclusive resource governance
- Participatory resilience planning
- National gender mainstreaming mechanisms

Transformational Change

- *On an individual level:*

- Property status (i.e. land use and rights, tenure, access to credit)
 - Access to services (energy, transport, water, agriculture, hydrometeorology, social protection, childcare).
 - Skills development and capacity building (i.e. sectoral, livelihoods development, STEM specific, financial literacy)
 - Employment and income levels (i.e., temporary/informal, formal/qualified)
- *In communities:* Effective participation of women in decision-making mechanisms at the community level.
 - *In institutions:* Gender-responsive policies and institutions, women's leadership in formal institutions, changing gender norms.

We currently have four ongoing programs:

- The **Clean Technology Fund** is the largest endowment fund with a budget of \$6 billion. It focuses on large investment projects in renewable energy, energyefficiency and clean transport. Social inclusion and gender equality is realized through social safeguards and we are targeting just transition.
- **Strategic Climate Fund:** we have scaled up renewables
 - **Forestry investment program \$758 mlm.** High impact on the ground, although smaller in financial size. Focuses on forest degradation, aims to improve women's participation in benefit sharing.
 - **Climate Resilience Pilot Program**, which supports developing countries in their climate resilience planning. Training of women farmers in new risk techniques, financial literacy and resource use.
 - Scaling up renewable energy program in low income countries (STREP), \$839 mlm, where the focus is on local impact investment and boosting renewable energy in small businesses.

CIF Dedicated Grant Mechanism (DGM)

- The DGM is part of the Forestry Investment Programme.
- Indigenous peoples and local communities are the most effective stewards of the world's forests. Supported by their rights, forest stewardship and traditional knowledge, they can play an active role in sustainable forest management.

- The DGM is a unique program designed and led directly by indigenous and local peoples. It provides targeted resources to build the capacity of indigenous and local peoples and elevate their voices in local, national and global climate action.
 - 80 million invested
 - Projects in 9 countries + , 3 pending approval
 - More than 580 sub-projects benefiting 237,848 community members in seven countries.
 - 167,881 ha of land cover
- The important thing is that this mechanism allows us to focus on women at the local level. 24% of the projects have been for women who lead the projects.
- We currently have 4 DGM projects in Latin America.

New action lines: Integration of renewable energies, Energy storage, Climate-smart cities, Accelerating the carbon transition, Industrial decarbonisation, Nature, people and climate, COVID-19 response window.

Climate Finance Learning Lab

- FIC is doing a detailed analysis of the type of social inclusion and pragmatically adopting solutions to improve policies for each project. The focus is on green recovery, development impacts, transformational change and just transition.
- In the last publication, the role of traditional knowledge in adaptation and mitigation strategies and the role of indigenous women are discussed³.

Experiences

Maria Elena Herrera (Costa Rica), Fondo Nacional de Financiamiento Forestal, an entity attached to the Ministry of Environment and Energy (MINAE).

Context

- Costa Rica in 2015 formalized a Roadmap for incorporating a gender approach in the National REDD+ Strategy, led by the Ministry of Environment and Energy in conjunction with the National Fund for Financing Forest Areas and the System of

³ [Empowering Indigenous Women to Integrate Traditional Knowledge and Practices in Climate Action](#)

Conservation Areas.

- The Roadmap defines three main lines: a gender analysis, institutional strengthening and awareness-raising to promote gender equality, and the design of a gender-sensitive benefit-sharing mechanism for the REDD+ Strategy.

Timeline

- Once the CR Gender Action Plan was developed, it was possible to define a series of activities based on the needs of women.
- Due to the identification of the gaps in the Gender Action Plan, a process was initiated for the Ministry's authorities to identify where actions should be taken.
- It was identified that it was necessary to reduce the gaps in the sectors of water, forests, biodiversity and protected areas and this is the origin of the +WOMEN +NATURE program.
- Parallel to this project, other initiatives have also arisen.

About the + Women, + Nature program: it has 5 objectives: to develop the national policy framework, reduce institutional gender gaps, strengthen access to financing and women's empowerment, develop a strategy for knowledge management and communication, consolidate alliances and mobilize resources. Precisely in objective 3 (financing) was carried out to close the gap that is common in our countries, that women do not have land tenure and therefore do not have access to financing and training.

Forest Harvesting Plantations Program (PPAF)

Benefits to women and men with agroforestry systems. The first 3 years it grants credit to the landowner. There are three types of arrangements in this system.

Characteristics: Financing 5 million /project, fiduciary guarantee, fixed rate of 5%, within the first 3 years annual interest payment, then total amortization by Payments for Environmental Services (PES) for results, thinning and final cut. Term of 10 years. The financing is \$1500 per tree and is for plantations with spacing.

FONAFIFO at your side Rural

women's credit

This is another credit with the objective of favoring economic democratization in order to promote economic development and the improvement of the quality of life of rural women. The conditions: term up to 10 years, fixed rate of 4%, up to 5 million with fiduciary guarantee, + 5 million with collateral, chattel or mortgage guarantee, customized payment method, simple requirements. The lines of financing are:

productive development, working capital, infrastructure, equipment and innovative projects.

The other scheme where FONAFIFO has carried out actions to promote women's participation is **PSA WOMAN**

- PES consists of financial recognition by the State for the carbon sequestration, biodiversity and water protection, and scenic beauty services provided by forests.
- The objective is the participation of women within the PES scheme. The target group are women forest and forest plantation owners and priority is given to women PES by awarding 25 points more for proposals submitted by women owners.
- The initial gap analysis has identified that only 15% of landowners are women.

They are also working with the Ministry of Agriculture and Livestock and are promoting actions for women. Even though 2020 has been so hard for the sector, women still need minimum working capital. More than 1500 credits ranging from US\$2500 to 8000 were placed,

Results (implementation almost two years)

- PAFT 18 credits for US\$99.000
- FONAFIFO at your side, 20 credits for US\$107.000
- PSA Woman 82 contracts with 3959 hectares US\$ 2,543,625

Lessons learned

- Rural women face major obstacles in gaining access to land titles and ownership.
- The gaps coincide with rural women's need to find financing.
- Sensitize Governments - Funding, structural gaps that limit women's participation.
- Programmes are promoting jobs, few - rural economies

Challenges

- Promote policies, initiatives, investments and incentives that benefit family productive units and do not link actions to land ownership. We are

implementing an award to recognize the actions of women and will allow us to generate segregated data to be able to direct concrete actions (GIGUP).

- Promote various actions that respond to the activities prioritized by women.
- To address priority gender considerations in the agroforestry sector and establish strategic alliances between different governmental institutions, NGOs and women's groups for their implementation.
- Promote access to fresh financial resources, including affirmative actions to enable participation. FOINDES - PAG REDD+.
- Collect baseline data to improve accountability - international and national commitments.

Emilia Reyes, Mexico, Director of Budgeting for Equality and Sustainable Development at the non-governmental organization Equidad de Género: Ciudadanía, Trabajo y Familia (Gender Equality: Citizenship, Work and Family)

- In the global economy, estimates indicate that the (2/3) value generated by women's unpaid domestic work is not monetized and one third is paid work and one third is paid work for domestic care and care workers. Domestic care is outsourced and this has allowed other women to do paid work. Indigenous and migrant women are the ones who do this type of care. Without the domestic part of care and unpaid work, the economy is not sustained. This represents 24% of the GDP.
- Women are also sustaining life on the planet.
- The environmental emergency requires a comprehensive approach, including when it comes to its links to gender equality.
- The environmental emergency has gender-differentiated impacts on women and men due to the sexual division of labour.
- Women subsidize the entire economy because of the generation of unmonetized value through unpaid domestic and care work. All crises rest on this unpaid work of women, which increases structural gender inequality.
- In 2020 it is estimated that the value generated by women was 11 billion dollars, there is an extraction of monetized value through women's non-monetized work. They are placed on the bottom rung of exploitation.
- **Women are the ones who absorb all the crises:** the economic crisis, the debt crisis, the environmental crisis, the COVID-19 crisis, and others.
- When we talk about financing, there is not enough money to pay for everything that women do. Women represent 60% of the informal economy.

- **In the formal work sector**, women have wage gaps, there is precariousness of work, they are not in decision-making positions, with temporary contracts, in each layer of the relationship with work, women are at the last level. There are a series of elements that indicate that in each layer of the labour chain, women are always at the bottom.
- **Gender inequality has a macro dimension.** That is why we cannot take micro measures. When we offer micro-credits, workshops to take care of the house, workshops to chlorinate water, vaccination, we are first, reproducing the sexual division of labor and adding more burdens, second, subjecting them to the micro dimension when they already sustain the entire economy, and third, promoting the concentration of labor.
- The second division that we have to take into account is the geographical division of labour, when the North is expropriating the value of the global South. The countries of the North have emitted GHGs and the countries of the South have less capacity to be able to withstand climate change and they are also subsidizing all the funds that the developed countries give us. Gender and environmental inequality will not be solved by micro actions. The available funds do not solve the issue.
- The private sector is 300% larger than the public sector and it is necessary to bring the two together.
- The funds that the GCF has, for example, to attend to the climate emergency, is insufficient (it reaches 80 billion) in the face of the 3 million billion that the private sector has invested in the fossil industry in recent years. When we do not address gender equality from the macro level, we are problematizing the fact that women will always remain in the unpaid work sector.
- No matter how much progress we make in gender budgeting, in Mexico, for example, we have only 2% of the national budget allocated to gender equality. And 98% continues to reproduce gender inequalities.
- Women are being overburdened with tasks such as plantation care, as women are the representatives of mother earth. This is related to carbon credits that are allowing exploitative models to reproduce themselves.
- **Debt crisis**, the Latin American region has released 43 million dollars in flows to the global north, our countries are indebted and we also have the greatest climate impact. Seventy percent of global climate finance is debt, and debt is intimately related to women, because when there is a structural adjustment with austerity and funding is cut for public and social sectors (health, environment, etc.). When the state is retrenched, women are the ones who are impacted.

- **We have to look at the structural.** In the budgets, go to the 98% and at the global level always have the care agenda and transversalize in all sectors and just transition for the global force. In these agendas we must involve women so that they have access to green jobs. Do not think that women should be given small funds.
- NGOs are into ecosystem-based solutions, not nature-based solutions.
- There are measures that must be implemented urgently to move forward at the national and regional levels: the strengthening of the state, a radical commitment to the generation of social protection infrastructure and national care systems, as well as the consolidation of the public sector and the provision of quality public services guaranteeing human rights without discrimination of any kind.
- This implies guaranteeing fiscal space, implementing progressive tariff measures, and ensuring gender-sensitive spending. Moreover, it is necessary to cancel the debt of developing countries and reject the austerity measures that come with it.