Climate Investment Funds: a gender assessment and implications for women

Erich Vogt
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BACKGROUND AND OVERVIEW

Climate change is a global phenomenon. Its far-reaching impacts take center stage in the international community's deliberations on the planet's future. It is one of the major challenges facing international politics. Climate change is threatening the livelihoods of the most vulnerable and marginalized. As women constitute the largest percentage of the world's poorest people, they are most affected by these changes. At the same time, it is the vulnerable and marginalized who have the least capacity to prepare for the impacts of a changing climate or to participate in negotiations on mitigation and adaptation; they are not present when the international community is designing its responses to more frequent natural disasters and extreme weather events, growing water scarcity, coastal flooding and accelerated loss of biodiversity.

The evolving family of Climate Investment Funds (CIF) comprises international investment instruments designed to offer interim funding to developing countries to mitigate rises in greenhouse gas emissions and adapt to the effects of climate change. Established jointly by the World Bank and regional Multilateral Development Banks, and designed by a range of stakeholders (including developed and developing countries, UN agencies, the Global Environment Facility, NGOs, indigenous peoples, and private sector), the CIFs aim to promote international cooperation on climate change; leverage private and public resources for low carbon investments; promote environmental and developmental co-benefits; and provide concessional financing with a grant element. The Funds' focus investments are in energy efficiency, low-carbon and renewable energy carriers, pilot forest investments and new approaches to building climate resilience in vulnerable countries.

To ensure that the CIFs do not prejudice ongoing UNFCCC deliberations on a new international financial architecture in a future climate-change regime, sunset clauses – outlining the end of the Funds' operation once a new financial climate-change regime has become effective – give this new family of funds a potentially time-limited raison d'être, which significantly affects decisions and strategies on how – and whether – to pursue gender-relevant initiatives.

At present, $6.3 billion has been pledged by Annex I (industrialized) countries. The key feature of the CIFs is to bridge the funding gap that prevents countries from incorporating low-carbon programmes into national development plans. The CIFs aim to show that, with strategic financing, it is possible to have development and low-carbon impact. Currently, the CIFs include two main components: the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF).

The objective of the CIFs is to bolster efforts for sustainable development and poverty reduction by scaling up projects and increasing the speed of implementation. Investment decisions made so far indicate that the bulk of the funding will go to large-scale programmes and projects in the energy and transportation sectors. Current CIF programs do not incorporate gender considerations**.** Their design and program criteria fail to distinguish between the different impacts of climate change on men and women, and do not consider existing gender bias in the distribution of risks and benefits. In the evolving climate-change financing architecture, benefits accrue mostly to men, in the form of employment and compensation, while the costs, such as family or social disruption and environmental degradation, fall most heavily on women. But as the programmes are still in early stages of development, the degree to which they will incorporate gender considerations will largely be determined by evolving operational programme and project guidelines. In the absence of such guidelines, the CIFs should at a minimum adopt gender policies of the World Bank and other participating multilateral development banks and should be consistent with the MDGs.

The **Clean Technology Fund (CTF)** is expected to support 15 to20 country or regional investment plans that meet the criteria of significant greenhouse gas emissions savings, scalable demonstration potential, fast-tracking implementation and development impact. The CTF invests in low carbon development programs that reduce greenhouse gas emissions – mainly in the energy and transportation sectors. Roughly $5 billion has been allocated to underwrite CTF investment programmes, and based on its present manifestation, it is targeting mitigation in middle-income countries.

The CTF has thus far endorsed over $1 billion while generating an additional $9 billion in co-financing[1]. The first CTF project is a renewable-energy and energy-efficiency project in Turkey, blending $100 million of CTF funding with a $500 million International Bank for Reconstruction and Development loan, and $550 million in private-sector lending.[2] CTF also endorsed the first private-sector wind development project in Mexico. Additional projects in Colombia, Kazakhstan, Morocco, Philippines, South Africa, Thailand, Ukraine, and a regional Middle East and North Africa programme are under review and, if approved, will absorb the allocated $5 billion for clean technology programmes and projects.

Work on gender and climate change has thus far largely focused on impact and adaptation ("protecting humankind from nature"). This may be due to the widespread acceptance that climate change will hit the poorest the hardest, with women and girls making up a largest proportion of 'the poor'. In contrast, in the discussion on the design of the CTF, women's potential and willingness to significantly contribute to climate change mitigation strategy design and implementation were not on the agenda[3]. For the larger mitigation potential ("protecting nature from humankind") to be realised, however, gender-sensitive work that specifically looks at its climate change mitigation contributions and potentials need to be initiated with the aim to provide women with opportunities for meaningful involvement in the CTFs' design and decision-making processes.

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1 Climate Investment Funds, World Bank, Joint Meeting of the CTF and SCF Trust Fund Committees Washington, D.C. October 28, 2009, pp.7-8;

2 Annual Report on the CIF – BUILDING PARTNERSHIPS FOR CLIMATE ACTION, World Bank, Climate Investment Funds, CTF-SCF/TFC.3/3, October 15, 2009, p. 8

3 To date, little attention has been paid to the ways in which gender has an effect on peoples' consumption and lifestyles, and the impact this has on climate change. A Swedish study examined the extent to which women generally live in a more sustainable way and leave a smaller ecological footprint than most men (Gerd Johnsson-Latham, A study on gender equality as a prerequisite for sustainable development 2007, http://www.genderandenvironment.org/admin/admin_biblioteca/documentos/rapport_engelska.pdf). The study argued that men account for the bulk of energy use, carbon-dioxide emissions, air pollution and climate change – both among the rich and the poor. It particularly emphasised gender differentiations in transport use. For example, evidence suggests that women in industrialised countries use much less emissions-intensive modes of transport than men, their level of car-ownership is lower, and their share of public transport use is higher. In Sweden, for instance, men number 75.9 percent of car owners (Swedish National Road Administration, in Johnsson-Latham 2007), partly because they commute more widely than women. They also fly more than women. In contrast, women use public transport – bus and rail travel – to a greater extent.

SCF AT A GLANCE[1]

*The **PPCR** is designed to support countries to scale up climate action and transformational change by integrating climate resilience in their national development planning.*
*The **FIP** -provides financial and knowledge support to reduce GHG emissions from deforestation and forest degradation and promotes improved sustainable management of forests. It gives voice to Indigenous Peoples and local communities to develop forest-related policies and offers grants for community-generated programs.*
***SREP** - helps low-income countries adopt renewable-energy solutions.*

[1]*Weltbank, Annual Report on the CIF - BUILDING PARTNERSHIPS FOR CLIMATE ACTION, Joint Meeting of the CTF and SCF Trust Fund Committees, Washington, D.C. CTF-SCF/TFC.3/3, October 15, 2009, p.20*

In the past year, the CTF has endorsed four investment programs in wind power, rapid bus transit and light rail, energy-renewable and -efficiency schemes, and a low-carbon financial intermediary project. Investment Plans are under preparation in 10 more countries, and the CTF has a target of endorsing 15 to 20 Investment Plans by the end of fiscal year 2010.

The Strategic Climate Fund (SCF) pilots new development approaches. It is built around programmes in low-income countries that provide experience and lessons through learning-by-doing. It channels new additional financing for climate change; provides incentives for scaled-up and transformational mitigation and adaptation action in the context of poverty reduction; extends incentives to maintain, restore and enhance carbon-rich natural ecosystems; and maximizes co-benefits of sustainable development. The SCF has thus far put in place three distinctive programmes: the Pilot Programme on Climate Resilience (PPCR), the Forest Investment Programme (FIP), and the Scaling-Up Renewable Energy in Low-Income Countries (SREP). The PPCR and FIP are operational, while the SREP has not yet reached the required minimum of $250 million in donors' pledges. The SCF is presently developing adaptation and climate-resilient development plans in nine countries and two regions, with the first programmes and projects to be approved by spring 2010.

CTF AT A GLANCE - *Endorsed Investment Plans (December 2009)*

***Egypt** (CTF: $300 million; leverages $1.9 billion); Power Sector and Greater Cairo Urban Transport Strategies*
***Mexico** (CTF: $500 million; leverages $6.2 billion); Urban Transport Transformation Program*
***Turkey** (CTF: $250 million; leverages $2.1 billion); Renewable Energy and Energy Efficiency*
***South Africa** (CTF: $500 million; leverages $1 billion from other public-sector donors, and additional financing from private sector); Electricity from renewable energy and improving energy efficiency*

The programmes under the **Strategic Climate Fund** have the potential to impact poor women's livelihoods, as these address more immediate questions of women's livelihoods. For this to happen, however, it will be necessary to build on and broadly interpret implicit gender-relevant objectives.

THE FUNDS' OPERATIONAL STRUCTURE

The CTF Trust Fund Committee approves financing for programmes and projects, while approval of financing for projects under the SCF is delegated to the subcommittee of the relevant programmes. The SCF Trust Fund Committee's primary responsibility is the approval of new programmes. Representation on the Trust Fund Committee is split between contributor and recipient countries, with

WOMEN BOARD REPRESENTATION

CTF Trust Fund Committee:	*16 members, two women*
SCF Trust Fund Committee:	*15 members, four women*
PPCR subcommittee:	*13 members, three women*
FIP subcommittee:	*11 members, two women*

representatives of regional development banks participating in the Committee's proceedings (though with no voting power). More open to stakeholders is the CIF's Partnership Forum. An annual meeting of all stakeholders, it is the primary platform for discussions about the Funds' strategic directions, results, impacts, and lessons learned.

Provisions have been made for civil society representatives to formally participate through a self-selection process as observers in the governance structure and proceedings of the CIFs, thus ensuring opportunities to engage in robust and substantive discourse about all aspects of the Funds' work plans.

The discourse could include mainstreaming gender into the design, development and implementation of climate change related policies and programmes; eliminating gender inequalities and support for women's full participation in all the technical activities associated with the CIFs; increasing the capacity of the decision-making bodies to better integrate gender-equality issues specific to the programmes and projects; implementing targets for male/female participation and representation in programmes and project activities, based on sex-disaggregated research.

HOW MUCH MONEY IS AVAILABLE, WHO CAN ACCESS IT AND HOW

Donor nations pledged US$6.3 billion to the Climate Investment Funds. At the time of writing, donors and recipient countries expect the funds pledged to be further leveraged with MDB funds and national and private-sector investments. CIF funds will be disbursed as grants, highly concessional loans, and/or risk-mitigation instruments, such as guarantees, as well as equity. They will be administered by the multilateral development banks and the World Bank. Of the $6.3 billion pledged for the CIF, roughly $5.1 billion are committed in concessional financing to help countries buy down the costs of public and private-sector investments in low carbon development.

Only countries receiving official development assistance (ODA) with an active MDB country program are eligible. When countries approach the Trust Fund Committees, they must offer detailed proposals that include existing efforts to integrate climate-change policies into their national development plans (National Adaptation Program of Action/NAPA and Nationally Appropriate Mitigation Action/NAMA). Once proposals have been accepted, joint MDB missions visit the countries to help the governments develop low-carbon investment plans. The governments are required to ensure coordination with other development partners and to engage stakeholders (primarily CSOs, private sector).

The CTF's Trust Fund Committee makes the funding decisions, and the designated implementing MDBs have the option of seeking project approvals from their respective Boards. The Trust Fund Committee also reviews and approves the Climate Investment Funds' annual budgets. In the case of the SCF, the sub-committees of the (presently) three programmes approve – or decline all funding requests for programmes and projects within their mandate and domain.

The CTF and SCF Trust Funds are held by the World Bank, and are co-mingled with other trust-fund assets administered by the World Bank in an investment portfolio (aka "Pool"). The Pool is managed and administered in accordance with the World Bank's policies and procedures for the investment of trust funds, with the overall funding strategy of (i) maintaining adequate liquidity to meet foreseeable cash flow needs; (ii) preserving capital and (iii) maximizing investment returns.

HOW DOES THIS FUND RELATE TO POOR WOMEN'S AND MEN'S LIVELIHOODS?

The Funds' primary aims are to mitigate rises in greenhouse gas emissions and adapt to the effects of climate change. The bulk of the Funds' investment programmes (approximately $5 billion of $6.3 billion pledged) are reserved for financing large mitigation initiatives in the formal industrial and commercial sectors, primarily in energy and transportation. And while it is now generally accepted that human behaviour across all gender lines is driving climate change, gender-sensitive mitigation and adaptation research and analyses about the Funds' potential to better support women's and men's livelihoods is urgently needed.

CIFs funding for women's and men's livelihoods must be primarily generated from the SCF's programmes, in particular the PPCR and FIP. Both programmes have a mandate to provide incentives for integrating climate resilience into national planning consistent with poverty reduction and sustainable development goals, and supporting projects that promote sustainable forest management. These are typically areas of value to poor women and men rural populations in many developing countries depend on forest biodiversity for their livelihoods, sustenance, and cultural survival. The starting block for addressing livelihood issues rests with the national plans themselves; these need to be reviewed and redrafted to incorporate gender issues throughout.

In addition, climate resilience is all about adaptation to climate change, and it is now widely accepted that its impacts will be felt more acutely by those with the least adaptive capacity. The PPCR has the mandate to provide them with resources needed to design, among others, customized adaptation strategies such as changing cultivation to flood and drought resistant crops, or to crops that can be harvested before the flood season, or varieties of rice that will grow high enough to remain above water during floods.. They are clear about what is needed in order to adapt to the floods: crop diversification and agricultural practices, but also skills and knowledge training to learn about flood- and drought-resistant crops and appropriate use of manure, pesticides and irrigation.

HOW MIGHT THIS FUND HAVE DIFFERENT IMPACTS ON MEN VERSUS WOMEN?

The CIFs' current commitment to invest 80% of its pledged funding on large-scale energy and transportation programmes and projects, traditionally male-dominated working sectors in the formal economy, perpetuates existing gender funding imbalances.

In the absence of clear strategic decisions by the CIFs' governing Trust Fund Committees to provide positive incentives and impacts for women that would fast-track gender funding imbalances, efforts to influence the programmes' evolving investment plans and operational guidelines to become more responsive to both women's needs and capabilities are imperative. Since the Funds work closely with the NAPAs and NAMAs, both can provide significant leverage to open important windows to address gender equity issues.

In addition, the governing, administrative and expert bodies of the CIFs must be engaged in efforts to overcome the biases towards larger projects in favour of aggregating smaller and more numerous mitigation and adaptation efforts – primarily in fields such as small-scale and organic farming and agro-forestry, natural resource management, and applying nature-based adaptation principles and practices, areas where women have consistently played key roles. Through this strategic decision, the CIFs could make a transformational contribution to the climate-change and investment discourse by acknowledging the magnitude of women's historic efforts and moving them from micro-finance to larger funding arena.

ENTRY POINTS FOR MOVING FORWARD

Gender-sensitive responses require context-specific understanding of existing inequalities between women and men and ways in which climate change can exacerbate these inequalities. It also **requires sex disaggregated data about the impacts of climate change**: Attitudes towards gender that are inherently neutral, based largely on a lack of empirical evidence, can be changed with gender-relevant data that presents the positive impacts of gender-friendly policies and programs.

Present **board representation of women** is nominal at best. However, more balanced gender representation in key forums is not sufficient to make the CIFs more gender-friendly. Gender-friendly boards are defined not by sex but by their capacity to elevate the discussion of numbers into one of global justice and human rights, and by how they incorporate gender concerns into policy, programme, project and investment decisions.

The Trust Fund Committees and subcommittees made provisions for **engaging civil society organizations as active observers** who intervene at committee meetings, request co-chairs to add agenda items to the provisional agenda, and recommend experts to speak on specific agenda items. This instrument must be used more systematically.

Gender-driven agenda considerations can be articulated by **actively lobbying the programmes' expert groups**, which are responsible for making the recommendations on countries' selections and pilot programmes, and by offering substantive inputs in the formulation of investment criteria and programme guidelines. The expert groups' profiles indicate first-hand knowledge of gender-relevant climate change vulnerabilities, making the groups potentially receptive to the development of gender-sensitive criteria for all CIF programmes on a case-by-case basis.

The annual **Partnership Forum** provides opportunities to influence the focus and design of the CIFs and their strategic directions. It is **the primary forum for providing and receiving independent scientific, technical and other advice on major issues** related to the concept, management and implementation of the Funds and their integration with the wider development agenda of the international community. Women's organizations need to integrate the Forum into their regular plan of action for influencing CIF design.

Gender advocates should **systematically engage relevant CIF units** within the World Bank and regional multilateral development banks. The institution's strategic documents repeatedly state that poverty reduction and development can be achieved only on the basis of women's equality. Their work and record in a host of sector programmes dealing with key women's concerns – such as education, health, water, energy, agriculture and resource management –provide sufficient points of entry for more expansive gender considerations within the family of funds.

Each multilateral development bank is required to annually report the outcomes of their monitoring and evaluation efforts to the governing bodies of the Funds. The parameters of the monitoring and evaluation exercises are constantly updated to reflect lessons learned. **Introducing gender-relevant**

questionnaires across the World Bank and regional multilateral development banks is imperative to obtain accurate measurements,

These technical approaches must be complemented by political lobbying directed at the multilateral, bilateral and national fronts. **Governments in developed and developing countries must be engaged and provided with gender-relevant data** in order to prompt the CIFs to adopt more gender-friendly programmes and projects.

To accelerate the reform of the CIFs to be gender-equitable, **politically determined quotas** should be integrated into CIF governance and funding structure.

To ensure that the CIFs do not prejudice ongoing United Nations Framework Convention on Climate Change deliberations on a new international financial architecture in a future climate-change regime, sunset clauses (outlining the end of the Funds' operation once a new financial climate-change regime has become effective) give this new family of funds a potentially time-limited rationale, which significantly impacts decisions and strategies on how –and whether – to pursue gender-relevant initiatives. To positively impact the Funds' gender agenda, it is important to realize that stakeholders need to take urgent action to lobby both donors and recipient countries.

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