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Gender – the missing link in financing climate change mitigation and adaptation

For many people, including representatives from women's or environment organisations, researchers as well as politicians, gender and climate change is a very new issue. Even if gender aspects are addressed, women are mostly seen as the victims of climate change impacts, far less often as those who might shape the mechanisms and measures, those, who might change the climate of the climate change debates.

In particular when it comes to financing climate change mitigation and adaptation, there is a lot to do. Financing is one of the most crucial areas to be re-organised from a gender perspective. And probably the most difficult one, because most dominated by male power and male thinking.

gendercc, the global network of women and gender experts and activists from Africa, Asia, the Pacific, America and Europe, is working for gender and climate justice. In the run-up to Bali we drafted several positions papers with women's perspectives on the most pressing issues debated in Bali. My following remarks are referring to this papers, in particular to the one focussing on financing. For more detailed information, please have a look at the papers (www.gendercc.net).

Looking at the UNFCCC debates on climate change mitigation and adaptation, it is obvious that market driven mechanisms are in the spotlight : if it is the Clean Development Mechanisms, emissions trading, technology transfer or some of the recent proposals to reduce emissions by avoided deforestation. Financing is sometimes indirectly, sometimes directly linked to these mechanisms: the Adaptation fund for example is generated by a 2 per cent levy on the revenues from CDM projects, and auctioning of emission allowances is supposed to raise huge amounts of money for mitigation and adaptation projects.

Sir Nicolas Stern, author of the famous 'Stern Report', characterized climate change as the biggest failure of the market, the world has ever seen. We, women from all over the world, don't trust that the same markets that have failed in the past will now be able to preserve the Earth from the threat of climate change.

Let me give you some examples:

According to the UNDP, early signs indicate that the CDM is unlikely to deliver the broad-based benefits that many expected it would, at least in the near to medium term. The diversity of project types and sectors currently encompassed by CDM has been limited, with the majority of offsets to date flowing from 'end of pipe' interventions that generate few or no sustainable development benefits. Additionally, CDM is not pushing the most sustainable projects or those with the most co-benefits (like poverty reduction), but those of which the highest return of investments in terms of carbon credits are expected. (This is in the field of industrial gases, landfill gas utilisation, and fossil fuels.) Furthermore, the majority of Clean Development Mechanism projects don't meet the needs of less developed countries, nor of people who are at the end of the poverty chain – the majority of whom are women.

In contrary, many of these projects depend on substantial land use change, which compounds the problems of local people, and may affect women more than men. Where there are cash awards and technology transfers, it is usually the men who enjoy access to them. Where collective lands are used, women are more negatively affected because they are dependent on the natural resources provided by those lands and often face hurdles obtaining land titles.

Currently there is a lot of criticism about CDM, and the application of stricter rules is proposed by many stakeholders. However, we believe these flaws are of a more fundamental nature.

From a gender perspective we doubt, whether market based mechanisms in general are applicable to sectors and areas that are not yet market driven. Women, Indigenous Peoples, landless farmers, and the monetary poor in particular in the developing world lack access to markets, thus to the benefits of such mechanisms.

Let me give you another example:

The European emissions trading scheme was introduced in 2005.
For the three years first phase from 2005 to 2007, allowances for carbon emissions were given for free to the companies. What happened: Power generating companies passed the 'virtual costs' of these credits on to the consumers as if they had bought them. The biggest European power producers: Eon, RWE, Vattenfall and EnBW, are believed to have made between 6 to 8 billion Euro (9-12 billion US $) profit from the first round. Who paid the profit: the consumers – that's the market. I don't want to discuss the general flaws in the current emissions trading system in detail, I want to just mention that due to an oversupply of 137 million tons of CO2 credits the price of carbon collapsed, caps were not ambitious enough, there were many exception rules for high emitting industries. All together this led to a failure in emission reductions. Okay, it is said that this are teething troubles. Anyhow, this failure was based on a strong lobbying of the companies while the allocation plans were developed. Do you think they will stop lobbying for more (free) emission allowances in the future?

Nevertheless, the second phase of the EETS started in January, and it allows governments to auction 10% of the allowances. Germany, for example, will put the money raised from the auctioning in a substantial climate change funding programme. That's the good news. The bad one: 90% of carbon credits are still given for free and will again increase the profits of the electricity companies. Environmental organisations are calling for 100% auctioning and suggest to earmark the whole money for mitigating and adapting to climate change. They suggest to spend half of the money in the EU where it is raised, the other half for clean energy and adaptation projects in developing countries. The auctioning of the 1.7 Gigatons of CO2eq might generate about 50 billion EURO annually (75 billion US $), money which is urgently needed.
Of course, we support this demand, but what is needed additionally and urgently are criteria which are ensuring that measures and projects funded by these money comply to sustainability and, in particular, are considering women's needs and livelihoods.

Coming back to gendercc's position papers and women's demands regarding financing, we can divide them into three tracks:

The first track refers to market based approaches. From our point of view, funding mechanisms need to be reliable, ensure social and gender justice, and need to involve local communities as much as possible. Therefore, no new market based mechanisms should be created, since, as we can see for the CDM, they cannot guarantee this. As for existing market based approaches, we need to define and implement rules that ensure that, at least, they are not harmful for local communities, women, indigenous peoples – which many of the projects are currently.

In a second track, reliable funds for adaptation and mitigation must be created rather than market based mechanisms, their capital coming from, for example, carbon taxes or levies or by the auctioning of emission allowances I mentioned before. As for spending, gender sensitive funding criteria and assessments must be applied, inter alia:

- The mandatory application of gender budgeting and gender audits in all funds.
- The definition of clear guidelines for mitigation and adaptation measures to address both carbon emissions and the impacts of climate change, as well as Millennium Development Goals 1 (eradicate extreme poverty) and 3 (promote gender equality and empower women).
- Projects to be funded must be based on the principles of sustainable development, contributing to poverty reduction as well as to women's access to clean and sustainable energy technologies, to reduce health impacts and burdens for providing household energy;
- Minimum requirement for all projects would be to meet Gold Standard Criteria – which anyhow should be improved from a gender perspective. Unfortunately there are only very few projects currently approved by the Gold Standard, because it is an additional effort;
- In our position paper we call for allocating 20% of all donor funds related to UNFCCC to be earmarked for activities and projects explicitly addressing women and designed and implemented by women / gender experts. We know that there is currently only very few money available in the funds – however, also a small amount of money can be shared.

Finally, the third, most far–reaching track calls for addressing the root causes of climate change in the funding mechanisms. Root causes are for example life styles, over-consumption and production patterns in industrialised countries. One of the main root causes is injustice: between regions, inside regions and also inside nations. The polluter pays and in particular the sufferer receives principle is therefore essential for all funds in order to balance inequalities, in particular those between women and men.

There is and there will be no climate justice without gender justice!