GenderAction

GenderEquality Women'sRights

Doubling the Damage:

World Bank Climate Investment Funds Undermine Climate and Gender Justice

In Cooperation with:

HEINRICH BÖLL STIFTUNG NORTH AMERICA

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List of Acronyms

AWID	Association for Women's Rights in Development
BAP	Bali Action Plan
BTC	Baku-Ceyhan Export Oil (BTC) Pipeline
CCS	Carbon Capture and Storage
CDM	Clean Development Mechanism
CEIF	Clean Energy Investment Framework
CIF	Climate Investment Fund
COP	Conference of Parties
CTF	Clean Technology Fund
EBRD	European Bank for Reconstruction and Development
GEF	Global Environment Facility
FfD	Financing for Development
FIF	Forest Investment Fund
IFI	International Financial Institution
MDB	Multilateral Development Bank
NAPA	National Adaptation Programs of Action
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PPCR	Pilot Program for Climate Resilience
PRGF	Poverty Reduction Growth Facility
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
SAL	Structural Adjustment Loan
SCF	Strategic Climate Fund
SFCCD	Strategic Framework for Climate Change and Development
STI	Sexually Transmitted Infection
UNFCCC	United Nations Framework Convention on Climate Change
VAT	Value-Added Tax
WEDO	Women's Environment and Development Organization

Foreward

Doubling the Damage is Gender Action's introduction to gender issues around the new World Bank-managed Climate Investment Funds (CIFs).

This paper demonstrates that Gender Action, along with many other civil society groups, is concerned that while the World Bank keeps multiplying dirty investments in fossil-fuel generating projects, like coal in poor countries, the Bank has become the custodian of rich-country supported CIFs created to help poor countries mitigate and adapt to climate change impacts. In *Doubling*, Gender Action spotlights how CIFs, which will exacerbate climate change and disproportionately harm poor women, neglect gender concerns.

Since the World Bank has a history of saying one thing and doing another, Gender Action's main focus usually is on monitoring and analyzing implementation of programs, like the new CIF Pilot Program for Climate Resilience.

Therefore, as CIF implementation unfolds, Gender Action intends to examine the CIFs' actual track record, especially of gender impacts on the ground. Meanwhile, *Doubling* argues that the World Bank-managed CIFs must consider gender concerns from inception.

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Introduction

Recent years have seen the World Bank brand itself with two new images: a green "climate bank" ready to tackle tough environmental challenges, and a "gender equality bank" leading the struggle for women's rights. In September 2008, the World Bank Board approved a *Strategic Framework on Climate Change and Development*[1] with the stated aim of helping poor countries overcome development obstacles posed by climate change. Earlier in the fall of 2006, the Bank launched a *Gender Action Plan* defining "gender equality as smart economics." [2] Both initiatives ignited a certain amount of pomp and circumstance; as finance ministers around the globe passed torches for gender equality, filmmakers flooded YouTube with entries for a World Bank Film Contest on Climate Change.[3] Publicity was plenty and widespread.

Yet beyond the World Bank brochures filled with promising images of working women and solar panels, civil society moved quickly to critique the Bank's new roles. Environmental activists criticized the Bank for continuing to finance dirty energy and extractive industries, undermining the United Nations Framework Convention on Climate Change (UNFCCC) through new climate financing instruments, and dumping the ecological debt of climate change onto poor countries least responsible for producing greenhouse gases.[4] Likewise, gender justice groups challenged the Bank's instrumentalist approach to gender equality that marginalizes women's rights and overlooks the crippling effects of policy-based loan conditionalities on women in developing countries.[5] Few, however, have brought both critiques together.[6]

Based on the premise that "there will be no climate justice without gender justice,"[7] and vice versa, this introductory paper takes a preliminary look at the linkages between climate change, gender justice and the International Financial Institutions (IFIs). The paper focuses specifically on the recently approved World Bank Climate Investment Funds (CIFs),[8] which necessarily implicate climate change *and* gender justice debates. First outlining the CIFs, the paper then examines and connects three previously fragmented arguments: 1. The World Bank administered Climate Investment Funds run a grave risk of exacerbating climate change; 2. Climate change uniquely and

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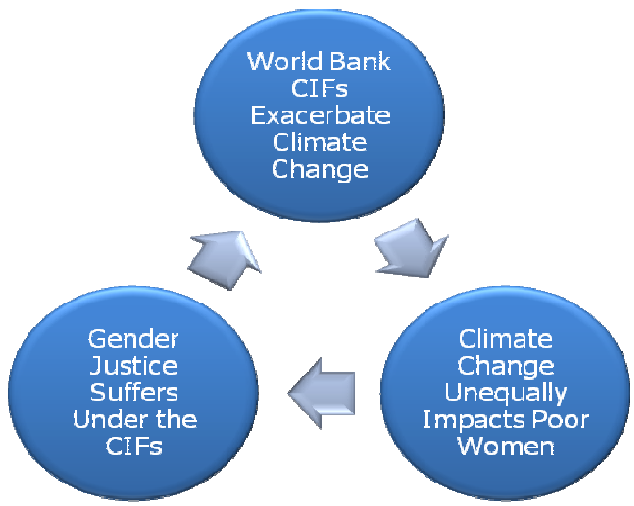
[1] Available at: http://go.worldbank.org/PGEGF0GKW0.
[2] Available at: http://go.worldbank.org/31BG3VTF40.
[3] For the gender torch passing campaign, see: http://go.worldbank.org/EJ0LB9QBA0. For the World Bank Film Contest on Climate Change, see: http://go.worldbank.org/7492037IG0.
[4] See: Redman, 2008; Wysham, 2008; Huse, Chadza & Banda, no date; Tan, 2008; Bretton Woods Project, 2008; FoEI, 2008, among others.
[5] Zuckerman, January 2007.
[6] Some examples include: Peralta for WEDO, 2008; genderCC Network, 2007; Schalatek for Heinrich Böll Foundation North America, 2008; UNDP, 2008.
[7] genderCC, 2007.
[8] Available at: http://go.worldbank.org/58OVAGT860.

disproportionately affects poor women; 3. Gender justice suffers under the CIFs (see Diagram below). Ultimately, the paper concludes that the CIFs belie both of the Bank's new brands, and worse, will significantly set back climate and gender justice goals. In the future, Gender Action hopes to follow up this introductory paper with deeper monitoring and assessment of the CIFs and disseminate additional findings through an in-depth report.

Diagram: Climate Change – Gender Justice – World Bank CIFs



Climate Investment Funds in Brief

At the 2005 Gleneagles Summit, G8 leaders encouraged the World Bank to enter the arena of international climate change financing. That year, the World Bank developed a *Clean Energy Investment Framework* (CEIF), which guided the Bank's climate-related activities until September 2008, when the Board of Executive Directors approved a new *Strategic Framework for Climate Change and Development* (SFCCD). The SFCCD outlines six key "action areas"[9] that represent the Bank's planned climate activities for 2009-2011:

1. Support climate actions in country-led development processes
2. Mobilize additional concessional and innovative finance
3. Facilitate the development of market-based financing mechanisms
4. Leverage private sector resources

[9] *SFCCD*, 2008: p. 7.

5. Support accelerated development and deployment of new technologies
6. Step up policy research, knowledge, and capacity building

To implement these action areas, the World Bank launched two Climate Investment Funds in July 2008: The Strategic Climate Fund (SCF) and the Clean Technology Fund (CTF).[10] A third Forest Investment Fund (FIF) may be approved in 2009. So far, ten industrialized countries[11] have pledged US $6.1 billion[12] to the CIF trust funds, increasing the World Bank's total trust fund portfolio by 28.5% in one year alone.[13] Of the $6.1 billion, slightly less than $1 billion supports the SCF, which will finance a variety of mitigation and adaptation target programs with potential for scaling up. The first approved SCF initiative is a Pilot Program for Climate Resilience (PPCR)[14] that intends to support National Adaptation Programs of Action (NAPA)[15] by mainstreaming climate resilience into the development planning of eight pilot countries: Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan and Zambia. The remaining $5 billion will support the CTF, which aims among other objectives to promote "scaled-up deployment, diffusion and transfer of clean technologies by funding low carbon programs and projects that are embedded in national plans."[16]

While both the SCF and CTF ostensibly recognize the primacy of the UNFCCC, stating explicitly that "actions to address climate change should be guided by the principles of the UNFCCC,"[17] these World Bank CIFs depart dramatically from UNFCCC principles in scope, structure, governance and overall ideology. Perhaps most strikingly, these CIFs disregard the UNFCCC "polluter pays" principle by providing mixed financing mechanisms that blend grants with concessional loans; developing countries will shoulder additional debt to pay for a climate crisis they did not create.[18] International civil society has proposed many alternative solutions on how industrialized countries' "common but differentiated" responsibilities and respective capabilities should be dealt with in a climate-just way.[19]

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[10] Both available at: http://go.worldbank.org/DRN9KCDRQ0.
[11] The ten donor countries are: Australia, France, Germany, Japan, The Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and the United States. The largest pledges include: the US ($2 billion), the UK ($1.5 billion), and Japan ($1.2 billion). Source: http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:21916602~pagePK:34370~piPK:34424~theSitePK:4607,00.html.
[12] World Bank Group, September 26, 2008: http://go.worldbank.org/36H73DPMV0.
[13] Data taken from: *Trust Funds Annual Report*, World Bank Group 2007, cited in Huse, Chadza & Banda, no date.
[14] *Strategic Climate Fund*, 2008: Annex A.
[15] National Adaptation Programs for Action (NAPAs) "provide a process for Least Developed Countries (LDCs) to identify priority activities that respond to their urgent and immediate needs to adapt to climate change – those for which further delay would increase vulnerability and/or costs at a later stage" (UNFCCC: http://unfccc.int/national_reports/napa/items/2719.php)
[16] *Clean Technology Fund,* 2008: p. 6, paragraph 13(b).
[17] Ibid: p. 6, paragraph 12(e); *Strategic Climate Fund*, 2008: p. 8, paragraph 13(e).
[18] *Clean Technology Fund*, 2008: p. 8, paragraphs 23, 24, pp. 22-27, Annex A, paragraphs 12, 14, 18, 20, 24, 32; *Strategic Climate Fund*, 2008: p. 10, paragraph 17.
[19] See for example the Greenhouse Development Rights (GDR) Framework developed by Stockholm Institute, EcoEquity, Christian Aid and Heinrich Boell Foundation: http://www.boell.de/ecology/publications-5575.html.

The CIFs also differ in their definition of "clean," which extends beyond renewable energies like solar and wind power to encompass 'clean coal' and large hydropower projects.[20] Also unlike the UNFCCC, the CIFs will count donor contributions as existing Official Development Assistance (ODA),[21] redirecting and absorbing funds from already unmet aid targets. Finally, although the Trust Fund Committees governing the CIFs will hold an equal number of seats for donor and recipient countries,[22] the funds will nonetheless reside within the World Bank, which is predominantly influenced by the United States and industrialized donor nations; the World Bank's Board of Executive Directors is a far cry from the UNFCCC's one nation, one vote policy.

Engendering the CIF Debate

During the CIF design and approval process, developing country governments and global civil society repeatedly spoke out against the funds. At the Bangkok Climate Talks (UNFCCC COP 13) in December 2007, the World Bank Spring Meetings in April 2008, the Bonn Climate Change Talks later in June 2008, and the Poznan UN Climate Change Conference (UNFCCC COP 14) in December 2008, hundreds of civil society organizations protested alongside the G77 and China to condemn the CIFs.[23] While the most visible claims rejected the funds for derailing UNFCCC negotiations and deepening the climate crisis, others addressed the social impacts of both climate change and international finance. At COP 14 in Poznan, for example, gender justice groups held several workshops to highlight the gender shortcomings of new climate financing instruments, including a workshop on "Equitable Financing for Climate Change: Funding sustainable adaptation and mitigation from a gender perspective."[24]

The following sections examine how these interdependent critiques link the World Bank CIFs with both climate and gender concerns. The arguments bring to light how gender, climate and economic justice cannot stand alone, but must be analyzed and advocated together. Lastly, they reveal how one World Bank initiative could jeopardize all three.

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[20] *Clean Technology Fund,* 2008: p. 17, Annex A, paragraph 1.
[21] Ibid*,* pp. 7-14, paragraphs 17(a), 48; *Strategic Climate Fund,* 2008: p. 19, paragraph 50, p. 8, Annex A, paragraph 25.
[22] *Clean Technology Fund*, 2008: p. 9, paragraph 28(a); *Strategic Climate Fund,* 2008: p. 12, paragraph 25(a).
[23] See: *Letter to Governments and the World Bank from Civil Society Organizations* at Climate Talks, Bangkok, Thailand, 5 April 2008; *Global Civil Society Statement on World Bank Climate Investment Funds*, 5 June 2008; *Statement of the Group of 77 and China* at the AWG-LCA 2nd Session, Bonn, Germany, 7 June 2008; *Australian CSO Statement on the World Bank* at the World Bank Annual Meetings, Washington, DC, 11-13 October 2008; *Poznan Declaration: World vs. Bank* at the UNFCCC COP 14, Poznan, Poland, 9 December 2008.
[24] *Equitable Financing for Climate Change: Presenting experiences from the South and launching new case studies, Funding sustainable adaptation and mitigation from a gender perspective*, Grebe Room, Pavilion 14 B, COP 14, Poznan, Poland, 6 December 2008, 13:00-15:00. Presentations and webcast available at: http://copportal1.man.poznan.pl/Archive.aspx?EventID=78&Lang=floor.

Critique #1: The World Bank CIFs Exacerbate Climate Change

As soon as the World Bank announced it would develop a *Strategic Framework on Climate Change and Development* and establish new climate funds, environmental activists and developing country governments clamored to condemn the initiative.[25] At the center of their concerns lies the argument that, despite promising rhetoric, the Climate Investment Funds will actually exacerbate climate change. In letters to governments, official UN statements, and peaceful protests, climate change activists argue that:

- *The World Bank is an inappropriate institution to administer climate funds*. In fiscal year 2007-2008 alone, the World Bank Group increased spending on oil, coal and gas by 94%, totaling over US $3 billion. In contrast, the Bank spent only US $421 million on renewable energies, representing a relatively small 13% increase from the previous year. When large hydropower projects are omitted from that estimate, the Bank's own records reveal an overall *decrease* by 42% in renewable energy spending over the past year (FY07-FY08). [26] These trends come after the World Bank's own Extractive Industries Review recommended the Bank immediately end all coal investments and phase out of oil projects by 2008.[27]

- *The CIFs will continue to finance dirty technologies.* Unlike the UNFCCC, the CIFs lack a clear, explicit definition of "clean" technology. As a result, the CIFs propose financing for technologies largely considered only "less dirty" by environmental research and advocacy groups. In *Annex A*, for example, the Clean Technology Fund states it will fund "hydropower," "highly efficient gas plants," and "best available coal technologies with substantial improvements in energy efficiency and readiness for implementation of carbon capture and storage."[28] While carbon capture and storage (CCS) remains a highly controversial and expensive technology with unclear potential impacts, large-scale hydropower, coal and gas technologies remain significantly less clean than renewable energies like wind, solar and thermal power.[29]

- *The CIFs undermine the UNFCCC, Kyoto and Bali climate agreements*. The World Bank CIFs directly compete with parallel multilateral processes taking

[25] See footnote 22.
[26] Oil Change International et al., 2008: p.1.
[27] Redman, 2008: p.3.
[28] *The Clean Technology Fund,* 2008: p. 17, Annex A, paragraph a, sections i, ii, iii.
[29] Huse, Chadza & Banda, no date: pp. 14-15; Redman, 2008; FoEI, 2008: p. 2; Third World Network, 2008: pp. 18-19.

place under the UNFCCC and Bali Action Plan (BAP, 2007). First, the SCF's Pilot Program for Climate Resilience duplicates adaptation activities already financed under the UNFCCC Adaptation Fund established by the Bali Action Plan in 2007.[30] Second, although the CIFs contain a brief sunset clause intended to protect the primacy of UNFCCC negotiations, the CIFs will undoubtedly influence any post-Kyoto (2012) climate change regime. The Bank's mission creep into climate change financing threatens to undermine the relatively democratic, multilateral, climate change architecture established under the UN system and redirect funds desperately needed by UN climate programs.[31]

- *The CIFs inject inefficiencies into existing climate change architecture*. To date, the CIFs have yet to implement an overarching strategic framework that would harmonize its priorities and activities with existing bilateral and multilateral climate change principles and funding instruments, most notably the UNFCCC Global Environment Facility (GEF).[32] The CIFs' ad-hoc "patchwork quilt of funding mechanisms"[33] has already spurred significant confusion within the international community, leading to an increasingly dysfunctional and fragmented approach to climate change financing. This fragmentation resulted in part from a lack of democratic participation while establishing the funds; northern donor countries largely excluded the global South from meaningful consultation processes, leading to widespread lack of information and uncertainty. Without broad participation and support from both donor and recipient countries, the CIFs shift international climate change financing away from effective cooperative and toward inefficient fragmentation.[34]

- *The CIFs promote dirty carbon markets.* The *Strategic Framework for Climate Change and Development*, which will guide the Bank's climate-related activities during 2009-2011, lists the "development of market-based financing mechanisms" as one of six key action areas.[35] Established under the Kyoto Protocol, poorly regulated carbon markets have since become avenues for industrialized nations to escape real emissions reductions. Failure to prove that carbon credits created under trading schemes like the Clean Development Mechanism (CDM) actually offset "additional" greenhouse gases (i.e. emissions not otherwise eliminated) allows wealthy nations to continue polluting.

[30] Bretton Woods Project, 2008: p.2; Huse, Chadza &Banda, no date: p. 12; Third World Network 2008: pp. 15-16; Tan, 2008: p. 6.
[31] Tan, 2008: pp. 1-2; FoEI, 2008: p. 2.
[32] Porter et al., 2008: p.6.
[33] Ibid: p. 9.
[34] Ibid: pp. 8-10, 44-47, 50-54.
[35] *SFCCD*, 2008: p. ii, paragraph v.

Furthermore, while the World Bank collects a 13% commission on its carbon trades, research reveals the majority of those transactions involve coal, chemical and other extractive industries.[36]

- *The CIFs promote neoliberal economic conditions that harm the environment.* Despite empty promises to eliminate economic conditions on policy-based lending, the World Bank continues to promote neoliberal conditionality disguised by an "alphabet soup" of ever-changing acronyms.[37] The CIFs will be no different.[38] With both funds stating that each World Bank Group entity, as well as other multilateral development banks (MDBs) channeling CIF funds, should follow their own policies and operational procedures, it is nearly certain that neoliberal economic conditions will prevail.[39] Historically, Bank conditions mandating privatization, liberalization and export-driven production have led to environmentally unsustainable growth. It can only be expected that CIF conditions will continue to promote the same energy-intensive, dirty models.[40]

Critique #2: Climate Change Unequally Impacts Poor Women

The negative climate consequences outlined above do not merely affect markets, nations and the environment – they impact people. In order to grasp the full affect of the World Bank CIFs, it is necessary to understand how societies deal with climate change: *Who* loses their livelihoods first when weather patterns shift? *Who* cares for sick family members when they drink contaminated water? *Who* survives natural disasters, droughts, floods and famine?

The World Bank *Strategic Framework on Climate Change and Development* acknowledges that "the poorest countries and communities will suffer the earliest and the most" from climate change.[41] Poverty, however, is not a uniform phenomenon; social roles and hierarchies defined by ethnicity, geography, class, language and other factors diversify the experience of poverty within nations, communities, even households. For women, unequal gendered divisions of labor, decision-making power and access to resources have resulted in a widespread "feminization of poverty," leading the Women's Environment and Development Organization (WEDO) to argue

[36] Wysham, 2008: p. 1.
[37] Dennis & Zuckerman, 2006: p. 3, 6.
[38] For examples of specific fund "criteria" or "conditions" see: *The Clean Technology Fund*, 2008: p. 7, paragraphs 18, 19, pp. 18-19, Annex A, paragraphs 2, 4, 6, particulalry 6(d).
[39] *The Clean Technology Fund*, 2008: pp. 7-8, paragraphs 7, 8, pp. 22-28, Annex A, paragraphs 14, 34; *Strategic Climate Fund*, 2008: pp. 8-15, paragraphs 13(g), 15.
[40] Third World Network, 2008: p. 11-12; Tan, 2008: pp. 5-6; Huse, Chadza & Banda, no date: pp. 12-13.
[41] *SFCCD*, 2008: p. 1, paragraph 1.

that "women are the most vulnerable and best poised to curb the effects of climate change."[42] Other gender justice groups recently made similar statements at the Third Global Congress of Women in Politics and Governance in Manila (October 2008) and at the UNFCCC COP 14 in Poznan (December 2008).[43] Their arguments, outlined below, are critical for understanding how the World Bank CIFs will impact the planet's most impoverished people and how the world can respond.

- *Climate change needs and knowledge are gendered.* Women and men hold different roles and responsibilities within communities, and thus, have different mitigation and adaptation needs. Women's roles as the majority of the world's farmers and food providers, for example, mean women need adaptation and mitigation measures that support small crop production and access to renewable energies inside the household for domestic use.[44] Gendered divisions of labor also give women specific knowledge about biodiversity, crop diversification, alternative cultivation methods, water collection, food preparation and forest harvesting that is critical for mitigating and adapting to climate change. It is imperative to harness women's climate knowledge when planning, implementing and monitoring adaptation and mitigation projects.[45]

- *Women are most vulnerable to climate change disasters.* Women living in poor communities are exponentially more likely than their male counterparts to die from natural disasters caused by climate change. Because men are more likely to hear disaster warning signals in public spaces where they work and receive preferential treatment in rescue and recovery efforts, they are more likely to survive floods, earthquakes, cyclones and other disasters.[46] In the 2004 Asian Tsunami, for example, 70-80% of all deaths were women. Similarly, women accounted for 90% of the 140,000 who died during the 1991 Bangladesh cyclone disaster.[47]

- *Women's livelihoods are most endangered by climate change.* Due to gendered divisions of labor, women comprise 70-80% of the world's agricultural workers and remain predominantly responsible for fetching water, collecting firewood,

[42] WEDO, 2007: p.1.
[43] See: *Manila Declaration for Global Action on Gender in Climate Change and Disaster Risk Reduction* (http://www.wedo.org/learn/library/media-type/pdf/manila-declaration-for-global-action-on-gender-in-climate-change-and-disaster-risk-reduction); *Equitable Financing for Climate Change: Funding sustainable adaptation and mitigation from a gender perspective* (http://copportal1.man.poznan.pl/Archive.aspx?EventID=78&Lang=floor).
[44] Gendercc, 2007: p. 3; Gendercc, 2009 a: pp. 1-2.
[45] Peralta, 2008: pp. 3-4.
[46] Neumayer and Pluemper, 2007.
[47] IUCN a, 2004: pp. 1-2.

cleaning and cooking inside households.[48] As a result, women's work is uniquely and disproportionately affected by climate change events, such as floods, droughts, and desertification. Women farmers are often first to lose their livelihoods in climate-change affected communities and last to find new work in formal sectors. Furthermore, because women and girls in many rural societies now spend up to three hours per day collecting water and firewood, their opportunities to participate in wage earning activities are decreasing.[49] Women who cannot find new work risk being trafficked into prostitution, increasing their exposure to HIV/AIDS and other sexually transmitted infections.[50]

- *Climate change increases women's care work.* Around the world, women remain largely responsible for healthcare, childcare and food provision in poor households. Thus, as climate change aggravates illness and injuries caused by contaminated water, famine and natural disasters, women's care work also multiplies.[51] This 'time poverty' leaves many women physically and emotionally exhausted, vulnerable to infection themselves, and unable to earn an education or income.[52]

- *Climate change increases violence against women.* Droughts, floods and soil erosion often increase conflict over natural resources. Droughts alone have increased civil war by 50% in some regions.[53] During conflict, women face heightened domestic violence, sexual intimidation and exploitation, human trafficking and rape.[54] Resource conflicts fueled by climate change also lead to mass migration and internal displacement. Women migrants, who now represent the majority of climate refugees,[55] often face a 'triple disadvantage' of race, class and gender discrimination that relegates them to the worst paid, least regulated and most flexible jobs.[56] These women are at higher risk for sexual harassment and physical abuse from exploitative employers.[57]

- *Women should be climate change leaders.* While poor women bear a unique and disproportionate burden of climate change impacts, their specific climate adaptation knowledge and skills position them as powerful climate change

[48] IUCN b, 2004: pp. 1-2.
[49] Ibid.
[50] Dennis and Zuckerman, 2006: pp. 6-13; Bacheva, Kochladze and Dennis, 2006: 3-48.
[51] Elson, 1999: pp. 4-8; Dennis and Zuckerman, 2006: p. 3.
[52] Holmes, 2008: p. 2; World Bank, 2009: http://go.worldbank.org/XM21E7T6I0.
[53] Wedo, 2007: p. 2.
[54] Davis et al., 2005.
[55] IOM, 2005: p.1.
[56] Piper, 2005: pp. 1-2; Jacka and Xianlin, 2004: pp. 288-291.
[57] Chang and Ling, 2000: p. 35.

leaders. In many countries, women are leading movements for sustainable forestry and organic farming.[58] Yet women are frequently excluded from climate change negotiations, conventions, policies and financing at all levels. From project designs to policy debates, the gendered face of climate change remains largely invisible.[59] The overall exclusion of women as climate change leaders, and the failure to connect climate and gender justice, represent significant setbacks for both movements.

Critique #3: Gender Justice Suffers Under the CIFs

As argued above, the World Bank Climate Investment Funds exacerbate climate change, and women living in poor communities will bear a disproportionate brunt of the burden. However, neither the World Bank, nor counterpart international financial institutions (IFIs) disbursing the funds, adequately account for the unique and unequal gendered impacts of climate change. Each IFI maintains clear gender equality and/or women's empowerment policies.[60] Some IFIs, like the World Bank, parade these policies in public displays against poverty and social injustice. Yet time and again, World Bank and other IFI investments fall short on their commitments to gender equality.[61] As the largest sources of public financing for development, these institutions should be held accountable for their interconnected promises on gender, poverty and climate change.

By examining the gender implications of IFI lending through the CIFs, this critique brings the climate-gender-economic justice debate full circle; while the CIFs deepen our climate crisis, which disproportionately affects poor women, gender equality and women's empowerment lose ground under the structure and governance of the CIFs. And the downward cycle begins again. While gender justice organizations have made the following arguments against IFI lending practices for years, they remain just as relevant today as we work to build an international architecture for climate change financing that impacts and benefits all people equally.

- *The CIFs neglect gender concerns*. The official World Bank Group documents establishing *The Clean Technology Fund* (June 9th, 2008) and the *Strategic Climate Fund* (June 3rd, 2008) never once mention gender or women. The

[58] WEDO, 2008: pp. 3-6; WEDO, 2007: p. 3.
[59] *Manila Declaration*, 2008: p. 1; Global Gender and Climate Alliance (GGCA), 2008; IUCN, 2007: pp. 1-2.
[60] For comprehensive overview and analysis of IFI gender policies, see: Gender Action and CIEL, 2007.
[61] Ibid; Bacheva, Kochladze and Dennis, 2006; Zuckerman, Dennis and Greenberg, 2007; Dennis and Zuckerman, 2007; Dennis and Yunus, 2008; Gender Action and WLSLAC, 2008.

articles outlining each fund's background, challenges, role, objectives, programs, governance and resource allocation lack any gender-specific objectives, project criteria, evaluation measures or budget targets. There are no policies in place for gender auditing the funds or ensuring that a percentage of funding supports gender-sensitive programs. As such, the CIFs entirely ignore the social *causes* underlying climate change vulnerability for specific groups, particularly poor women.

Only two CIF documents briefly mention gender. The SFCCD, which guides CIF implementation, integrates gender into "action area 6: step up policy research, knowledge, and capacity building." The SFCCD requires that the World Bank Group strengthen technical policy and expertise at the country level regarding the "social, gender, and human dimensions of climate change"[62] and develop "good practice guidelines to help relevant operations account for social and gender dimensions of climate change."[63] However, no other action areas, including those regarding support for climate actions, mobilizing finance, or developing and deploying new technologies, explicitly mention gender.

The only other gender reference within CIF documents arises in the *Criteria for Selecting Expert Group Members Under the Pilot Program for Climate Resilience (PPCR)*. The document requires that the PPCR Sub Committee create an Expert Group with the limited task of advising on program country selection. The Expert Group must "reflect a regional and gender balance" and have at least one "Social Development Specialist/Anthropologist" with gender expertise.[64] No similar criteria exist, however, for selecting members of the more influential Trust Fund Committees, MDB Committees, or Administrative Units that directly govern the CIFs and mandate legally binding obligations.

- *CIF governance reinforces gender-insensitive IFI lending policies and practices.* The CIFs give significant independence and leverage to each IFI responsible for disbursing funds. Rather than mandate that each IFI follow robust gender equality criteria when designing, implementing, monitoring and evaluating CIF projects, the CIFs state that each IFI will follow its own policies, operational procedures, fiduciary standards, and environmental and social safeguards.[65] Gender Action research shows, however, that most IFI operational procedures

[62] *SFCCD*, 2008: p. 15, paragraph 44.
[63] Ibid: p. 30, Annex 3: Key Actions and Deliverables for Fiscal Years 2009-11.
[64] *Criteria for Selecting Expert Group Members*, 2008: pp. 3-4, paragraphs 8, 15.
[65] *Strategic Climate Fund*, 2008: pp. 8-15, paragraphs 13(g), 38; *The Clean Technology Fund*, 2008: pp. 7-8, paragraphs 18, 19, pp. 22-28, Annex A, paragraphs 14, 34, 35.

and safeguard policies regarding gender are not only weak, but poorly implemented and enforced across all sectors and institutions. Without strong gender policies or accountability mechanisms, many IFIs routinely fail to: include women and gender experts in project consultations and design; conduct gender analyses of affected communities and project outcomes; ensure women and men benefit equally from project activities; ensure all community members receive equal compensation for loss of land, property or livelihood; and account for the gendered impacts of economic conditions attached to policy-based loans. As a result, the IFIs continue to finance projects and impose conditionalities that weaken women's rights and gender equality.[66]

In Azerbaijan, Georgia and Sakhalin, for example, the Baku-Ceyhan Export Oil (BTC) Pipeline financed by the World Bank and European Bank for Reconstruction and Development (EBRD) increased overall poverty, hindered women's access to resources, increased still births, prostitution, HIV/AIDS and other sexually transmitted infections (STIs).[67] In World Bank-managed reconstruction projects in post-tsunami Indonesia, Gender Action found that most projects entirely failed to address gender concerns in project components, community participation measures, social context analyses, and monitoring and evaluation processes, despite firm gender policy commitments to do so.[68] Finally, a gender audit of 50 IFI projects in China similarly reveals that less than half analyze gender relations, and three quarters neither acknowledge nor redress unequal project impacts on men and women.[69] Considering this poor gender track record, IFI-governed CIFs will very likely reinforce lending practices that harm poor women and men. Specific IFI lending practices are discussed in detail below.

- *Poor women will bear the brunt of CIF loan conditionality*. Unlike climate financing mechanisms under the UNFCCC, which recognizes that countries share "common but differentiated responsibilities"[70] for climate change, the CIFs will finance adaptation and mitigation projects through a combination of grants and concessional loans.[71] In short, the CIFs will force poor countries to pay for a problem created predominantly by wealthy countries. And with debt come conditions. Although IFIs now publicly denounce structural adjustment loans

[66] Gender Action and CIEL, 2007; Dennis and Zuckerman, 2007; Dennis and Yunus, 2008; Gender Action and WLSLAC, 2008.
[67] Bacheva, Kochladze and Dennis, 2006: p. 4.
[68] Dennis and Yunus, 2008: p. 1.
[69] Limbu, Zuckerman and Zhang, 2008: p. 7.
[70] UNFCCC, *Preamble*.
[71] See footnote 18.

(SALs), they continue to impose strict economic conditions on debtor countries through policy-based lending. The loans may carry new names (PRSPs, PRGFs, PRSCs, etc.), but the conditions attached remain largely the same: privatization, decreased government spending, corporate-friendly trade, labor market and financial sector reforms.[72] Under IFI governance, the CIFs will likely reinforce the same onerous conditionalities.[73]

Research clearly shows that loan conditionalities are not gender neutral; poor women become the 'shock absorbers' for neoliberal economic reforms imposed by IFIs on developing country governments. For example, privatization of essential services forces girls out of school and women out of work to fill healthcare, childcare and education needs within families. Public sector downsizing means women, whose income is often considered secondary, are the first fired and last rehired during government retrenchment. The imposition of regressive revenue policies, like value-added taxes (VATs) and user fees, takes a larger toll on women's smaller earnings. Trade and capital account liberalization lead to increasingly flexible labor standards for female employees who predominate in export sectors and processing zones; these women who provide cheap labor at the bottom of global supply chains often face short-term contracts, dangerous working conditions, erratic hours, no benefits, intimidation and sexual exploitation. Finally, IFI-imposed banking sector reforms disproportionately impact poor women, who struggle most to obtain credit for small-scale farming and micro-enterprises when banks tighten approval criteria.[74]

Some climate advocates now suggest that because IFIs have gender policies, placing the CIFs under IFI governance could lead to 'positive' conditionalities for women and gender equality.[75] However, as Gender Action research reveals that IFI investments consistently ignore their own gender policies and promote conditionalities that undermine gender justice, this argument is not tenable. Both the Association for Women's Rights in Development (AWID) and the Women's Working Group on Financing for Development (FfD) agree that "donor and developing country governments must respect and advance regional and international Human Rights treaties, gender equality, and sustainable development agreements, and the main way to reinforce Human Rights or gender equality is not to make them new terms of conditionalities, but by

72 Dennis and Zuckerman, 2006.
73 See footnotes 37, 38.
74 Dennis and Zuckerman, 2006: pp. 10-17.
75 As discussed in Schalatek for Heinrich Böll Foundation North America, 2008: slide 15.

supporting local groups, movements and women's rights organizations in the South, that will hold their own governments accountable to these commitments, acting as advocates and strengthening democratic governance on the ground."[76]

- *Carbon market fundamentalism increases gender inequality*. While the World Bank SFCCD states that the CIFs will develop and emphasize market-based mechanisms for climate change financing, carbon markets undermine gender equality. Carbon markets generally exclude poor populations who lack sufficient resources and information to participate in carbon credit trading schemes, and women comprise the majority of the world's poor.[77] Furthermore, carbon market mechanisms, like the Clean Development Mechanism (CDM) established under the Kyoto Protocol, primarily fund large-scale industry and power sector projects that benefit corporations; initiatives supplying renewable energies to small-scale enterprises or households where women predominate only comprise a small percentage of CDM projects.[78] In this way, carbon markets tend to ignore social development factors like poverty reduction and gender equality.

- *The CIFs will redirect ODA needed for women's empowerment initiatives*. As is, OECD nations struggle to reach their commitments of 0.7% gross national income (GNI) for Official Development Assistance (ODA). Achieving gender equality and women's empowerment depends upon ODA, which helps finance basic education, healthcare, agriculture, transport, communications, energy infrastructure and other sectors affecting men and women, boys and girls, in developing countries. Yet a 2005 OECD report on *Aid Activities in Support of Gender Equality (1999-2003)* reveals that the majority of ODA neglects gender equality goals. While half of aid for education and healthcare included gender-specific concerns, almost no aid for transport or energy infrastructure focused on gender equality.[79] Because CIF funds counted as existing ODA are likely to support transport and energy sectors, ODA will likely become increasingly gender insensitive.

[76] *International Consultation of Women's Organisations and Networks on Aid Effectiveness 2008*, quoted in AWID, 2008: p. 25.
[77] Gendercc, 2007: p. 3; *Manila Declaration*, 2008: p. 2.
[78] Gendercc, 2009 b: p. 2.
[79] OECD, 2005: Available online at: www.oecd.org

Conclusion

The World Bank Climate Investment Funds illustrate well how "there is no climate justice without gender justice." Despite publicity campaigns that cast the World Bank as a climate and gender friendly institution, the new CIFs largely exacerbate climate change, which uniquely and disproportionately affects poor women, who are then doubly disadvantaged by World Bank and other IFI policies that undermine gender equality and women's rights. The CIFs expose an urgent need to discuss climate change, international finance and gender justice together. Yet the gendered impacts of climate change financing remain largely invisible in both climate change and IFI debates; gender concerns rarely appear in climate change agreements or financing mechanisms, including the CIFs.

This is not to say civil society and international organizations have not pushed for an 'intersectional' approach to the climate crisis. On the contrary, gender justice advocates repeatedly demand equitable climate change financing at every UNFCCC negotiation, Conference of Parties, and climate change talk (see Box 1 below). Their call, however, too often falls on deaf ears. The following recommendations draw upon and support their demands to make current and future climate change regimes gender responsive and equitable.

Box 1 : Statements and Presentations on Gender Justice for Climate Financing

Gender and Climate Finance: "Double Mainstreaming" for Equitable Development,
Presentation, UNFCCC COP 14, Poznan, Poland, 6 December 2008, Liane Schalatek for HBF North America: http://copportal1.man.poznan.pl/Archive.aspx?EventID=78&Lang=floor

Manila Declaration for Global Action on Gender in Climate Change and Disaster Risk Reduction,
Manila, Philippines, 22 October 2008: http://www.unifem.org/news_events/story_detail.php?StoryID=758

Gender: Missing Link in Financing Climate Change Adaptation and Mitigation,
GenderCC Position Paper, UNFCCC COP 13, Bali, Indonesia, December 2007:
http://www.genanet.de/fileadmin/downloads/Positionspapiere/gendercc_positionpaper_financing.pdf

Statement Submitted by WEDO on behalf of the Global Gender and Climate Alliance for the High-Level Session, COP 14, 12 December 2008: Available from www.wedo.org.

Recommendations

- First and foremost, all climate change financing should be administered under the UNFCCC, not the World Bank or IFIs that so often exacerbate both climate change and gender injustice. The CIFs, which particularly harm the environment and undermine gender equality, should be shut down and their funds redirected to the UNFCCC Adaptation Fund and other UN mechanisms.

- Until the CIFs are closed all climate funding should be allocated as grants, not policy-based loans that disproportionately harm poor women. The CIFs should honor the UNFCCC principle of "common but differentiated responsibilities" for climate change and demand that the "polluter pays." Since poor women often bear the brunt of structural adjustments imposed on debtor countries, CIF loans that ignore the polluter pays principle ultimately force poor women to pay for climate change.

- All CIF policy conditions, which rely upon poor women as "shock absorbers" for economic restructuring, should end immediately.

- The CIFs should acknowledge the gendered impacts of climate change. Gender equality criteria should be explicitly integrated into all aspects of CIF actions: community consultations, social context analyses, project and program design, implementation, monitoring and evaluation.

- The CIFs should develop gender sensitive indicators to measure progress on the gender criteria above. All CIF data produced should be sex-disaggregated.

- All CIFs should undergo routine gender audits to account for funds spent – or not spent – on gender equality and women's empowerment initiatives related to climate change.

- The CIFs should prepare gender-responsive budgets to ensure sufficient resources are allocated for the needs of women and girls in climate change adaptation and mitigation activities. Specific funding targets should be set to ensure sufficient funds are earmarked for activities that address women's empowerment and gender equality.

- All technology funded through the CIFs should be gender responsive. The CIFs should ensure that women's energy and technology needs are recognized and met.

- The CIFs should not pursue market-based climate financing mechanisms, which largely ignore and often undermine social development factors like poverty reduction and gender equality.

- Gender Action and other civil society groups should hold the IFIs accountable on their promises to promote gender equality and safeguard the environment. Citizens and civil society organizations should bring the IFIs before accountability mechanisms when they violate their own gender and environmental policies.

- Gender Action and other civil society groups should further monitor and analyze the social and gender impacts of CIF programs and projects as they are implemented.

Box 2 : Web Resources on Gender and Climate Change

- **Climatefundsupdate.org**: Sponsored by ODI and Heinrich Böll Foundation, this website monitors the CIFs and CIF-funded projects.
- **Gender Action:** A 'Gender Action Link' on gender, climate change and international finance (http://www.genderaction.org/images/Gender%20Action%20Link,%20Climate%20Change.pdf)
- **GenderCC.net**: A new web platform for information sharing and networking on gender and climate change.
- **Global Gender and Climate Alliance:** Network founded by UNDP, UNEP, IUCN and WEDO to "ensure that all climate change decision-making, policies and initiatives, at all levels, are gender responsive" (http://www.wedo.org/learn/campaigns/climatechange/global-gender-and-climate-alliance).
- **IUCN Gender and Environment**: Fact sheets, reports, manuals and case studies about gender and climate topics (http://generoyambiente.org/biblioteca/documentos.php?cat=5&subcat=5).
- **Women's Environment and Development Organization (WEDO):** Toolkits, fact sheets and articles on gender and climate change (http://www.wedo.org/).

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