Ensuring Climate Finance Reaches the Poor and Promotes Gender Equity

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“Climate change financing creates an opportunity to address long-standing equity issues, including gender inequality and other forms of social injustice, and can help facilitate and build upon ongoing processes for promoting equality, fairness and justice in the global economy.” (UNDP, 2011)

• Climate change provides an *opportunity* to focus on gender and poverty

• Climate finance until now has largely been gender blind and not focused on poverty outcomes

• As a tool, climate responsive budgeting will be strengthened if it incorporates learnings from pro-poor and gender responsive budgeting

• Climate finance will enhance resilience if it targets poverty and addresses gender inequality
<table>
<thead>
<tr>
<th>Poverty and Climate Change</th>
<th>Gender and Climate Change</th>
</tr>
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<tbody>
<tr>
<td>• Poverty increases CC vulnerability</td>
<td>• Feminization of poverty increases CC vulnerability</td>
</tr>
<tr>
<td>• Higher exposure, increased sensitivity, reduced adaptive capacity</td>
<td>• Increased labour in subsistence sector to ensure food security (higher burden of unpaid work)</td>
</tr>
<tr>
<td>• Few options for managing CC risk</td>
<td>• Increased time spent on accessing fuel, water etc. (increased time burden)</td>
</tr>
<tr>
<td>• Increases proportion of people in transient poverty</td>
<td>• CC risk coping mechanisms such as migration increase existing gender inequalities</td>
</tr>
<tr>
<td>• Makes it harder to achieve development goals and targets</td>
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</table>
Convergence of Poverty, Gender and Expenditure

Triple wins: these policies and expenditures are expected to deliver benefits in terms of gender equity, poverty reduction and climate resilience
Access and Use Climate Change Information
- Review available country evidence and climate risk assessments

Categorize key risks from CC
- Undertake poverty and gender impact analysis of climate change risks

Map key sectoral impact of climate change
- Identify key sectors for poverty and gender resilience to climate change

Review poverty, gender and climate change policy
- Identify poverty and gender risk mitigation processes and gaps

Review institutional framework for policy and resource allocation
- Assess institutional capacity for mainstreaming poverty and gender risk mitigation in policy and budgetary processes

Undertake public expenditure review to mitigate climate change risks
- Analyze poverty and gender budgets to estimate public expenditure incidence

Provide recommendations for targeting and utilization of public expenditure to mitigate climate change risks from a poverty and gender perspective
Risk Assessment and Climate Finance Framework: RAN-API in Indonesia

- Economic Resilience
  - Food Security
  - Energy

- Living System Resilience
  - Health
  - Housing
  - Infrastructure

- Ecosystem Resilience
  - Bio-diversity
  - Forestry

- Specific Region Resilience
  - Urban
  - Coastal/small islands

- Implementation framework
  - Planning & Budgeting
  - Capacity Building
  - Monitoring, Learning and evaluation
  - Accountability and transparency
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<tr>
<th>Category of Risk</th>
<th>Description of Risk</th>
<th>Gender Impact</th>
<th>Poverty Impact</th>
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<tr>
<td>Supply Risk</td>
<td>Supply interruption; decreased access (food, water, public goods)</td>
<td>Exacerbates existing gender disparity in basic needs</td>
<td>Reduces access to basic needs in the absence of social protection</td>
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<td>Market Risk</td>
<td>Demand and price increase; food and livelihood insecurity</td>
<td>Increases gender inequity in basic needs</td>
<td>Reduces purchasing power, requires coping mechanisms</td>
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<tr>
<td>Operating Risk</td>
<td>Loss of assets including shelter and livestock</td>
<td>Widens gender-based asset ownership gap</td>
<td>Pushes marginal households below poverty,</td>
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<tr>
<td>Recovery Risk</td>
<td>Impaired ability to recover asset losses after climate change related shocks</td>
<td>Skews asset ownership towards men</td>
<td>Reduces chances of moving out of poverty</td>
</tr>
<tr>
<td>Socio-political Risk</td>
<td>Adverse health and human development outcomes; Migration; Resource-related conflict; social disruption</td>
<td>Increase in female-headed households; Higher incidence of vector-borne diseases; threat of physical and social violence</td>
<td>Impoverishment due to increased healthcare cost; loss of livelihood; low skilled migration leads to deepening of poverty;</td>
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<td>Domestic/Time Burden Risk</td>
<td>Increased burden of unpaid work and time use for natural resource based livelihoods</td>
<td>Burden of unpaid and care work falls exclusively on women and girls; lower HD outcomes</td>
<td>Less opportunity for productive work, especially for women; entrenched cycle of poverty</td>
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<td>Participant Risk</td>
<td>Lack of financial stability; reduced credit worthiness; inadequate administrative and technical capacity</td>
<td>Increased gender bias in economic opportunity; institutions do not address gender inequities</td>
<td>Increased economic inequality; inadequate social protection leads to socio-economic exclusion</td>
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Operationalizing Poverty and Gender focus in CPEIRs
Key Questions for Climate, Poverty and Gender Policy Analysis

- What are the key elements of climate resilience, poverty alleviation and gender equality policies?
- Does climate policy reflect the climate risk impact on gender and poverty?
- How does climate policy articulate poverty and gender related objectives more broadly?
- How do gender and poverty policy relate to the risk impact analysis and incorporate climate change related objectives?
- What synergies and contradictions can be identified in the three areas of policy?
- What sectoral linkages can be identified for effective implementation of pro-poor, gender responsive climate change policy framework?
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<th>Climate Policy</th>
<th>Poverty Policy</th>
<th>Gender Policy</th>
<th>Sectoral Linkages</th>
</tr>
</thead>
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<tr>
<td>Food security through improved agricultural practices, efficient resource use, environmental conservation</td>
<td>Improve agricultural productivity, use of natural resources, access to market and credit</td>
<td>Special focus on rural, poor women engaged in agriculture, livestock and fisheries</td>
<td>Agriculture, land use, irrigation, water resources, research and development, financial services, private sector</td>
</tr>
<tr>
<td>Provision safe drinking water, housing, health services and employment to increase climate change resilience</td>
<td>Investment in infrastructure and human development focusing on backward regions and communities.</td>
<td>Infrastructure and social protection policies to place particular emphasis on gender and social inclusion</td>
<td>Infrastructure, health, social services, social protection, human development, local governments, NGOs</td>
</tr>
<tr>
<td>Particular emphasis on mitigating the effects of natural disasters by taking a gender and poverty centric approach</td>
<td>Reduce livelihood risk from natural disasters for the poor particularly in areas and populations with high vulnerability</td>
<td>Ensuring safety, security and livelihood of women before, during and after natural disasters</td>
<td>Disaster risk reduction, disaster response, emergency services, social security, CBOs, local governments</td>
</tr>
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</table>
Key Questions for Climate, Poverty and Gender Institutional Analysis

- What are the key institutions implementing climate change response?
- Do they have the appropriate mandate?
- Have they appropriately mainstreamed poverty and gender?
- What are the existing gaps (powers, resources, capacity)?
- What are the coordination mechanisms between climate change institutions, government departments and agencies? How does it affect climate response at national and local levels?
- Is it inclusive? Does it accommodate key stakeholders, especially civil society organizations?
- How does existing institutional framework address poverty impact and gender equity of climate change?
Key Questions for Climate, Poverty and Gender
Public Expenditure Analysis

- What are the main sources of funding for climate change actions? What role do international sources of climate finance play?
- What are the trends in public expenditure generally and specifically for climate change actions?
- Does the country produce a gender budget? Does it undertake poverty analysis of public expenditure?
- Is public expenditure allocation targeted at mitigation of risks and increasing climate change resilience?
- Where is climate change related expenditure happening across government ministries/departments/agencies?
- Is activity level data available from government Chart of Accounts/budget documents? If so, does it have climate weights?
- What is the poverty impact of climate change expenditure? Can we determine whether it mitigates gender inequities of related to climate change?
Budgeting Framework and Sources of Climate Finance
Implementation of Methodology Using Bangladesh CPEIR Data
<table>
<thead>
<tr>
<th>Year</th>
<th>Development</th>
<th>Non-development</th>
<th>Donor Loan</th>
<th>Donor Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>38.0</td>
<td>38.6</td>
<td>13.5</td>
<td>9.9</td>
</tr>
<tr>
<td>2010-11</td>
<td>38.6</td>
<td>38.9</td>
<td>14.0</td>
<td>8.5</td>
</tr>
<tr>
<td>2011-12</td>
<td>38.6</td>
<td>39.0</td>
<td>18.5</td>
<td>3.8</td>
</tr>
</tbody>
</table>

Share of loans and grants within donor funding changed significantly; need to improve return on investment from climate funds.

GoB contribution is around three-quarters of the climate change expenditure; shares have remained stable.
Climate, Gender and Poverty Expenditure Tracking - Ministrywise

- Environment
- Water
- Women&Child
- Rural Development Division
- Food&Disaster Relief
- Planning
- Local Govt Division
- Agriculture
- Chittagong Hill Tracts
- Fisheries&Livestock
- Power, Energy and Minerals

Gender%, Poverty %, Climate %
Poverty and Climate Expenditure Co-benefits Estimation

- More than half the ministries have at least 10 percent co-benefits
- MoEF has the largest poverty and climate co-benefits
- Range varies across ministries

Gender and Climate Expenditure Co-benefits Estimation

- Only two ministries have non-zero minimum co-benefits
- MoWCA has the largest gender and climate co-benefits
- Gender focus of key ministries need to be strengthened vis-à-vis climate change
## Project level Tracking of Gender and Climate Expenditure

<table>
<thead>
<tr>
<th>Rural Development and Cooperative Division Ministry of Local Government</th>
<th>Gender Incidence %</th>
<th>Climate Relevance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>One House, One Farm</td>
<td>90</td>
<td>40</td>
</tr>
<tr>
<td>Economic Empowerment of the Poorest in Bangladesh</td>
<td>90</td>
<td>50</td>
</tr>
<tr>
<td>Comprehensive Village Development Program</td>
<td>60</td>
<td>40</td>
</tr>
<tr>
<td>Participatory Rural Development Project</td>
<td>90</td>
<td>40</td>
</tr>
<tr>
<td>Employment Guarantee Scheme for the Hardcore Poor of the Northern Region</td>
<td>100</td>
<td>50</td>
</tr>
<tr>
<td>Livelihood Improvement of the Garo Community</td>
<td>100</td>
<td>25</td>
</tr>
</tbody>
</table>
Concluding Observations

• Countries should work towards undertaking climate risk assessment at the national, regional and sub-regional levels

• Building an inter-disciplinary team with the appropriate skill set will facilitate the extended CPEIR analysis

• The poverty and gender analysis should set the stage for policy and institutional reform to make climate public expenditure more effective and equitable

• The analysis depends on availability as well as quality of gender and poverty disaggregated data and tools to track expenditures for climate change resilience