



# Women in Finance Climate Action Group report

# Foreword

Women around the world are bearing the brunt of the climate crisis. Women hold the key to more equitable communities, more thriving economies and a more sustainable future for the planet. And yet women are still being systematically overlooked and excluded from fulfilling this potential.

The importance of women's involvement in taking action on climate change is well understood. And yet far too little progress has been made to increase that participation. With so much at stake, it is negligent as well as foolish to ignore and undervalue the potential contribution of half the world's population.

Private finance has its own problem with gender equality. And it also has a critical role to play in shaping a more equitable, sustainable future. That is why I've convened a group of female leaders in finance to consider what more can be done to improve gender equality when designing, delivering and accessing climate finance. These women represent key parts of the private finance system – business leaders, policymakers, regulators, NGOs and industry groups – and they are all committed to working together to identify barriers in the system and find solutions to overcome them.

I would like to thank the members of this action group, as well as CARE International UK, for their research contributions and for their determination to make a difference.

This report is not another paper exercise of research and ideas but is intended to be a guide to action, against which we can hold ourselves and others to account. Because we believe that now is the time to move beyond discussion and take substantive action.

We can't solve the climate crisis without involving women. And we won't create equality for women unless we address the climate crisis. The challenges are interdependent, so our response must be coordinated. It will take action at all levels in both the public and private sectors, to bring about the change that's needed in the way the world works, for everyone's benefit.



A handwritten signature in black ink that reads "Amanda".

**Amanda Blanc,**  
Group CEO Aviva Plc

# The Women in Finance Climate Action Group



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# Executive Summary

Despite progress in recent years, this report finds the evidence remains overwhelming that women and girls are more heavily impacted by the effects of our changing climate. At the same time, women tend to be less able to influence decisions on how finance to address climate impacts is allocated, since in every relevant sector - public and private, all over the world - women often face unequal representation.

Only by incorporating the best ideas and leadership around the world can we hope to address the climate crisis. There will inevitably be oversights in decision-making and weaknesses in outcomes if diverse perspectives - not only of women but also those of other underrepresented groups – are not given equal weight.

Governments, multilateral institutions and private sector organisations all need to consider how private finance can better incorporate gender concerns in order to ensure that the trillions of dollars needed to meet our climate goals will flow in an equitable way.

## Our vision

The purpose of this report is therefore to identify specific actions that key actors can take to help deliver better finance outcomes on gender and climate. Our vision is as follows:

*We believe that an equitable, just, net zero world is possible. A world that has successfully mobilised the trillions needed across public and private finance to deliver the Paris Agreement, and where all finance flows are consistent with a pathway towards net zero and climate-resilient development. Climate justice, equity and intergenerational fairness are the foundations of a truly sustainable financial system.*

# Barriers to Incorporating Gender Concerns into Climate Financing

This report examines the evidence and explores four key barriers to integrating gender in private climate finance and achieving our vision:

- 1 Women are financially excluded: they have less access to financial services, fewer assets and, in some places, fewer ownership rights**
- 2 Most national, regional and multilateral government climate policy frameworks do not incorporate gender issues or make the connection between gender and climate financing**
- 3 Data and reporting on gender aspects of climate financing is inadequate**
- 4 Women are often poorly represented in key leadership and decision-making roles, across all relevant sectors**

Fortunately, there are pockets of good practice already around the world, which this report highlights. We can and must build on these at scale.

# Recommendations

The report looks at each barrier in turn and makes a series of recommendations for action against each. We have aimed to make recommendations as specific as possible while remaining widely applicable at national, regional and global levels. They are aimed at decision makers across the public and private sector, and in civil society.



## Improve women's inclusion within the financial system and ability to access climate finance

Globally, women have less access to resources, information and services they need to create, develop and deliver climate solutions and as such, are frequently being left behind.

**Governments** should identify ways in which women are financially excluded within their societies and introduce policies to remedy these, for example following the guidance in the “Promoting women’s financial inclusion toolkit”<sup>1</sup> and applying it in the context of climate finance.

**Businesses** should consider how accessible their products and services are to women – including to women-owned/ led businesses - and innovate and educate to improve access. In partnership with **civil society**, they should provide philanthropic support to grassroots financial inclusion organisations.



## Integrate gender into public and private climate policy frameworks

Currently, few organisations involved in climate financing consistently look at the role of gender. Without this strategic approach, gender issues are likely to remain marginal concerns.

**All organisations** should set out within relevant policies how they consider and act on the connection between gender and climate. For **Governments** these should be covered in national climate plans; for **private finance providers** in policies related to core business activities, for example lending, investing and stewardship. **Civil society organisations** dealing with either gender or climate should look at the connections between the two and offer their insight to public and private bodies.



## Develop gender metrics and integrate them into climate finance reporting

The reporting landscape on gender metrics remains underdeveloped compared to other metrics now regularly reported on climate. To date, companies and public institutions have been reporting few and inconsistent metrics on gender, limiting the ability of public and private finance providers to meaningfully incorporate these metrics.

**All public and private providers of climate finance** should call on existing industry sustainability and climate reporting initiatives – for example SASB or GRI - to collaborate to develop gender metrics and establish a set of joint guidance. **Civil society organisations** should lend their expertise to ensure metrics measure tangible real-world outcomes.



## Improve gender-balanced representation in key-decision making roles on climate finance

Research tells us that when women are not around the table then the needs of all women are less likely to be accounted for. And women remain starkly under-represented in decision-making roles.

**All organisations providing climate finance** should introduce specific measures to improve their gender-balance - for example those suggested in the UK's Women in Finance Charter.<sup>2</sup> In addition: **businesses** should join and /or establish industry groups promoting gender equality and consider how to promote gender equality via core business activities, for example lending, investing and stewardship; **Governments** should deliver and extend commitments to support women's equal participation and leadership in the UN climate negotiations; and **civil society organisations** should hold businesses and government to account on these measures.

With so many issues and challenges to face, it would be easy to become overwhelmed by the size of the solutions required. But, as you will see laid out in this report, multiple actions being taken by multiple stakeholders can and will have an impact.

We recognise that the recommendations may not necessarily be relevant to all sectors or geographies. How they are implemented will depend on the legal requirements in each jurisdiction. However, they set out at a high level the type of actions that should be considered.

Just climate action requires partnership and cohesion for real and lasting change. There is a lot that must be done, and the complexity of the issues and the long-term nature of change must not stand in our way.

# Introduction

This report seeks to offer solutions and actions on how to drive more gender-equitable private climate finance and how we can speed up positive change for everyone.

The race against climate change is on but the speed of action is far too slow and inequitable to create a world where both people and the planet flourish. Mobilising climate finance in a way that actively works to address gender inequality will be essential to transform economies and societies to be more equal and resilient in the future. And yet, the global private finance sector does not currently have the tools, infrastructure or incentives in place to support more gender-equitable climate finance.

No one stakeholder group alone can solve a systemic problem, but when we all move together we can drive real change. That is why the Women in Finance Climate Action Group brings together women leaders from key parts of the climate finance value chain - government, regulators, private sector, and civil society – with an aim to collaborate and find out how they can all work together to secure a better future for women and girls around the world. As such, they set out four recommendations and calls to action, for all stakeholders, that will improve the gender-responsiveness of private climate finance.

COP26 is a pivotal moment to advance this agenda and the action group is determined that this report, to be shared at COP26, will be used to motivate governments, the private sector, standards setters and civil society, to come on this journey together.

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This report looks at the intersection of the issues of climate change and gender equality, how the two affect each other, and how each can be used as a lever to drive change within the financial system. To underpin what we've set out in this report we also need:

- A significant scaling of climate finance to meet the Paris Agreement
- Better data and tracking of climate finance and the impact that it is having – particularly in the private sector.
- To mobilise capital at scale to meet countries' transition plans.
- Strong action from all actors to improve gender equality, including equitable access to education, healthcare and technology, ending discrimination and exploitation, participation in decision making, and more.

All of these elements are fundamental to progress but will not be a focus of this report.

# Our vision

We believe that an equitable, just, net zero world is possible. A world that has successfully mobilised the trillions needed across public and private finance to deliver the Paris Agreement, and where all finance flows are consistent with a pathway towards net zero and climate-resilient development. Climate justice, equity and intergenerational fairness are the foundations of a truly sustainable financial system.

Public and private capital has flowed to climate outcomes, with an increased focus on gender-responsive mitigation, adaptation and resilience projects around the world, particularly the countries most vulnerable to climate change.

Government has collaborated with the private sector to develop zero-emission, climate-resilient, gender-responsive projects, with public finance institutions crowding in private investment at the scale required to bring investable projects to market.

Women have equal opportunity to influence decisions around allocations of climate finance and are represented equally in all areas of society, including all levels of politics, the private sector and in the diplomatic arena.

Standard metrics are used to help assess and measure both climate and gender impacts across investments. This now represents business-as-usual.

Increased financial literacy means that people better understand how their savings and investments flow to the companies and projects that make up the real economy in which they exist. There is increased engagement between market participants and beneficiaries on climate and gender issues.

Women around the world are empowered by and developing new products and solutions that make them more resilient to climate impacts.

The financial system enables, rather than impedes, a sustainable, resilient, zero-emission, equitable society.

[This vision was inspired by the Marrakech Partnership Climate Action Pathway for Finance 2021]

# Understanding the problem

## Women and girls are hit hardest by climate impacts

In many parts of the world, women and girls are disproportionately impacted by the effects of climate change. Disasters and the impacts of climate change often intensify existing inequalities, vulnerabilities, poverty and unequal power relations between men and women. As women make up the largest part of the world's poor and are already structurally marginalised, they risk being further marginalised by the effects of climate change; reinforcing and widening the disparity between men and women.<sup>3</sup>

There are significant differences in the rights and opportunities available to men and women. In many parts of the world, women are less likely to be in positions of power, own land, have reproductive rights, gain education and access to the job market. Women and girls are more likely to suffer displacement as a result of worsening droughts, floods, fires, and storms. In many communities, women work in the roles and sectors that are most susceptible to climate change, threatening their security and livelihoods. Moreover, research from UNFCCC finds that impacts of climate change are increasing violence against women and girls including domestic abuse, child marriage and sexual assault.<sup>7</sup> With fewer resources and options to turn to, women are left vulnerable to increased hardship due to the changing climate. This is called a 'gender-differentiated impact'.

Gender inequities exist almost everywhere, and therefore so do gender-differentiated climate impacts. However, it is also important to consider how this intersects with racial injustice, to better understand how gender-differentiated impacts may affect women differently around the world.

Just as women are disproportionately negatively impacted by climate change, in many places, economic, environmental and health vulnerability is also tied to racial inequalities. At a macro/country level, those countries with access to fewer resources are much more vulnerable to the impacts of climate change – and it is the women within these countries that are the most affected. Equally, at a more local level, Black, indigenous and other ethnic communities within countries are often disproportionately negatively affected by climate change - again, with women within these groups being most affected. So in terms of demographics, Black, indigenous and women of colour are disproportionately experiencing the impacts of climate change.

**Women** make up **the majority** of those living **below** the **poverty line**.<sup>4</sup>

About **80%** of people displaced by climate change are women.<sup>5</sup>

Almost **1 billion** women globally have no access to financial services.<sup>6</sup>

## Case study - How women farmers in Tanzania are affected by climate change

Let's take the case of Nafika, who grows maize, leaf vegetables, onions and tomatoes on her farm in Mgwase village, Tanzania. Nafika has noticed a significant reduction in rains over recent years, which has made her crop yield less predictable and led to insecurity in her business, "During the rainy season, we are confident we will get our crops, but now we have minimal rains, and it is difficult for us to know if we will harvest."

Nafika is already in a significantly vulnerable position. Now add in climate change. Nafika said that her yield reduces by as much as nine-tenths during times of drought, which has worsened over the past three years. As a mother of seven children, this has a huge impact on her family's livelihood. Because of the disruption caused by drought, Nafika has been forced to take up extra work as a labourer on other people's farms and cracking up rocks into small pieces to sell to construction workers. Like many women Nafika has a higher workload in the home which has been added to by drought, "As well as working on the farm, I'm the one who is getting up early to make Uji for the family, collecting firewood, bringing it home and housekeeping. I have a bigger role in the house."

Failing crops, poor health and lack of information and education continues the cycle of poverty and inequality and leads to poor outcomes in every regard for the women and girls in families such as Nafika's. Nafika is unable to access the financial support that might be available to others, and does not have the platform or tools to make her voice heard.<sup>8</sup>



# Women remain excluded from decision-making

While women and girls are disproportionately impacted by climate change, they are also underrepresented in efforts to tackle it – mirroring the underrepresentation of women in key decision-making roles more generally.

Women can be powerful agents of change and their leadership is essential to developing effective solutions to climate change that take into account gender equality. Women leaders can bring different skills, perspectives and ideas that challenge the norm, drive innovation, and importantly, promote solutions that meet the needs of women. These women can amplify the voices of those within their communities and advocate for systemic change.

Yet women continue to be underrepresented at all levels of decision-making. In many communities, social norms often hold women back from participating equally in decision-making; but this is not a phenomenon limited to only certain cultures or regions.

This widespread under-representation means that in politics, the law and in business, women's voices are not getting heard. At the current rate, gender equality in the highest positions of power will not be reached for another 130 years.<sup>13</sup>

Women have also been continuously under-represented in global climate change negotiations.

“This is a very male world [COP21 Summit]. When it is a male world, you have male priorities...If you don't have women here, how can you say this is about people?”<sup>14</sup>”

**Mary Robinson, former President of Ireland and UN High Commissioner for Human Rights; Chair of The Elders**

Awareness of this issue is growing, and there have been various pledges and commitments around increasing female representation in decision-making bodies. The UNFCCC 5-year enhanced Lima work programme on gender and its Gender Action Plan, agreed at COP25, commits all Parties to support women's equal participation and leadership, and recognises the importance of women's voices in climate action.

## Globally

- women represent only **26.1%** of parliament seats
- women represent **22.6%** of ministers
- In **81 countries**, there has **never been a woman head of state**<sup>9</sup>

This rings true in climate decision making. **At COP25:**

- **27%** heads and deputy heads of delegations were women
- **37%** of top negotiators were women<sup>10</sup>

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## UK snapshot

Women make up:

- **51%** of the population
- **29%** of MPs
- **25%** judges
- **24%** FTSE 100 directors<sup>11</sup>

While there has been progress, the UNFCCC is yet to achieve full gender parity:

- Of the 15 constituted bodies under the UNFCCC, only three bodies reached or exceeded balanced gender composition in 2021, while the average percentage of female members in all constituted bodies remained around 33%.<sup>15</sup>
- Seven demonstrated their progress towards integrating a gender perspective in their processes and substantive work, beyond improving the gender balance in their composition, in 2020.<sup>16</sup>

In November 2021, the UK is hosting COP26 in Glasgow. Speaking about COP26, Mary Robinson has said: “We need to centre women and girls in the climate context – women need to be included at the table.”<sup>17</sup>



# The role of private finance is pivotal

Private sector finance forms a significant part of the trillions of dollars needed to make the Paris Agreement a success. While public finance plays a key role, particularly in adaptation and resilience, private finance directed at bringing about the shifts in the economy required needs to significantly scale up to meet the challenge - helping turn the billions of public money into trillions of total climate investment. The UK alone will need £50 billion (about \$70 billion) a year from public and private sources to achieve net-zero by 2050.<sup>18</sup>

Private climate finance can catalyse the much-needed transition to zero-carbon and climate-resilient development while also fostering equitable social outcomes if designed with these objectives. It also holds significant power to influence global governments and regulators to shape financial systems that are more equitable and sustainably change the future for women and girls.

The OECD estimates that about 70% of private finance required to reach net zero will need to be in emerging or developing economies, yet it currently remains concentrated in high-income countries.<sup>23</sup>

There must be a considerable increase in funding for adaptation and resilience, especially in the global south where the impacts are the highest and the most marginalised women and girls live. As we rise to this challenge and drive more investment into mitigation, adaptation and resilience around the world, these financing decisions can either help transform or hold back the development of gender equity.

However, unlike the progress we've seen in integrating gender considerations into multilateral climate finance mechanisms, including the Green Climate Fund, gender considerations have yet to be effectively mainstreamed into the funding mechanisms of the private sector. Gender mainstreaming of climate finance remains an uncommon concept in the private sector, which largely looks at climate change and gender equality as independent issues and seek to address them as such.

We must review and reform these systems to better address both climate change and gender inequities. And there is no better time than now. The private finance sector is starting to mobilise to address climate change at scale. Ahead of COP26, the UK Presidency appointed a Private Finance Hub tasked to develop a framework to build a system that mobilises private finance to support the re-engineering of economies to reach net zero. It will also look at how to direct private finance where it needs to make the most impact. The private finance sector is evolving to meet the challenge, and there is an opportunity to ensure that we see a dual benefit as it does: more gender-equitable climate finance.

## The opportunity to use private finance for dual climate-gender benefits

An additional **\$6-10 trillion** needed in the next decade to mitigate climate change, **70%** of which will come from private sources<sup>19</sup>

**\$140-300 billion** per year needed **by 2030** to adapt to the effects of climate change, public and private<sup>20</sup>

**\$103 trillion** assets under management globally<sup>21</sup>

**\$43 trillion** assets under management committed to net zero **by 2050**<sup>22</sup>

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“Gender-responsive climate investments can strengthen climate and environmental outcomes, open up business opportunities and be financially more effective”

**Mark Carney, UN Special Envoy on Climate Action and Finance and former Governor of the Bank of England**<sup>24</sup>

# Investing in gender-responsive climate action is vital

To address the gender-differentiated impacts of climate change, interventions that specifically address climate change with a gender perspective are needed. Gender Lens Investing (GLI) - deliberately incorporating gender considerations into financial modelling, analysis, and products - is key to addressing these deeply rooted structural inequalities.<sup>25</sup> In this context, it would ensure that any response to tackling climate change from both an adaptation and mitigation perspective, is centred on the gendered nature of the impact of climate change and the important role women play in tackling it, for example:

- Funding projects that are designed to support women affected by climate change, enabling them to become more resilient e.g. investing in nature-based infrastructure that can yield tangible benefits for women.
- Providing products and services designed to improve the resilience of women directly experiencing climate change via improved financial inclusion e.g. banking services targeting women, Women Entrepreneurs Bonds.
- Investing in climate mitigation projects that put gender-equity at their core e.g. led by women, employing women and/or upskilling or empowering women to be agents of change.

Gender-equitable climate actions are not only the fair and just thing to do, but also lead to better outcomes for the economy. Enabling access to agriculture resources for women (to the same level as men) could increase farm yields by 20-30% which could ultimately reduce the number of hungry people in the world by 12-17%.<sup>27</sup> Evidence also shows that investments in women can have positive ripple effects as women in developing countries reinvest up to 90% of their income into their families and communities.

The case for GLI is well evidenced. A McKinsey Global Institute study found that advancing women's equality can add **\$12 trillion** to global growth<sup>26</sup>.

If women played the same role as men in the labour market, as much as **\$28 trillion**, or **26%** could be added to the global annual GDP **by 2025**.

In **2018**, the USA accounted for **24%** of global GDP - having a gender-equal global economy would be equivalent to adding the largest economy worldwide to GDP.<sup>25</sup>

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“Women have great potential to act as change-makers, but not enough is being done to link both diversity and climate goals together.”

**Rupal Kantaria, Partner,  
Oliver Wyman Forum**

## We are all part of the solution

For real change to happen, we need to act across the whole financial system. The private sector cannot work alone – it needs collaboration and action from governments, regulators, standard setters, civil society and more to deliver systemic change. Each part of the system connects and influences the other and to have the greatest impact possible, we must use these levers between different parts of the system, to all move in the same direction together. This Group encourages our sector to do exactly that. By working together, we hope to bridge these gaps and open up opportunities to collaborate on our shared goals.

“Climate change is the greatest environmental challenge humankind has ever faced, and the impact will be most severe for the world’s poorest and most marginalised, including women. However, women are not just victims; given the opportunity, they are powerful agents of change. Their leadership is critical as we look to address the huge task ahead of us to stop the destruction of nature and help it recover – and there are already many examples of women around the world who are helping to deliver initiatives that bring about transformational improvements for people and for our planet.

That’s why it is imperative that as we join together to take action to address climate change, we all support a gender-responsible approach in managing and allocating climate finance, to ensure it reaches the most vulnerable and utilises the breadth of expertise that women have to offer.”

**Tanya Steele, CEO WWF UK**

# Our Calls to Action

While the need for action is clear, the global private finance sector does not currently have the tools, infrastructure, or incentives in place to support more gender-equitable climate finance. We have identified four key barriers within the private finance system that are restricting progress on this issue:



Women are financially excluded: they have less access to financial services, fewer assets and, in some places, fewer ownership rights.

**01**



Most national, regional and multilateral government climate policy frameworks do not incorporate gender issues or make the connection between gender and climate financing.

**02**

**04**

Women are poorly represented in key leadership and decision-making roles, across all relevant sectors.



**03**

Data and reporting on gender aspects of climate financing is inadequate.



This report sets out recommended actions to overcome these four barriers. We call upon all stakeholders to take action: governments, international frameworks, climate finance mechanisms, regulatory bodies, private finance, corporations, the public sector, and civil society all have a significant part to play.

We acknowledge that women's experiences differ significantly around the world and that not all examples or recommendations will be universally relevant: we nevertheless hope this study can be of use to many women from many different countries and backgrounds.

# 1. The financial inclusion of women

Women need to be included within the financial system both to create and to access climate solutions. Yet globally, they have less access to resources, information and services they need to create, develop and deliver climate solutions and as such, are being left behind.

In many countries, women also face barriers to accessing the technology used in digital financial services. For example, they have lower rates of ownership of cell phones and smartphones than men and less access to the internet.<sup>30</sup>

Therefore as financial products and services are increasingly digitised, and as we see the rise of non-standard forms of payment, e.g. cryptocurrencies, the risk of leaving women behind becomes even higher if these products are not designed with gender equity at their core.

It is the women living in poverty in the global south who are often the most excluded. Financial products are not currently designed to meet the needs of these women, who are less likely to pass risk assessments to qualify to access, or may not have the capability, or financial literacy, to be able to use them.

Women's general lack of access to finance is mirrored by a lack of access to climate finance. Only 10% of climate finance flows to the grassroots level, where women-led organisations are more likely to operate; 1% of "gender equality" funding from governments flows to women's organisations; and 3% of environmental philanthropy supports "women's environmental activism". In Canada, only 1 in 10 Greentech business founders are women and only 19% of Greentech startups have at least one female founder.<sup>31</sup> Significant efforts must be applied to increase the funding that reaches women-led and gender equality focused organisations, including those working at the community level, to empower women to have more of a say in their future.<sup>32</sup>

It's important to build the business case for the private sector to invest in gender-responsive climate finance. However, data is needed to understand the different types of information that can improve the design of gender-inclusive climate risk insurance program.

For example, In Ethiopia, a joint research initiative is developing guidance on how to improve the delivery of and increase the value of agricultural and climate risk insurance to women clients. The research emphasized the importance of practicing gender-sensitive research methodologies to ensure women's voices are heard and their needs and constraints are understood.<sup>33</sup>

Excluding women from financial products and services presents a missed opportunity to leverage their expertise and enable them to be active agents of change and have positive impacts on climate change and economic productivity.

**This is a problem that is broader than climate finance**

Nearly a **billion women** around the world are **excluded** from having a **bank account**, and **56%** of unbanked individuals are women.<sup>6</sup>

The total micro, small and medium enterprise (MSME) finance gap for women is estimated to be valued at **US\$1.7 trillion** – over **6% of total GDP**.<sup>28</sup>

In Canada, **only 1 in 10** Greentech business founders are women and **only 19%** of Greentech startups have at least **one female founder**.<sup>29</sup>

## Case study - Bank of Palestine strengthens women-led business and the economy

The IFC and Bank of Palestine's program 'Felestineya' is aimed at increasing women's participation in the labour market, meeting the financial needs of women and increasing economic growth in the West Bank and Gaza. The program combines access to tailored financial products such as collateral-free loans, which were developed to ease restrictions for women who have limited access to land ownership, with non-financial services (e.g. networking, mentoring, coaching and business information) for women-owned SMEs. The program aims to equip women entrepreneurs with everything that need to expand their business - to great results.

Participants doubled their revenue and profits, took steps to formally register their businesses, and created new jobs. The number of employees working for the participants increased by 28% and the number of female employees rose by 31%. As the women's business management skills improved, so did their confidence in their ability to grow their businesses, and they experienced increases in customer numbers, revenue and profits.

It also increased women's access to finance beyond lending. Women are now using business current accounts and encouraging their employees to open bank accounts. They saw a 13-fold increase in the number of employee accounts opened since the program started.

The Bank of Palestine also increased sales of its financial products – the program helped ease financing gaps by introducing women to lending and cash management tools. 47% of the women received a new loan. The type of loans varied from standard SME loans with collateral to the Felestineya collateral-free loan, which was developed to ease restrictions for women, who have limited access to land ownership. Both women-owned SMEs and bank employees said they have a more favourable opinion of the bank. The Global Banking Alliance for Women and the Financial Times have recognised BOP for its efforts to improve women's economic opportunities.



Photo by Andreea Animescu on Unsplash

# Our call to action:

## Improve women's inclusion within the financial system and ability to access climate finance

### For all stakeholders

Organisations providing climate finance should specifically consider how they can support financial inclusion for women.

### Private sector

- Consider how accessible their products are to women and whether any innovation is necessary to reach women and other underserved groups, including in terms of product and service design and customer education/capacity building.
- Engage more girls in STEM by creating appealing and accessible apprenticeship, training, and educational opportunities from a young age, to be ready for jobs in low carbon sectors.
- Provide seed capital and philanthropic support to grassroots financial inclusion organisations to better support women-owned businesses providing climate goods and services.
- Incorporate gender inclusion to projects and funding by including criteria to their design and delivery e.g. must create skilled jobs for women.

### Government

- Promote stronger pathways into the private sector and leadership positions in finance.
- Introduce and strengthen national policies making Science, Technology, Engineering and Maths (STEM) related green transition jobs more accessible to women.
- Promote work through the UNFCCC on simplifying procedures to facilitate access to climate finance by grassroots women's organisations and indigenous and local communities, in particular to the Green Climate Fund, Adaptation Fund, and Global Environment Fund.
- Put women's voices, especially those voices least heard, at the forefront of policy actions. For example, set up platforms and processes to seek the views and experiences of women being affected by climate change such as community mapping exercises that ask men and women separately about natural resources, management and climate impacts in their communities.

### Civil society organisations

- Use platforms to identify women's needs and connect these to private partnerships e.g. drive digital and financial inclusion projects into communities that traditionally lack access to these skills and knowledge, with a focus on women and girls.

## Outcomes:

Over **80% of women** think investing in ‘responsible’ companies is important, compared to **72% of men** surveyed<sup>34</sup>.

Increasing the financial inclusion of women will help them to accumulate, increase, and protect their resources, and weather financial shocks, and also bring with it immense opportunities. Oliver Wyman and the 30% Club’s recent report, ‘The Climate Action Gender Gap’ highlights the opportunity associated with empowering women as climate action leaders, climate-lens investors and low-carbon product influencers.<sup>35</sup>

By including women in project design and delivery, not only is this benefiting the economic wellbeing of women, but it also enables them to use their unique experiences and expertise to deliver better outcomes for the project, and to become skilled agents of change.

Women represent a growing force who show a greater preference for ESG investing (e.g. 74% of women want to increase their share of ESG investments in their current portfolios, compared to 53% of men<sup>36</sup>) Raising financial inclusion for women, closing the pay, investment and pension gaps, and empowering them as investors could therefore also help increase flows of sustainable investments.

“To reach net zero by 2050, organisations should recognise and act on the potential of women as leaders, investors and influencers to accelerate the transition”

Rupal Kantaria, Partner, Oliver Wyman Forum

## Case study - NatWest Bank: The Alison Rose Review of Female Entrepreneurship

In 2020, following the release of the Rose Review, born out of a sense of frustration at the unacceptable disparity which exists between female and male entrepreneurs when it comes to accessing finance and business support, NatWest announced £1billion of funding to encourage increased levels of finance to be allocated to women-led businesses. Demand for this fund was met within 12 months - so in 2021, NatWest Bank pledged another £1billion SME funding for women entrepreneurs. With over 800 Women in Business Accredited Specialists throughout the UK NatWest are able to deliver expertise and tangible support to female entrepreneurs helping them overcome barriers faced including access to accelerator programs, events, mentors and help with everyday business needs.

## Case study - Ashden Award Finalists: Bharatiya Vikas Trust

Bharatiya Vikas Trust has been supported by The Ashden Trust to introduce an Energy Access Skills project in India.

Bharatiya Vikas Trust trains two groups key to widening energy access – grassroots entrepreneurs, and the financiers that can help them thrive. The organisation trains bank staff and managers, giving them the knowledge and confidence to lend to renewable energy enterprises. This innovative approach closes a ‘finance gap’ which is limiting the spread of clean energy as a means of making a living. The trust also trains entrepreneurs, with targeted support for women, and works closely with local NGOs and government officials. Its pioneering work has supported the deployment of 600,000 solar energy systems in India, raising incomes and improving people’s daily lives.

A huge investment in training is needed to help frontline organisations tackle this problem and to support the growth of new clean energy enterprises in marginalised communities. The trust has trained about 50,000 entrepreneurs and 15,000 financiers in business planning and financial literacy and offers courses specifically for women entrepreneurs. Helping bankers support new enterprises, the trust trains bankers at all levels – from field officers and branch managers to executive leadership – as well as staff at co-operatives, micro-finance institutions and government departments. The trust has also helped convince policymakers to reduce the rate of interest on solar products.

The people who have received training include Revathi Naik from Udupi, Karnataka. She opened a textile workshop after joining one of the trust’s courses. She says: “After getting trained for a month, I applied for a loan at the bank, set up four sewing machines and started my business. Today I am happy that I am providing a livelihood to four women and their families. I have also carried out a training program for women inmates from Udupi central prison, and I am proud of that.”

Revathi adds: “This training helped me to stand alone financially. I am now happy and more confident. She says this confidence allowed her to stand for, and win election to, her village council.



## 2. Policy frameworks that support gender-responsive climate finance for the private sector

Gender mainstreaming, or “the integration of a gender perspective into the preparation, design, implementation, monitoring and evaluation of policies, regulatory measures and spending programmes, with a view to promoting equality between women and men and combating discrimination”<sup>37</sup> must be part of the solution. Without this strategic approach to policy, gender issues are likely to remain marginal concerns and movement will remain slow.

However, few countries have specific policy frameworks in place. Many look at climate and gender separately – not at the intersection of the two issues and how we can address them together. Integrating these two policy areas and ensuring the two align and are mutually reinforcing has the potential for considerable policy impact and will give a clear signal to the private sector.

On the international stage, under the Paris Agreement, countries are required to submit their nationally determined contributions (NDCs) outlining their plan to cut emissions and adapt to climate change including new policy shifts and initiatives. There is already good practice emerging in this space. Analysis of the most recent round of NDCs submitted shows that some countries have comprehensively incorporated gender into these policies, although others are still failing to include any consideration at all.<sup>38</sup> As NDCs are revised on a regular basis, this provides a key opportunity for governments to build a more gender-responsive approach to climate mitigation and adaptation.

In addition, the UNFCCC 5-year enhanced Lima work programme on gender and its Gender Action Plan, agreed at COP25 in 2019, commits all Parties to advance gender balance, support integration of gender into the way they implement the Paris Agreement and recognise the importance of women’s voices in climate action. Two years on, COP26 will be an important moment to secure commitments from Parties to raise ambition in implementing the Plan and reviewing progress, to ensure it translates into more robust integration of gender across climate action.

“Understanding the future pathway for climate policy is essential to facilitate an economy wide transition to net-zero. As policymakers provide greater clarity on this pathway, the financial system can be more effective in supporting and pulling forward the transition.”

**Sarah Breedon, Executive Director, Financial Stability Strategy and Risk, Bank of England**

## Case study - The Government of Rwanda: Mainstreaming gender equality for sustainable development

Rwanda, as one of the leading African countries on gender equality, has a clear gender-sensitive policy environment and a commitment to realising gender goals. It scores above average for the African continent on the World Economic Forum's Gender Index.

The Rwandan Government has demonstrated a commitment to promoting gender equality as a tool for sustainable development in a number of key policies: The National Gender Policy (2010), The Rwanda National Energy Policy (2015) and The Ministry of Infrastructure Gender Mainstreaming Strategy (2017-2022). However, The African Development Bank, ENERGIA and The Government of Rwanda have recognised that women and men are still not accessing clean and affordable energy evenly - shining a spotlight on the need to strengthen gender in energy policy further.

In 2017, guidelines for gender mainstreaming in the energy sector were released.<sup>39</sup> These indicate a range of priority areas and targets, including supporting access to clean cooking fuels, developing knowledge and skills in gender analysis for energy agencies, increasing access to finance, credit and business opportunities to women entrepreneurs in energy, employing more women in the energy sector, developing evidence that can identify policy measures for key priority areas, building capacity of gender/energy related institutions to gather and use data effectively and measuring impact by developing a consistent collection of information.<sup>40</sup>

As a result, in rural Rwanda, a study has shown that women sales agents are as successful as men in village-level enterprises involving solar charging of LED lights. The engagement of women in the energy sector has increased women's income and has positive educational effects on their children.<sup>40</sup>



## **Our call to action:** **Integrate gender into public and private climate policy frameworks**

### **All organisations in the climate finance value chain – public or private**

- All organisations should set out within relevant policies how they consider and act on the connection between gender and climate.

### **Private sector**

- Private sector providers of climate finance should incorporate gender considerations into their core business activities, including lending, investing and stewardship, drawing on the best available guidance and in partnership with civil society groups.
- Call on governments and regulators to introduce policy measures to guide and hold private finance and other key stakeholders accountable.

### **Governments**

- Incorporate gender policies in their plans to meet their NDCs and ensure consistency between these and other key international commitments, for example on the Sustainable Development Goals (SDGs). Crucially, these plans should include finance components that consider gender equality issues.
- Gender mainstream across relevant national and local climate action policies and plans.
- Support the full implementation of the UNFCCC enhanced gender action plan, including increased funding and appointment of gender experts to party delegations and UNFCCC constituent bodies.
- Where public climate finance is used to leverage or crowd-in or de-risk private finance through blended finance or other vehicles, a consideration of gender impacts should be incorporated into project design.

### **Civil society organisations**

- Partner with public/ private providers of climate finance to help them understand the gender impacts of different climate financing and help develop the policies outlined above.
- Create evidence-based policy proposals and use influence with government and business to push them forward.
- Continue to create platforms and space for marginalised women to participate in policy frameworks and to influence decision-makers.

## Outcomes:

While individual organisations can influence change across their value chain, government policy is key to promoting economy-wide change. Having the right policies and incentives in place can be more effective at accelerating and mainstreaming action than relying on “goodwill” or voluntary action as it provides a clear signal to the private sector of expectations and direction of travel. We need both voluntary, proactive action from individual organisations to lead the way, as well as ambitious, comprehensive policy frameworks to ensure that the whole economy moves with them.

## Case study - Incentivising private finance through Canada’s gender-responsive climate finance programmes

**Convergence:** Canada is working with Convergence, a global network for blended finance, to support the development of innovative climate finance initiatives in which gender is a core element. Canada provided \$5 million in support of a gender-responsive climate finance design funding window. As part of this initiative, Convergence manages and awards design stage grant funding to practitioners for the development and launch of blended finance solutions focused on climate change and gender equality in developing countries. In so doing, Canada’s contributions facilitate the launch of and mobilise, private, public, and philanthropic investment capital for financing gender-responsive climate finance solutions in developing countries. The key objective of the Design Window is to build a pipeline of gender-responsive climate finance solutions aimed at achieving environmental, social, economic and developmental co-benefits for vulnerable communities and groups, including women and girls, that are disproportionately affected by climate change and poverty.

**Canadian Climate Fund for the Private Sector in Asia (CFPS II) with Asian Development Bank:** Canada provided \$230 million for the Canadian Climate Fund for the Private Sector in Asia (CFPS I) and its successor CFPS II through the Asian Development Bank (ADB). The funds provide concessional financing (including low-interest or long-maturity loans) and technical assistance for private-sector-led climate mitigation and adaptation projects in developing Asian and Pacific countries, co-financed with the ADB’s resources. The funds aim to catalyse greater private investment in climate change efforts and have played a key role in helping support climate change projects that would not have happened without concessional finance to mitigate investment risks. The fund incorporated gender equality as a key result area. ADB has taken a proactive stance in the development of projects under consideration for concessional financing, seeking to ensure that the development of gender equality measures is a primary consideration of the deal teams, rather than a secondary focus once other aspects of the project design have been finalised. The process of designing gender equality elements begins in the initial meetings between the fund manager and the transaction teams.<sup>41</sup>

### 3. Data and reporting on gender impacts within climate finance

There has been significant progress made in climate, ESG reporting and green/sustainable finance reporting; with several frameworks becoming more standardised, common practice and even mandated:

- The Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD) is now mandatory in the UK and the G7 have committed to standardising global climate reporting in line with the TCFD recommendations.<sup>42</sup>
- Materiality and reporting standards such as GRI and SASB are increasingly reported against by businesses.
- Various guides exist to support businesses to align their strategies and measure and manage their contribution to the realisation of the Sustainable Development Goals.
- The EU Sustainable Finance Disclosure Regulation (SFDR) – ESG disclosures for key financial market players - is mandatory across the EU.
- The UK's forthcoming Sustainability Disclosure Requirements which will include certain more specific requirements around net zero disclosure.<sup>43</sup>
- Various impact investing frameworks have been developed such as the Global Impact Investing Network's IRIS+ system.

However, there remain significant challenges:

- **Standardisation of metrics on gender-based impact remains a challenge;** To date, companies and public institutions have been reporting few and inconsistent metrics on gender, limiting the ability of investors to meaningfully incorporate these metrics into the investment process.
- **Frameworks remain siloed.** Metrics are set to measure impact areas separately, they are not designed to look at the intersection of key issues, and how each influences and relates to each other.
- **Companies are often overburdened with complex and nuanced reporting requirements,** taking considerable resource without necessarily measuring the most valuable data.
- **Frameworks do not often require companies to look into their value chains** across all areas of sustainability e.g. gender impacts of investment portfolios.
- **They often don't link with or inform core business strategy and decisions,** instead being limited to CSR activities.

However, the need for better data on both climate and gender issues from the private sector is clear and is beginning to gain visibility. The UNFCCC's Standing Committee on Finance's Biennial Assessment and Overview of Climate Finance included a recommendation on the gender-dimension for the first time in 2018: "Encourage climate finance providers to improve tracking and reporting on gender-related aspects of climate finance, impact measuring and mainstreaming".<sup>44</sup>

To embed gender equality at the core of private finance, standardised metrics and reporting frameworks must be developed and widely adopted, and the metrics used must expand beyond female representation across organisations (for example Mexico has over the past ten years introduced a number of nuances to its financial inclusion measurements).<sup>45</sup>

More data is needed to build the business case around the linkage between gender and climate. Additional metrics are also required to measure the impact of climate change on women and girls, as well as the impact (positive or negative) that specific investments or project financing may have on women and girls in the community.

The challenge ahead will be collecting this data without adding to the operational burden, in an already overcrowded and burdensome reporting environment. In addition, it is important that the data is used to drive core business decisions and practices, rather than being limited to use in directing charitable funds or CSR activity.

“Climate change must be a fight that unites us all and inaction is not an option. We have long advocated for convergence of standards and we are actively engaging with stakeholders/companies globally to address all forms of diversity. There is undoubtedly more to do; we need to build on the progress that has been made to drive the change we believe in.”

**Michelle Scrimgeour, Chief Executive Officer, Legal & General Investment Management**

## **Our call to action:**

**Develop and implement a consistent global framework of gender metrics and data to incorporate into climate finance reporting**

### **Other recommendations:**

#### **Industry bodies**

- Existing industry sustainability and climate reporting initiatives, for example SASB, TCFD and CDSB, should collaborate to develop gender metrics in climate disclosure and establish a set of joint guidance for use by public and private sector actors making climate-related investments.
- Finance industry Net Zero Alliances, including the umbrella Glasgow Financial Alliance for Net Zero, could usefully support and convene these discussions and ensure gender criteria are reflected in the frameworks they develop.

#### **Private finance**

- Institutions providing climate finance should collaborate with those listed above to ensure gender metrics are fit for purpose and can be usefully integrated into the financing, investment and stewardship processes.
- They should support the collection and analysis of disaggregated data to understand more accurately the gendered impacts of climate change and access to climate finance.
- They should look at their value chain to ask the same of those they invest in and with.
- Ensure that climate strategies take into account broader sustainability impacts and externalities as well as contribution to the UN Sustainable Development Goals.

### **Governments and regulators**

- Look to include gender-specific criteria in measurement, reporting and verification activities, as well as impact metrics when looking at the beneficiaries of climate funds and projects under their remit.
- Regulators and standard-setting bodies should support industry bodies in the creation of standardised metrics on gender and climate.
- Public funding should facilitate partnership between the private sector and civil society on climate investments, including local civil society organisations that can verify actual results on the ground.

### **Civil society organisations**

- Publicly hold these actions to account and help inform ways to make these actions easy to implement.
- Use on-the-ground voices and expertise to help to develop and guide consistent metrics and data through active partnerships with governments and the private sector.

## **Outcomes:**

Clear, transparent data and reporting equips us with the information we need to drive awareness, accountability, better decision-making, and enables targeted change. We have seen the positive impact that reporting can have in changing the systems and practices of an industry – TCFD-aligned reporting has mainstreamed climate risk management and brought the issue into the boardroom across many organisations. For example, the UK Prudential Regulatory Authority’s supervisory expectations from firms around climate (SS3/19) has transformed the landscape for climate reporting and disclosure of banks and insurers in the UK since its publication in 2019.<sup>46</sup>

Mandatory disclosures can enable this to happen on an even wider scale. An example of this is reporting on the gender pay gap. The gender pay gap analysis is imperfect - it is not tracked by every country, and those that do track it use inconsistent methodologies.<sup>47</sup> But it is evident that the need to report does increase accountability and therefore change is more likely to happen. A recent study by the Centre for Economic Performance demonstrated that the gender pay gap has closed by one fifth since the reporting has been introduced.<sup>48</sup>

## 4. Female representation in decision-making roles

Research tells us that when women are not around the table advocating for gender equity then the needs of all women are less likely to be accounted for.<sup>49</sup> However, the proportion of women in decision-making roles is still far too low.<sup>50</sup> Around the world, women still do the majority of unpaid work in the home, workplace cultures often do not adequately accommodate the needs of women, unconscious bias still goes unaddressed, and women don't receive the same level of sponsorship that often leads to success for their male counterparts. These factors combine with others to create a significant problem: women are not making it to senior leadership roles.<sup>51</sup>

A report produced by Oliver Wyman highlighted that despite efforts to achieve C-suite gender diversity, diverse representation in senior leadership remains elusive.

**According to Oliver Wyman, across major financial services firms globally, women represent:**



Additionally, any gains in women's representation have not equally benefitted women of colour, who face additional vulnerabilities to climate change as well as barriers to leadership.<sup>53</sup> It is critical, therefore, that the women appointed to leadership positions are truly diverse and intersectional with strong leadership from Black, indigenous and ethnically diverse women.

Lack of diversity makes it less likely for decisions to be made in the interest of a more diverse group and continues to role model a status quo that leaves women behind. It is also important to appoint women who represent the affected communities, who may have experienced the impacts of climate change directly or are seeing first-hand the impacts in their communities, to these leadership roles.

“The barriers that prevent more women from reaching executive-level positions are not just the result of individual interactions: they are an inherent part of the workplace and broader society. There exist subtle and pervasive cultural norms about women's place and accepted behaviour, in business, science, and senior leadership, which start to undermine girls as young as 4. To overturn this unequal landscape, we need to do far more than challenge discrimination in the workplace, we need to systematically analyse and overturn the biases which obstruct women's academic opportunities and careers.”

**Rhian-Mari Thomas - CEO, Green Finance Institute**

## **Our call to action:** **Improve gender-balanced representation in key-decision making roles on climate finance**

### **All organisations in the climate finance value chain – public or private**

- Appoint a member of the senior executive team who is responsible and accountable for gender diversity and inclusion.
- Set targets for gender diversity in senior management.
- Ensure the pay of senior leaders is linked to delivery against these targets on gender diversity.
- Publish progress annually against gender targets.
- Ensure leaders are educated on the issues of gender and climate change.

### **The private sector**

- Join existing groups promoting gender diversity (e.g. the 30% club in the UK), and use these to jointly explore climate issues. Where these groups do not exist, establish them, partnering with civil society where possible and drawing on existing best practices.
- Consider how to promote gender equality via core business activities, for example lending, investing and stewardship.

### **Governments and regulators**

- Governments should act on and disclose action against their UN commitments to support women's equal participation and leadership in the COP process and other climate decision-making fora, for example the UNFCCC Gender Action Plan, and challenge other countries not fulfilling these commitments.
- Introduce national measures to encourage greater diversity in private finance decision making, for example a Women in Finance Charter.
- Aim for gender balance and gender expertise in climate finance and response at all levels of government administrations (local to national) with additional capacity invested to ensure meaningful participation of stakeholders most affected by climate adaptation and mitigation plans.
- G7 donors should work collaboratively to ensure that, as a group, they have gender-balanced leadership in all multilateral and global funds that have a significant amount of climate funding.
- Regulators should open up discussions with the finance sector on diversity – e.g. see the UK Prudential Regulatory Authority's recent discussion paper on diversity and inclusion (DP2/21).

### **Civil society organisations**

- Publicly hold to account organisations that are not addressing gender inequalities, through coordinated campaigns and raising public awareness of this issue.
- Put women's voices, especially those voices least heard, at the forefront of policy actions. For example, set up platforms and processes to seek the views and experiences of women being affected by climate change and share with private and public sector partners.
- Partner with private organisations to provide a positive, collaborative voice and share expertise and insights.

## Outcomes:

When women are in leadership positions, they are more able and more empowered to advocate for the structural changes and solutions to improve gender equality. They offer a different, more inclusive perspective to policymaking, investment decisions or other areas that they may influence and are more able to represent and advocate for the needs of women. In many cases, it is important to ensure appropriate representation of women leaders who have experienced the effects caused by climate change themselves or within their communities, as they are best able to represent the affected population and find the solutions that best meet their needs.

There is considerable evidence of the benefits of female leadership. The UNFCCC has highlighted that:

“Women’s participation at the political level has resulted in greater responsiveness to citizens’ needs, often increasing cooperation across party and ethnic lines and delivering more sustainable peace. At the local level, women’s inclusion at the leadership level has led to improved outcomes of climate-related projects and policies. On the contrary, if policies or projects are implemented without women’s meaningful participation it can increase existing inequalities and decrease effectiveness.”<sup>54</sup>

A study of more than 11,700 companies globally demonstrated that a critical mass of 30% women on the board makes a key difference to climate governance and innovation, but found that only 16% of companies surveyed had more than 30% women on their board.<sup>55</sup>

Finally, the business case for diversity is well documented with various studies demonstrating superior creativity, innovation, reduced groupthink from diverse teams<sup>35</sup>. In McKinsey’s “Delivering through Diversity” report, their research demonstrated that companies in the top quartile for gender diversity on their executive teams were 21% more likely to experience above-average profitability than companies in the fourth quartile.<sup>56</sup> According to an ILO report, enterprises with equal employment opportunity policies and inclusive cultures are over 60% more likely to have improved profits and productivity.<sup>57</sup>

# Conclusion

The barriers and the solutions for this issue are complex and there are a vast number of actions that need to take place for change to happen. Just climate action requires partnership and cohesion, for real and lasting change. This includes short term action, such as more and better types of financing, medium-term action such as better reporting frameworks and longer-term action, such as full integration of gender considerations into all climate policies and actions.

The complexity of the issues and the long-term nature of change must not stop action from being taken now. We commit to taking action to drive more gender-responsive climate action across the financial system, both doing what we can within our own organisations, and influencing others to do the same. We plan to use this report as a conversation starter, to raise awareness of the role of private finance in driving positive change, and to encourage all stakeholders to do what they can to secure a better future for women and girls, and for all.

# Annex 1 - Toolkit – What can I do to help?

In our recommendations in this report, we focus on solutions at an institutional level. In this section, we translate these into a simple toolkit of actions that all of us, whatever our role, can take today to make a difference. Some of these tools are ones everyone can use - some are directed at specific sectors.

## **For everyone**

- Contact your government representatives and urge them to incorporate gender considerations into their climate financing and financial regulation – point to the examples cited in this report as evidence that leading governments are already factoring these issues in.
- Use free tools like the World Benchmarking Alliance rankings to find out how strong (or weak) the world's leading companies are on gender and climate issues. Give your business to those who set higher standards and use social media to explain why.
- Look at any charities you donate to – do they have a policy around climate and gender? What are they doing to address the issue? Are they working across government or business to influence the agenda? Contact them if you're not satisfied with what you see.
- Use social media to highlight this issue, commit to act and ask others to commit.
- Check whether the organisation you work for has policies on climate, gender, and the interaction between the two. If you think it should, share our report with others in the organisation to try and make it happen.

## **For those in NGOs**

- Consider if you could take fuller account of the intersection between climate and gender in your activity – if you're a climate-focused NGO, do you have a gender policy? If you're a gender-focused NGO, do you have a climate policy? How do they interact?
- Target a specified portion of your funding at gender-related climate interventions and climate activities run by women – measure and report against this.
- Look to partner with businesses and financial institutions that want to prioritise climate and gender-related action. Use this as not only a source of funding but also of expertise in how private finance flows and how to influence private sector activity.
- Use your voice and influence to push governments, businesses and multilateral organisations to do more.

## **For those in the media**

- Use your skills to put a spotlight on this issue. Help tell the stories of the women and girls in every country being hit by climate change now – and the stories of how they are fighting back and inspiring others to do the same.
- Speak truth to power – hold politicians and business leaders to account for what they are doing to help.

## **For those in business and finance**

- Actively engage in the global discussion on how to integrate gender concerns into climate financing.
- If your organisation has a government engagement function, share this report with them and ask them to engage with government stakeholders on its contents.
- Look at how to improve the gender balance of your business including leadership teams.
- Upskill their people including leadership and those in key roles.
- Start to develop meaningful gender metrics for both operations and financing activity – working with the sector to adopt a standard.
- Publish net zero transition plans which include just transition/gender criteria.
- Embed/integrate gender into all climate policies and initiatives.

## **Helpful resources**

**Private Equity and Value Creation: A Fund Manager’s Guide to Gender-smart Investing** (IFC)

**How to Measure the Gender Impact of Investments** (CDC Group, 2x Challenge, GIIN and IRIS+)

**A legal toolkit to boost gender lens investing** (2x Challenge)

# Annex 2 - Methodology

This report is produced with the leadership and input of a high-level Climate Action Group, as well as a significant review of the current research available on this topic.

The process undertaken in preparing this report aimed to leverage the expertise and real barriers and opportunities seen and experienced by the Group members in their organisations and within their networks. Throughout the process, the Group aimed to move beyond the re-stating of existing data and reiterating the case for action, which has been done many times. The Group aimed to instead focus on barriers to – and recommendations for – action.

This report was prepared based on the following inputs:

- Desk research into the issues and barriers to gender-responsive climate finance, with a focus on filling gaps in knowledge relating to private finance
- Interviews with Action Group members in their respective areas of expertise
- Interviews with additional experts to gain additional insight and perspectives (see Annex 4)
- Holding Action Group meetings, where research and proposed recommendations were shared and discussed as a group
- Final recommendations developed and agreed by the Action Group

The report recognises that people of all genders face additional prejudice and discrimination in many forms – including ethnicity, age, sexuality, disability, and religion – and that all of these must be overcome to achieve equality for all. Gender is not binary, and the report recognises that terms and definitions related to gender are diverse and continue to evolve.

The nature of the research conducted and the input from the action group means that there is a focus on cis-gendered women in this report and we recognise there is a need for additional work in this area to include non-binary people.

# Annex 3 - Terminology

**BIS** - BlackRock Investment Stewardship

**Blended finance** - The strategic use of development finance for the mobilisation of additional finance towards sustainable development

**CEO** - Chief Executive Officer

**COP26** - The 26th United Nations Climate Change Conference of Parties

**CRI** - Climate Risk Insurance

**CSR** - Corporate Social Responsibility

**C-Suite** - Executive Level Managers within a company

**DFI** - Development Finance Institution

**ESG** - Environmental Social and Governance

**EU** - European Union

**FFRP** - Rwandan Forum for Women Parliamentarians (Rwanda)

**G7** - An inter-governmental political consisting of seven countries: Canada, France, Germany, Italy, Japan, the UK and the USA

**GAP** - Gender Action Plan

**GDP** - Gross Domestic Product

**Gender-equitable** - Fair treatment for women and men according to their respective needs

**Gender pay gap** - An equality measure that shows the difference in average earnings between women and men

**Gender inequality** - Unfair treatment or perception of men or women based on their gender

**Gender-sensitive** - Gender sensitive: taking into account the impact of policies, projects and programmes on men, women, boys, and girls and trying to mitigate the negative consequences thereof

**Gender-responsive** - where gender norms, roles and inequalities have been considered and measures have been taken to actively address them

**GFANZ** - Glasgow Financial Alliance for Net Zero

**GLI** - Gender Lens Investing

**GMO** - The Gender Monitoring Office (Rwanda)

**GCF** - Green Climate Fund

**Greentech** - Technology that takes into account the long or short term impact it has on the environment

**IIF** - InsuResilience Investment Fund

**INGO** - International Non-Governmental Organisation

**MDB** - Multi-lateral Development Bank

**MIGEPROF** - The Ministry of Gender and Family Promotion (Rwanda)

**NDC** - Nationally Determined Contribution

**NGO** - Non-Governmental Organisation

**NWC** - The National Women's Council (Rwanda)

**OECD** - Organisation for the Economic Co-operation and Development

**POS** - Point of Sale

**PR** - Public relations

**Private finance** - Private climate finance typically refers to capital provided by the private sector; that is, the sector of the economy is not controlled by the state. The private sector is made up of a wide range of actors, including individuals (consumers), small and medium enterprises, cooperatives, corporations, investors, financial institutions, and philanthropies

**Public finance** - Public climate finance constitutes public money raised through taxes and other government revenue streams for projects, whether international or domestic.

**SASB** - Sustainability Accounting Standards Board

**SDGs** - Sustainable Development Goals

**SFRD** - The Sustainable Finance Disclosure Regulation

**SME** - Small/Medium sized enterprise

**STEM** - Science, Technology, Engineering and Maths

**TCFD** - Taskforce on Climate Related Financial Disclosures

**The Paris Agreement** - A legally binding international treaty on climate change

**UNFCCC** - United Nations Framework Convention on Climate Change

**UN** - United Nations

# Annex 4- Sources

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- 2 HM Treasury - [Women in Finance Charter](#) (2016)
- 3 UNFCCC - [United Nations Climate Change Annual Report](#) (2019)
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- 7 UNFCCC - [Climate Change Increases the Risk of Violence Against Women](#) (2019)
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# Credits

## **CARE International UK**

The report has been developed by the Women in Climate Action Group and has also drawn on research conducted by CARE International UK and their associates Kathryn Llewellyn and Hannah Fitt.

## **Climate Action Group**

The group members were interviewed and fed directly into the drafting for this report:

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- Alison Rose - CEO, NatWest
- Bridget Burns - Director, WEDO
- Christiana Figueres - Founding Partner, Global Optimism; Former Executive Secretary of the UNFCCC
- Dr. Irina Ghaplanyan - Senior Advisor, World Bank Group
- Michelle Scrimgeour - Chief Executive Officer, Legal & General Investment Management and co-chair of the UK Government's COP26 Business Leaders Group
- Mindy S. Lubber - President & CEO, Ceres; Director, Investor Network on Climate Risk; CDSB Board Member
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## **Other contributors**

We interviewed several other experts to build stronger expertise and gain diverse perspectives as part of this research:

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