

# Adaptation Fund

EXPLORING THE GENDER  
DIMENSIONS OF CLIMATE  
FINANCE MECHANISMS



## Background

Established at the 13<sup>th</sup> Conference of the Parties to the United Nations Framework Convention on Climate Change in 2007, the Adaptation Fund was set up to finance concrete adaptation projects and programmes in developing countries that are particularly vulnerable to the adverse effects of climate change.<sup>1</sup> Because of its unique ownership, access, funding, revenue generation, governance and legal structure, the Fund has received considerable attention in the international community. Developing countries expect the Fund to provide a steady and sustainable stream of funding for adaptation measures, and developed countries are eager to assess the Fund's novel governance and financing instruments, in which developing countries play a lead role.

The Adaptation Fund does not depend on traditional development assistance alone. Rather, it will be financed primarily through the carbon market, in the form of a two percent share of the proceeds realized from the sale of certified emissions reductions (CERs) issued for Clean Development Mechanism (CDM) projects. This alternative financing vehicle is responsive to developing countries' demands that climate change financing be additional to official development assistance.

As of September 2010, The World Bank, as the Adaptation Fund's Trustee, has completed sales of 7.355 million CERs, generating approximately \$125 million.<sup>2</sup> Based on the projected volume of registered CDM projects and current pricing, the Trustee estimates that the Adaptation Fund will have approximately \$272 - 398 million at its disposal from CERs until 2012.<sup>3</sup> In addition, the Fund has received a contribution of approximately \$57 million from the Government of Spain, and has pledged contributions of approximately \$30 million from a number of other donors (primarily Germany and Sweden).<sup>4</sup>

While priority funding consideration will be given to adaptation programmes and projects that reduce the adverse effects of climate change on vulnerable communities, the Adaptation Fund has yet to establish its funding priorities and criteria or determine which countries are more vulnerable than others. Nonetheless, a first call for proposals was issued in March 2010, with the first projects approved for funding in September 2010.



### Box 1: Adaptation Fund Governance

The Adaptation Fund Board is the principal governing and managing body of the Fund, responsible for the allocation of funds and the strategic oversight of projects, programmes, policies and guidelines. The Board comprises 16 members, with representation from the five United Nations regional groups, small island developing states, least developed countries, and Annex I and Annex II Parties. This structure creates a *de facto* developing country majority, and thus embodies the principle of equitable and balanced regional representation.

As of November 2010, only one of the Adaptation Fund Board's 16 members was a woman, and of the 16 alternate members of the board, only four were women (with two seats currently unassigned).

A central feature of the Fund is that it allows country-level national implementing entities, after completing an accreditation process, to directly access funds for approved projects and programmes. National implementing entities will be given full responsibility for overall management of projects and programs, including financial integrity and monitoring and reporting responsibilities. In this way, the Adaptation Fund represents a departure from the traditional donor-driven and donor-dependent assistance and is a first step towards direct ownership by recipient countries. However, to ensure that all eligible countries have the opportunity to access resources under the Adaptation Fund, countries with weak institutional capacities will have the option to develop projects through accredited multilateral implementing agencies.

### The Adaptation Fund and Poor Women's and Men's Livelihoods

The enormous cost of adaptation combined with vulnerable countries' limited resources make designing and implementing climate change adaptation programmes extraordinarily challenging. Though capacity and knowledge baselines vary significantly among and within countries and regions, many women across the developing world face common challenges in the areas of food security, access to drinking and irrigation water, and access to public health systems and other basic needs. Many women are also the main natural resource managers in their communities. Taken together, these challenges and roles intimately link women with climate change and climate-resilient development and poverty alleviation — issues that the Adaptation Fund will address.

Because women and men have diverging roles and responsibilities for securing the livelihoods of their families and communities, there are differences in how they manage, maintain and use natural resources. For example, in many developing countries, women are responsible for water management at the domestic and community levels, while men — especially in rural areas — do not gather or carry water (rather, men's interaction with water usually occurs with agricultural work, livestock, and water storage). Such gender-determined responsibilities have serious implications for women and girls' daily lives: activities such as collecting water and fuel wood exposes them to both health issues and physical harm and decreases the time they have available for education, income generation, political engagement and recreation.

## Gender and the Adaptation Fund: Status to Date

The Adaptation Fund is still in its early stages of operationalization. Before the policies, procedures and criteria established by the Adaptation Fund Board become entrenched, measures must be taken in order to ensure that its operations are gender-sensitive and that all funding proposals are outcome-based and reflect inclusive participatory design processes.

As of November 2010, the Adaptation Fund's Operational Policies and Guidelines, including the project review criteria, place special emphasis on the needs of the most vulnerable communities. Additionally, the first draft of the project-level results framework and baseline guidance note includes a comprehensive definition of vulnerable groups that includes women and requires sex-disaggregated data for some indicators.

No specific gender references were included in the original operational guidelines, accreditation procedure and project review criteria. However, in order to address some of the challenges which were encountered in the early stages of operationalization, the Board is actively reviewing and updating these documents. Thus, there are still significant opportunities to increase the degree to which the fund incorporates a gender perspective.

### Suggestions for Moving Forward

There are a number of steps that can be taken to ensure that the Adaptation Fund responds to the needs of poor women and men equitably. Recommendations include:

*The Executive Board should:*

**Adopt a regularized and standardized approach for ensuring gender equality within the Fund** by determining the most suitable approach for project selection, gender impact assessment, indicator selection, project monitoring and documenting lessons learned, and then incorporating these approaches into the Fund's operational framework. Rosters of technical experts in the area of gender and adaptation could be established in order to serve as a resource for gender auditing, research, evaluation and policy formulation under the Adaptation Fund Board.

**Integrate social dimensions and gender equality considerations into the Operational Policies and Guidelines.** Balanced involvement of both women and



men in adaptation planning efforts will help ensure that the measures developed are beneficial for all and that all relevant knowledge is integrated into policy, programmes and projects. As the document which provides the guiding principles for the Fund, it is essential that the Operational Policies and Guidelines make specific reference to gender.

**Adopt a comprehensive definition of “vulnerable groups”** that includes women, akin to the definition included in the project level results framework circulated at the eleventh meeting of the Board, and apply it across the entire spectrum of the Fund's operations.

**Include gender in the project documents' logical frameworks and in the monitoring and evaluation framework** by developing gender-sensitive indicators and measurable and verifiable targets that address gender considerations and allow the tracking of progress. Other targets and indicators should be disaggregated by sex.

**Include gender considerations in the project review criteria**, thereby ensuring that project concepts have sufficiently considered the gender dimensions of their activities. Gender analysis and engagement of social and gender experts could also be included as eligible activities for funding under the project preparation grant.

**Put progressive quotas in place for a gender-equitable board.** Developmental best practices provide ample evidence that women's substantive engagement in the conception, design and implementation of programmes and projects increases the effectiveness and sustainability of initiatives. Giving women balanced representation at the board level will demonstrate a real commitment to gender equality and send positive reform signals to other financing mechanisms.

**Reach out to national machineries responsible for gender or women's issues**—e.g., Women's Ministries, civil society organizations and NGOs with gender-oriented mandates—to raise awareness of the Fund and its unique features so that these groups may work with the Board and national and multilateral implementing entities to promote gender considerations within the Fund's operations.

**Make information and communications technology capacity training integral to funding considerations and awards:** Local women and men should be able to

directly access implementing and executing agencies' information and application processes. Capacity training in communications technology for both men and women should therefore be part of funding considerations and the awards themselves.

*National and multilateral implementing agencies should:*

**Utilize gender tools early and systematically**, including social and gender analysis, sex-differentiated data-sets, gender indicators, gender monitoring and gender auditing. These tools help determine how Adaptation Fund projects could impact men and women differently, establish measurable and verifiable gender targets, and monitor benefits, contributions, and service gaps or progress by gender group. Experience with the use of these tools has been documented in the development context (e.g., gender-responsive budgeting) and could be adjusted or further developed for the needs of the Adaptation Fund.

**Engage local women's and men's voices at all levels of the climate change discussion**, including in policies, programming, funding and decision-making.

*Civil society organizations should:*

**Ensure that national and multilateral implementing entities respect and represent the needs and interests of both women and men** by advocating with national governments, Adaptation Fund Board members and the Fund's various committees. The Fund's ongoing negotiations regarding funding priorities and criteria present stakeholders with the opportunity to advocate for greater gender sensitivities and policies, and for the incorporation of gender issues into the Fund's governance and funding architecture.

## References

- <sup>1</sup> These include low-lying countries, small island developing states, countries with low-lying coastal, flood-prone areas or arid or semi-arid areas subject to drought and desertification, and countries with fragile mountain ecosystems.
- <sup>2</sup> The World Bank Trustee – "CER Monetization Program Update", Presentation to the 11th Adaptation Fund Board Meeting, September 15, 2010, Powerpoint, slide 12.
- <sup>3</sup> The World Bank Trustee – "CER Monetization Program Update", Presentation to the 11th Adaptation Fund Board Meeting, September 15, 2010, Powerpoint, slide 15.
- <sup>4</sup> World Bank. Financial status of the Adaptation Fund Trust Fund (as at July 31, 2010). Available at [http://www.adaptation-fund.org/system/files/AF\\_Financial\\_Status\\_Report\\_Jul%2031%202010%20-%20Final.pdf](http://www.adaptation-fund.org/system/files/AF_Financial_Status_Report_Jul%2031%202010%20-%20Final.pdf).