



Gender equality in climate action: Women at the core

March 2022



Network India

Message from UN GCNI



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Climate change represents one of the most complex challenges of our time and requires a concerted, proactive and holistic response. Gender inequality may dramatically limit the resilience and adaptive capacity of women, families and communities. It may also restrict options for climate change mitigation. Despite wide recognition of the need to have a gender perspective in climate decision making, there remains ambiguity around the mechanisms to meaningfully incorporate gender and gender equality as policy objectives at different levels (international, national and regional).

Therefore, climate initiatives must adopt a gender-responsive approach that recognises that men and women experience climate change impacts differently, and women have lower adaptive capacity due to underlying social inequalities. Integrating such an approach into climate action will help identify the most effective solutions to address specific gender-differentiated effects of climate change. Given the urgency of our collective global battle against climate crises and ruptures from the pandemic, there is, concurrently, a pressing need to accelerate the dialogue on climate action that must hinge on a stronger gender-responsive commitment.

Given this context, we are proud to associate with PwC to present a knowledge paper titled 'Gender equality in climate action: Women at the core', at the fifth edition of the Gender Equality Summit which endeavours to build a blueprint towards a gender-responsive initiative to address the impact of climate change. It envisions a green economy with women as key decision makers, influencers, and initiators.

The current paper discusses the impact of climate change from a gendered lens and highlights how a gender-responsive approach will help identify the most effective solutions to address specific gender-differentiated impacts of climate change. It further outlines the need and urgency to embrace a gendered lens. Women not only comprise 50% of the target population but also face the brunt of being disproportionately impacted by climate risks. It also deliberates upon the advantages of designing a greener future with women at the core. In doing so, it recognises the business sector and industry as leaders in implementing gender-responsive climate adaptation projects. It accentuates on investments made in climate-smart technologies and innovations in establishing climate-resilient communities and organisations with women at the forefront of planning and implementation.

We are at the crossroads of collectively planning a future that is resilient and adaptive to the changing environment. At this moment, we must put women and the vulnerable at the forefront in our adaptation planning to increase our chances to achieve the sustainability targets set for 2030.

Preface



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Globally, as nations take actions to achieve their sustainability targets by 2030, it is imperative to ensure gender equality is built into the process because the latter will support the former. The inherent gender inequities in society and the economy reinforce the impact of climate change on women.

But it is heartening to note that there is increasing recognition of the need to embed gender responsiveness in climate action, as the struggle against devastating climate change intensifies.

At COP26, India pledged to achieve net zero by 2070. This is the first time that India has committed to this goal. For achieving this extremely ambitious target, India needs to create out-of-the-box solutions and work towards its green future through a collaborative, responsive, and inclusive approach.

As a critical catalyst, this approach must include the engagement of women as decision makers and implementors of climate action, which will have the dual advantage of supporting economic empowerment as well as working towards sustainable climate adaptation. Women constitute more than half of India's population and not engaging them productively in the planning and implementation of strategies to reach climate goals will result in sub-par outcomes and may impact achieving the climate targets in time.

Against this challenging backdrop, it is noteworthy that COP26 also urges signatories to support equal participation of women in climate action and financing. As per Global Landscape of Climate Finance 2021(CPI) data, less than 2% of global climate investment was gender tagged in 2021, an abysmally low amount.¹ A significant proportion of this contribution came from donor organisations. Given that women are disproportionately impacted by climate threats, adopting a 'gender-blind' lens in climate financing enhances their vulnerability to cope with environmental risks. We need to understand the critical intersection of gender and climate, and act fast as we are at a crucial juncture where our next decisions on climate and equity will profoundly shape the planet's future.

This knowledge paper endeavours to envision a green economy with women as active participants rather than passive recipients of action and inaction. In doing so, it reimagines women's participation in climate governance, innovation, technology, and funding.

The paper also tries to explore the catalytic role the private sector and industries can play by adopting transformative practices which put the environment and women at the core of their business strategies, thereby not only supporting economic growth for themselves but also for other stakeholders, the community, and the nation at large.

I hope that this paper engenders productive thoughts and actions in moving towards a just transition in which women are supported to play their rightful role in building a green economy and a greener and healthier future for our planet.

¹ <https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2021/>

Foreword



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We are proud to collaborate with the UN GCNI as a knowledge partner and pleased to release our paper on 'Gender equity in climate action: Women at the core' at the fifth Gender Equality Summit. At PwC, we have globally committed to achieving the net zero target by 2030, with an emphasis on gender equality, diversity and inclusion across our operations. Hence, the theme of this year's summit aligns with our core values and we feel privileged to have the opportunity to partner with other stakeholders and share our perspective on contributing to the critical agenda of gender equality and climate change.

We understand that climate change is neither gender neutral nor unidimensional. To work towards the net-zero future, we must take a multi-stakeholder approach while engaging with the most vulnerable in the planning process, in order to support the sustainability of our initiatives on ground. We must think global and act local so that clean innovations and initiatives can be adopted by the first mile.

Compared to the developed markets, Indian businesses and corporates are in the process of placing climate change at the centre of their practices. This is happening in parallel with initiatives to support the involvement of women across all levels of decision making and implementation. There is a need to view the two aspects in convergence, complementing each other for improved results.

The SEBI mandate on BRSR and ESG transparency has received significant attention from the private sector as it now looks at environmental issues more strategically for improved market value as well as long-term growth and adaptivity. However, today, gender is often under-prioritised within the sustainability framework. As a result, gender mainstreaming across ESG pillars is largely neglected, deferring the financial possibilities that can otherwise emerge from empowering women and recognising them as stakeholders. In the current market space, companies that have reoriented their businesses to embed and integrate environment and community resilience are sustainably delivering greater returns for shareholders and broader stakeholder groups. As a result, they are also able to enhance their brand image and market valuation.

Post the pandemic, women's participation in the workforce has dipped worldwide to 19.2%.² India is ranked among the bottom ten countries in the world in terms of women's economic participation and opportunities. It ranks marginally better than Pakistan, Syria, Yemen, Iraq and Afghanistan. Women account for half of India's current population and the inability to engage women productively is directly impacting our economic growth.

We are currently at a crossroads and must reflect and strategise for a green future that is built on participation and contribution from all, particularly women and vulnerable groups.

The time for actionable commitments is now.

² <https://www.weforum.org/reports/global-gender-gap-report-2021>

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Executive summary

Over the last few decades, intergovernmental processes of the UNFCCC, COPs, and the LWPG, 2014, have aimed at advancing both gender responsiveness and equality into climate action and policy measures. Despite the commitments made towards implementing gender-equitable actions under the Lima GAP, India's progress on incorporating a gender lens in climate action has so far lagged behind that on sustainability and human development goals. Further, disparities and inequity between men and women, and other vulnerable people and communities, have become far more pronounced during the COVID-19 pandemic, thus impacting the overall sustainability targets.

Women and marginalised communities are the first to experience poverty traps that limit their adaptive capacities to climatic changes. Advancing **gender equality and women's empowerment** is a multipronged approach to manage trade-offs between the threats of climate change and sustainable development action, leading to relevant **development co-benefits**.

Evidence suggests that climate change action that uses a gendered lens to undertake informed analysis and determine priorities can create rapid improvements in WEE and gender equality³. While the potential of MSMEs to unlock women's resilience to climate change is evident, it is ironic that the engagement of women entrepreneurs in the sector is relatively limited. Inadequate gender-disaggregated data on climate products and services provided by the MSME sector poses a challenge in identifying bottlenecks in the development of financially viable businesses catering to women's issues. **The finance gap for women-owned MSMEs was found to be INR 6.37 trillion, i.e. 73% of the total demand.**⁴

There is a need to integrate the existing institutional support available and promote greater convergence where required to ensure adequate resource mobilisation for achieving the larger target of developing climate change and gender action plans.

At COP26, held in October–November 2021, India pledged to reduce emissions and achieve net zero by 2070. To meet this target, the country must come up with unique ideas and make the most of its resources. Globally, gender-responsive climate financing remains an area of concern. As per data from CPI, there has been a 42% increase in global climate financing in the last decade.⁵ However, despite increased international dialogue on women being crucial stakeholders and consumers of climate finance interventions, **less than 2% of the total climate investment in 2021 was gender responsive.**⁶ **Building climate resilience while being 'gender blind' or by disregarding women as vital stakeholders can significantly impact the results and undermine the sustainability of funded interventions.** Initiatives on climate risk adaptation/mitigation and those on gender equality, justice, poverty alleviation and community resilience are interdependent and cannot work in silos.

Climate change is an essential material business risk and hence, there is an urgent need to develop appropriate corporate climate-resilience efforts which consider the unique vulnerabilities of women and their potential roles in developing and implementing solutions. One critical step would be to engage women in leadership positions. At the same time, it is important to **engage civil society and the private sector for enhanced accountability and visibility of climate initiatives.** As businesses prepare to enhance investments that prioritise ESG factors and fulfil net zero pledges, women in business can assume a key role in pushing the agenda of gender-responsive climate action.

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/980912/Guidance3-WEE-Climate-Change-Primer.pdf

⁴ <https://europepmc.org/article/pmc/pmc8662980>

⁵ <https://www.climatepolicyinitiative.org/wp-content/uploads/2021/10/Global-Landscape-of-Climate-Finance-2021.pdf>

⁶ <https://www.climatepolicyinitiative.org/wp-content/uploads/2020/09/Landscape-of-Green-Finance-in-India-1-2.pdf>
<https://climatefundsupdate.org/wp-content/uploads/2021/03/CFF10-ENG-2020-Digital.pdf>



1. Engaging women in climate commitments for inclusive growth



If we leave anyone behind, we leave everyone behind.

Antonio Guterres, UN Secretary General



The COVID-19 pandemic has deaccelerated global progress towards achieving the UN identified SDGs. Emerging social disparities and disruptions have closely impacted the interconnected world economies. The 'think global and act local' approach was widely promoted by countries under various circumstances so that the focus is on resilience and equity, as well as adapting to changing economies, social expectations and environmental threats.

In the last few years, we have become more aware of global environmental challenges which are no longer unforeseeable. Increasing carbon dioxide levels resulting in mounting carbon footprints and rising water levels causing loss of land and livelihoods, and disordering the cultural ethos of communities are constant reminders that we need to considerably reposition our aims, ambitions and agendas that have intensified gender inequities across society. The disparities and inequity between men and women, and other vulnerable people and communities, have become far more pronounced during the pandemic, which impacts the overall sustainability targets moving forward.

Gender equity in climate action – women-empowered risk mitigation

The collective commitment that culminated in the Paris Agreement's treaty emphasised equity and the principle of CBDR-RC under its changing and contextual country-specific scenarios. **It stated that climate action should account for human rights and must prioritise vulnerable ecosystems, geographies and groups.**

As the above-mentioned developments occurred at intergovernmental forums, climate justice too gained accompanying attention. Founded on the principles of intragenerational and intergenerational justice, the differential impacts of climate change became evident – those who contribute the least to climate change are often the most vulnerable to and adversely affected by it.

The legal instruments on environmental policy also promote women's empowerment in the arena of climate change action. The inability or ignorance to adopt a gendered lens in climate action stands directly opposed to the global commitments made through the CEDAW and the Beijing Platform for Action.⁷

Over the last few decades, intergovernmental processes of the UNFCCC, COPs, and the LWPC, 2014, have aimed at advancing both gender responsiveness and equality into climate action and policy measures. Further, CIFs, the AF, and intergovernmental processes acknowledge gender equity as an imperative in MEAs. **The CEDAW and the Beijing Declaration were both adopted by the UN to promote, safeguard, and enhance women's rights and status, and advance gender equality globally.**

Despite the commitments made towards implementing gender-equitable actions under the Lima GAP, India's progress on working towards climate action goals from a gender-responsive lens has so far lacked parity compared to the sustainable and human development challenges.

Women's economic empowerment – a critical driver of climate response

To understand how communities in resource-resilient and fragile conditions can adapt to climate change, it is necessary to appreciate and clearly assess gender trends within, and understand the local governance of natural resources. This also implies acknowledging the differences in constraints and opportunities that require participatory approaches based on human rights as well as equality and social justice to be designated equally to policies and practices.

Women's knowledge of natural resources and their potential to develop overarching solutions to climate change is attainable and can create co-benefits. For example, climate action increasingly recognises women's knowledge of resource management that can bring long-term changes to sustainable practices. Efficient, effective and equitable low-carbon development policies must target women as key and core stakeholders wherein their knowledge can be harnessed, and simultaneously empower them to address poverty reduction. Right to economic assets such as land and the need to connect women to market opportunities are common objectives that should be envisioned to be achieved.



⁷ <https://www.un.org/womenwatch/daw/beijing/platform/declar.htm>



Air pollution reduction

IAP can be significantly reduced once women in households are equipped with efficient and improved technologies.



Agricultural and forest-based livelihoods

Women in agriculture can be trained to practice sustainable farming and production to become mainstream producers and be a key part of livelihood systems. Women in forest-based livelihoods can be supported so that they can both receive and disseminate knowledge on forest conservation, and optimally use them as valued economic resources within their communities.

In view of women’s intrinsic role in understanding and adapting to the environment that could also play a key role in developing countries’ sectoral progress, stakeholders from diverse businesses along with climate policymakers, governments and regional bodies, non-profits and CSOs are seeking to explore avenues to **support women assume leadership roles and actively engage in women-led initiatives.**

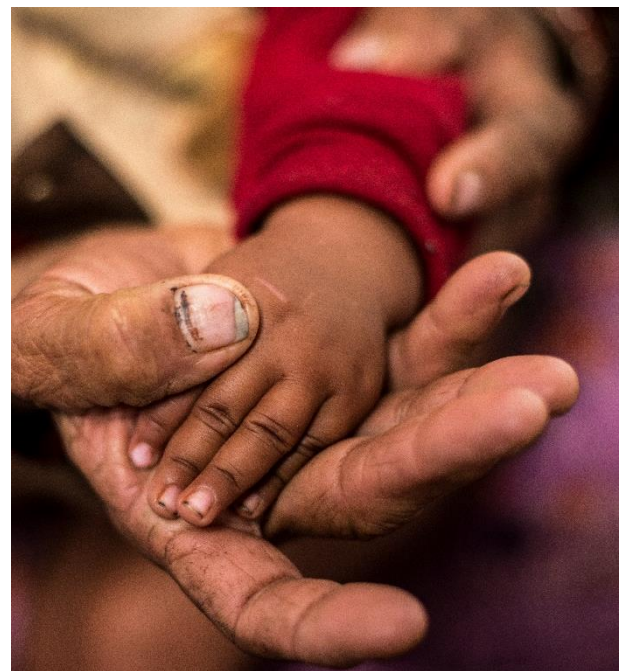
These initiatives can materialise through:

- national gender focal point systems across ministries and agencies
- incorporation of a gender-responsive and gender-sensitive budget across all levels, both vertically and horizontally
- a strong network of diverse stakeholders with a shared vision and gender-integrated actionable commitment to climate change.

Advancing gender equality and women’s empowerment in climate action – the four key action-oriented approaches

Action 1	Strengthen accountability for gender equity strategies in socioeconomic and financial institutional practices
Action 2	Intensify groundwork on sustainable environmental practices by allocating specifically and/or reorient funding for gender equality actions to improve women’s access to resources
Action 3	Integrate gender issues into climate and biodiversity commitments through implementable and scalable initiatives
Action 4	Strengthen dialogue with multi-stakeholders for gender-equitable opportunities for women in MSMEs and other work sectors and businesses, and supply chain management for women workforces

Women and marginalised communities are the first to experience poverty traps that limit their adaptive capacities to climatic changes. Climate threats that have direct consequences on women’s livelihoods further render them vulnerable. Thus, supporting women in gaining green skills, adopting low-carbon technologies and accessing green finance will result in co-benefits and champion the dual cause of gender-responsive climate resilience.



A grant-making foundation of an international investment and financial services company⁸ is endeavouring to empower women and children through education, and making communities resilient through capacity building and skilling. The foundation has supported over 46 NGOs across India for women's economic empowerment and livelihood generation for the most vulnerable communities. So far, they have supported 13,442 families through sustainable livelihood programmes, empowered 11,568 farmers in climate-smart agricultural practices such as organic farming, and aim to enhance sectors such as finance and sustainability, strategy and leadership, human resources and communication, and technology. The Coalition for Women Empowerment by the foundation engages grassroots-level stakeholders and funding organisations to scale up social and economic empowerment of women and girls in India.

An international not-for-profit organisation working on food security⁹ launched a women-led project in 2020 to help women farmers cope with growing food insecurity. Through farm-oriented micro projects in certain vulnerable and malnourished districts across Odisha, India, the project also addresses preconceived notions which prevent women from being in the mainstream farming practice. It has concurrently supported women SHGs and women farmers to promote climate-friendly agricultural practices.

Enduring inequities across diverse areas and sectors have delayed action on climate mitigation. These must be addressed as countries can appraise and reform their economic, sociocultural and normative practices to respond to climate crises. It is necessary to integrate gender-responsive public policy instruments to eliminate potential disparities faced by women based on their triple burden of social status, gender and poverty with limited or often inequitable access to resources.

India's NDCs do not take into consideration the gendered vulnerabilities created by climate change. Though it claims to be committed to dedicating more to existing resources for accelerating gender equity and empowerment, the commitment is non-specific and ambiguous in its wider functional sense. India's sixth NDC for addressing sectoral vulnerabilities underscores investments in development programmes which are immensely climate vulnerable, i.e. agriculture, water and natural resources, health, and innovation and technology. However, it does not outline sector-specific vulnerabilities and consider requirements for women-specific constraints. **Instead, it works on a 'one-size-fits-all' approach. Indigenous knowledge of vulnerable groups, especially that of women, is not dominant, although stipulated in the Paris Agreement and India's NDC policy framework.**

Innovation and technology for addressing gender inequity: NDCs to sectoral vulnerabilities across value supply chains

From mobile banking ventures that facilitate women's entrepreneurship to e-learning platforms and information centres, inclusive innovation can empower socioeconomically marginalised groups. Social innovations have the potential to serve as a powerful tool for increasing access, availability and awareness of prospects for women and other vulnerable communities experiencing marginalisation. For instance, UN Women recognised innovation as one of the 'drivers of change' in its Strategic Plan 2018–2021.



⁸ <https://cdn1.edelweissfin.com/wp-content/uploads/2021/08/Contribution-to-the-Society.pdf>

⁹ <http://businessnewsthisweek.com/odisha/on-international-womens-day-rahi-launches-women-led-projects-as-part-of-its-sambal-initiative/>

Credit lines specifically developed for women can empower them through technical assistance programmes and provide funding for gender-related initiatives to attain SDG 5 (Gender Equality). Technology and innovation can accelerate progress across the social spectrum in developing countries like India as they can be specifically designed to meet low-emission and net-zero targets, and ultimately help in building climate-resilient societies and businesses.

Inclusive innovation in its broadest term encompasses meeting the requirements of and addressing the challenges faced by low-income and socioeconomically vulnerable communities. Such innovation can greatly determine their push and pull factors.

Despite international and regional advocacy, gender as a key component **is not** entirely incorporated within the climate change narrative.

The private sector can play a crucial role in developing and implementing climate technology, fostering capacity building through stakeholder engagement, and creating higher value chains to scale income generation. These can be achieved by leveraging resources across climate-affected sectors, combined with gender-sensitive research. Innovations in policies, finance, and science and technology that disrupt the business-as-usual approach can significantly accelerate the progress towards meeting the SDGs and aim to make women (as users) more resilient to newer adaptive practices. There is a greater need for recognising how businesses can create inclusive and favourable work environments.

It is imperative to recognise women as potential contributors and drivers of the SME/MSME segment. Women have been conventionally associated with lower write-offs and lower credit-loss provisions in microfinance. Yet, they comprise a potential segment of the clientele for financial institutions.

Women account for 12.6% of the workforce in India's 63 crore MSMEs,¹⁰ making it the second-largest sector after agriculture. The effect of the pandemic on women engaged in MSMEs was devastating as 98% micro enterprises owned or managed by women were among the first to shut down during the lockdown.

This knowledge paper endeavours to set a blueprint towards gender-responsive initiatives to address the impact of climate change. It envisions a green economy with women as key decision makers, influencers and initiators.

Further, the paper identifies the importance of adopting a gendered lens while planning initiatives for climate adaptation and mitigation. Women not only constitute 50% of the target population but also bear the brunt of being disproportionately impacted by climate risks. A gendered view of climate change also explores the co-benefits of planning a greener future with women at the core. In doing so, it identifies the industries and private sector as champions in adopting gender-inclusive initiatives for climate adaptation. It focuses on the investments made towards climate-smart technologies and innovations in creating climate-resilient communities and organisations with women at the centre of planning, and implementation in the adaptation journey towards building a sustainable future.



¹⁰ http://microsave.net/files/pdf/Improving_Access_to_Finance_for_Women_owned_Businesses_in_India_IFC.pdf



2. Realising social and environmental co-benefits through institutional support: Need for visibility of gender equality within the climate-change discourse

The relevance of **women in global and national climate change responses, adaption and mitigation efforts are widely documented. Their importance stems** not only from their role and dependence on natural resources but also because of the multi-dimensional vulnerabilities they are subjected to due to climate-change threats. However, there is a lack of **sex disaggregated data** in documenting women's roles and engagement in climate change adaptation.¹¹ This may support the development of a gender-blind climate change policy and programming with unintended adverse effects on gender-based vulnerability.¹²

Evidence suggests that climate change action that uses a gendered lens to draw informed analysis and priorities can create rapid improvements in WEE and gender equality

In the ambit of the larger climate change and development discourse, the discussion has largely remained focused on the susceptibility of women to climate change. Limited attention has been given to programme and policies that focus on the potential of women with regard to **climate protection and economic empowerment through green economy**.¹³ Advancing **gender equality and**




¹¹ https://www.business-standard.com/article/current-affairs/climate-change-might-be-a-greater-threat-to-women-but-data-absent-119070100094_1.html

¹² <https://www.undp.org/content/dam/undp/library/gender/Gender%20and%20Environment/PB1-AP-Overview-Gender-and-climate-change.pdf>

¹³ <https://www.oecd.org/dac/gender-development/46975138.pdf>

women's empowerment is a multipronged approach to manage trade-offs between the threats of climate change and support sustainable development action, leading to relevant **development co-benefits**.^{14, 15}

Why adoption of a **gender-inclusive climate change** approach is relevant?

<p>Women are highly vulnerable to the impacts of climate change</p> <p>Women are integral stakeholders in the climate-change discourse and stand to face greater threats owing to their multidimensional vulnerabilities. However, there is limited data available in India documenting women's roles and engagement in climate change adaptation.</p> 	<p>Women comprise the predominant agricultural workforce</p> <p>Women are relevant contributors to the overall agricultural supply chains and accounted for 55% of the employment in India's agriculture sector in 2019.</p> 	<p>Women are the prime consumers in the shift to a net-zero economy</p> <p>There is a spurt of women consumers as primary decision makers across most categories. In India, 52% of brand purchasing decisions were made by women compared to 48% by men in 2020.</p> 
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Gender and climate-change nexus

Source: Business Standard

Source: World Bank

Source: The Economic Times

Adoption of **gender-responsive climate-change** approach

Why should businesses address gender and climate change



Enhance impact

Empowering women may lead to improved results from supply chain to the boardroom



Support innovation

New technologies, products, services, processes and business models



Meet investor interest

For example, new gender and climate funds from major public and private organisations

Source: UK Aid

How can businesses support the adoption of a gender-just climate-change approach

- | | |
|---|---|
| 1 Support decent green jobs for women | 2 Enhance education and skills of women workers |
| 3 Support procurement from women innovators and entrepreneurs in the green economy | 4 Promote efforts to mitigate gender-based digital divide and access digital technology, products and services |
| 5 Enhance efforts to promote leadership opportunities for women | 6 Advocate to address social norms that create barriers for gender equity |

¹⁴ https://unfccc.int/files/gender_and_climate_change/application/pdf/leveraging_cobenefits.pdf

¹⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/980912/Guidance3-WEE-Climate-Change-Primer.pdf

Addressing gender-specific barriers to WEE and the provision of access and control over decent work opportunities cumulating to economic assets may influence in supporting improved climate and environmental outcomes.¹⁶

Climate change and pandemic-induced value-chain disruptions

The overall trends in climate-induced problems have been aggravated by the severity of the **multidimensional crises** induced by the COVID-19 pandemic.¹⁷ These include supply chain disruptions that halted the manufacturing industry and further acceleration of the economic impact from falling commodity prices. Such a cascading effect shocked financial markets, led to the tightening of liquidity conditions and produced unprecedented outflows of capital, particularly from developing economies like India while adding pressure on the foreign exchange markets. Weak local currencies often constrain a government's ability for fiscal stimulus at the scale needed to simply stabilise the economy and support meeting health and human crises.¹⁸

Further, climate change poses critical material risks to existing business models and value chains. As per estimations based on current trajectories, climate change may result in the loss of **11–14% of the global GDP by 2050**.¹⁹ In the context of the **global push to reach net zero emissions by 2050**, it is reported that the transition to net zero may potentially lead to differentiated impacts on an already **unequal workforce**, and the changes incurred may not be gender neutral. **Research suggests that focusing simultaneously on the twin challenges of achieving net zero and gender equality may influence and further increase the impact on companies, spur innovation and meet investor interest.**

Climate-resilient solutions with specific focus on women can unlock multiple business benefits.²⁰ Climate change is an essential material business risk and subsequently, there is an urgent need to develop appropriate corporate climate-resilience efforts that include approaches which consider the unique vulnerabilities of women and recognise their knowledge, skills and potential role in solutions.

In this context, it is imperative to highlight the various impacts of the pandemic on gender equity and economic empowerment of women that may be relevant for consolidating focus areas in developing a gender-just climate response effort.

In Maharashtra's Marathwada region, WCRF²¹ is accelerating integrated farming techniques, increasing livestock/farm-allied businesses, increasing consumption and marketing of nutritious farm-grown food crops to empower rural poor women engaged in agriculture.

Preparing women to adopt green solutions – digital literacy and engagement

We live in a world where though the need to empower women is understood, data reflects higher distribution/accumulation of asset ownership by men and skewed female representation in business decision making roles **across all levels.**

It is necessary to create an environment that supports a higher number of women climate entrepreneurs who are willing to adopt forward-looking greentech solutions. Corporates, venture capitals and banks, which are in a position to support women climate entrepreneurs, **should appoint more women in leadership roles.**

As per the MIWE, 2018, India ranks 52 out of 57 countries in terms of the ability of women entrepreneurs to capitalise on the opportunities offered by their local environments. **There is a need to build a more gender-inclusive ecosystem for climate start-ups with more women at the core.**

¹⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/980912/Guidance3-WEE-Climate-Change-Primer.pdf

¹⁷ <https://gjia.georgetown.edu/2021/07/09/climate-change-and-covid-19-why-gender-matters/>

¹⁸ <https://unsdg.un.org/resources/shared-responsibility-global-solidarity-responding-socio-economic-impacts-covid-19>

¹⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1031763/Women-Net-Zero-Economy-toolkit-businesses2.pdf

²⁰ https://www.bsr.org/reports/BSR_Climate_Nexus_Women.pdf

²¹ <https://sustainabledevelopment.un.org/partnership/?p=31017>

COVID-19 has brought to the fore the widespread gender inequalities present in the digital space. The pandemic has highlighted the unique challenges faced by the world while reemphasising the importance of digital technology and connectivity.²² Increased adoption of technology skills and acceptance towards digital transformations in everyday functions are the new normal.

Digital technologies provide **leapfrog opportunities** for everyone and can be particularly valuable levers for the economic empowerment of women and girls. Women can flexibly choose where, how and when to work.

Given the existing digital gender divide, not every woman is able to benefit from these opportunities.

For instance, COVID-19 response policies highlight the plight of disadvantaged women owing to digital exclusion and the lack of digital equality. The pandemic has further thrown light on alarming instances of gendered inequalities in the world of work and connectivity. For example, during the pandemic, the **lack of relevant information, knowledge, and appropriate digital technology skills** among female entrepreneurs to understand, acquire and utilise digital tools for their business operations in the formal and informal sectors eventually led to loss of income and livelihoods, and influenced advancing further gender inequalities.

There is a need to highlight the presence of multidimensional vulnerabilities faced by women while analysing the effects of climate change on food security and migration, and susceptibility to food insecurity and violence. A comprehensive and gendered approach that is responsive to women's social and economic inequalities, their roles in the provision of essential goods and services, and the differentiated impact faced from climate change may be adopted in bolstering climate resilience through national policies and programmes.

To enhance support for women's participation in this ever-evolving digitally inclined world, it is imperative to support the following:

- **Ensure access, uptake and usage of technological tools:** To reduce and eventually close the digital gender divide, future trajectories may focus on developing relevant policies, programmes and initiatives that support this effort.²³

- **Responsive measures to enhance digital literacy:** Access and affordability-related policies may be converged with **education-related initiatives aimed at enhancing digital literacy**. Many **conscious and unconscious biases and stereotypes** which may often constrain women's participation in digital environments should also be addressed. Further, such policies may need to be supported parallelly by initiatives aimed at **guaranteeing security in the cyber space**, which in turn contribute to increase digital trust among women and girls, and ensure that they can benefit the most from the opportunities that the digital era may offer to them.
- **Support equitable digital engagement for women:** To put women at the core of climate action, it is important to identify them at the first line of response. To efficiently respond to climate change risks, women need to be empowered with real-time information as well as platforms to alert, voice concern, gain support, and build networks to amplify resources. They need to be adequately and equitably provided with the tools and languages necessary for collective response towards climate mitigation.

Gender and climate finance – integrating gender in climate investment decisions to create impactful opportunities



Without a gender-responsive lens, climate financing instruments can exacerbate current tendencies that discriminate against women. This threatens women's rights and directly contravenes CEDAW.

- Liane Schalatek, **Gender and Climate Finance**, ODI, 2020



²² <https://www.icrw.org/technology-digital-transformation-during-covid-19-the-missing-link-in-advancing-gender-equality-in-kenya/>

²³ <https://www.oecd.org/digital/bridging-the-digital-gender-divide.pdf>

Global climate financing has increased by 42% in the last decade. The public sector accounts for almost half of the financing, significantly supported by DFIs. The private sector accounts for the remaining USD 310 billion. A majority of climate finance funds is reported to have been raised as debt and equity investments. The key focus of these investments continues to be towards mitigation finance. Positive trends are reported on adaptation financing routed by public actors, particularly DFIs. This is where the gender angle within climate finance becomes important. However, despite increased international dialogue on women being crucial stakeholders and consumers of climate finance interventions, a CPI report noted that **less than 2% of the total climate investment in 2021 was gender-responsive.**²⁴

COP26 has brought to the fore the dialogue on gender responsiveness of climate financing. **Building climate resilience while being ‘gender blind’ or by disregarding women as vital stakeholders can inversely impact the results and undermine the sustainability of funded interventions.** Initiatives for climate risk adaptation/mitigation and those for gender equality, justice, poverty alleviation and community resilience are interdependent and cannot work in silos. Therefore, there is scope for pooling of resources towards sustainable action and meeting climate goals by 2030.

It is estimated that at least USD 1.6 trillion is needed annually to meet climate targets by 2050. **Public funding alone will be insufficient to achieve this goal and private investment is needed at scale to ensure that noticeable changes are achieved.** In India, domestic private investors reportedly accounted for the largest share of climate financing in 2017–18. Approximately INR 185,000 crore was invested in climate initiatives through debt and equity.²⁵ The current ecosystem has significant scope for blended and crowdfunding instruments to channel a larger quantum of funds with distributed risks. However, this investment pattern is yet to be viewed through a gendered lens for generating wider benefits.

SfTW, a programme by a multinational FMCG corporation,²⁶ is enabling women to gain access to land rights, financing, and markets, and promoting them as primary farmers in agriculture supply chain to ultimately achieve net zero.

It is widely acknowledged that in developing economies such as India, a significant proportion of women who are engaged in livelihood activities are dependent on natural resources and do not own productive assets. Their dependence on their male counterparts for accessing resources, including finance and information, puts them in a vulnerable position. Climate risk and limited adaptability to the ‘ever-changing-normal’ heightens their vulnerability proportionately. **This is where the private sector can play a critical role by organising for gender-responsive climate funds focused on MSMEs for targeted help.**²⁷

A leading national private bank²⁸ has created gender-equitable opportunities for rural women and is driving the gender equality agenda forward. It has empowered 600,000 SHGs and impacted the lives of nearly eight million women by enabling them to become entrepreneurs. Since its launch in 2017 and up to its completion in 2021, the foundation’s rural livelihood programme has reached 307,000 beneficiaries in 2,500 villages who have been enabled with sustainable livelihood opportunities. Nearly 61% of the beneficiaries are women. The bank continues to serve rural value chains and has financially empowered over 21 million individuals with bank accounts.

Investing in women can bring in significant financial returns along with creating positive developmental impact. **A recent study indicated that investing in women across the value chain could positively impact annual global GDP by 26% in the next five years.**²⁹ To support gender-responsive climate financing, there is a global need to scientifically establish the impact of gender-sensitive approaches in climate financing towards a greener economy. Pilot projects and test initiatives will play a key role in generating evidence.

²⁴ <https://www.climatepolicyinitiative.org/wp-content/uploads/2021/10/Global-Landscape-of-Climate-Finance-2021.pdf>

²⁵ <https://www.climatepolicyinitiative.org/wp-content/uploads/2020/09/Landscape-of-Green-Finance-in-India-1-2.pdf>

<https://climatefundsupdates.org/wp-content/uploads/2021/03/CFF10-ENG-2020-Digital.pdf>

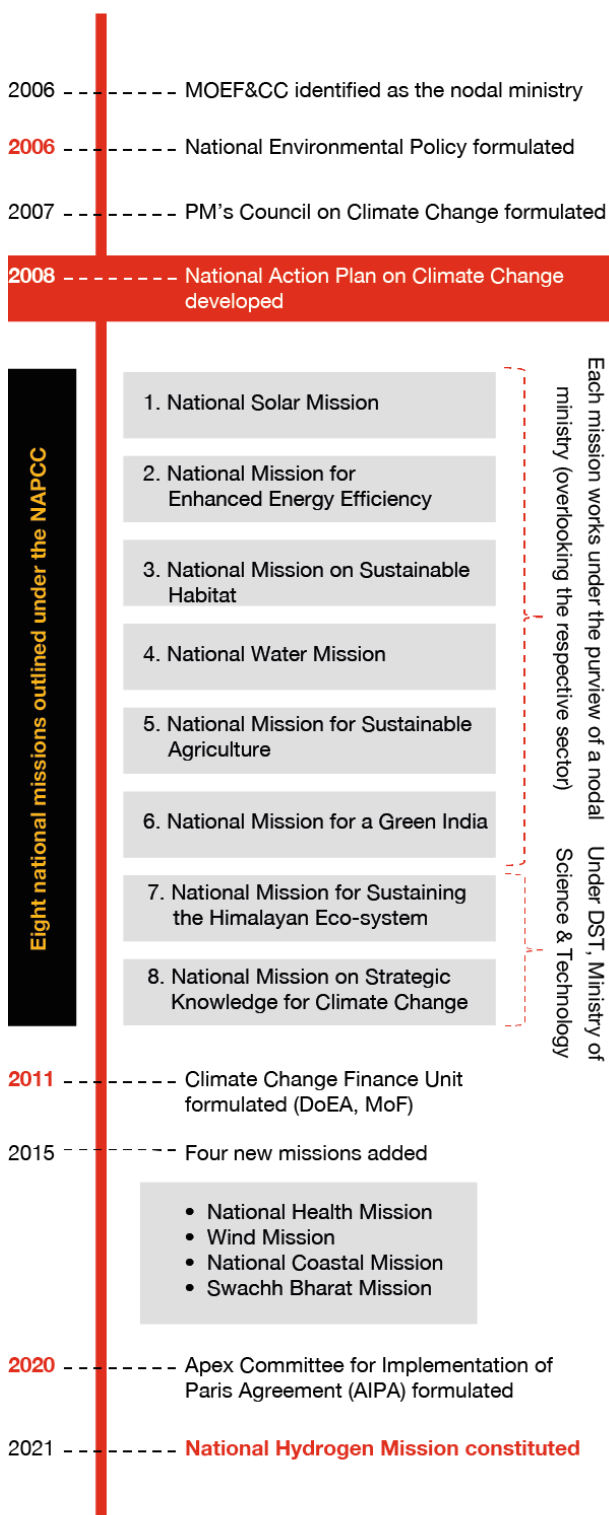
²⁶ <https://www.pepsico.com/sustainability-report/agriculture>

²⁷ <https://www.adb.org/sites/default/files/publication/42881/climate-finance-work-women.pdf>

²⁸ <https://www.icicibank.com/aboutus/Annual-Reports/2020-21/AR/assets/pdf/ICICI-Bank-Environmental-Social-and-Governance-Report.pdf>

²⁹ https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/gender+at+ifc/priorities/entrepreneurship/investing+in+women_new+evidence+for+the+business+case

Illustrative timeline capturing the broad institutional milestones in India towards climate action



Source: PwC analysis

Thus, analysis of the climate-financing landscape using gender equality as a focus area reflects that gender policy or gender action plans for climate financing instruments might not be adequate. There is a strong need to integrate the desired policy initiatives into governance frameworks and their public participation mechanisms.

Institutional support mechanisms and mandates

India faces the twin challenges of immense geographical and cultural diversity in systematically planning towards climate adaptation and mitigation. A significant section of the country's population is dependent on natural resources for its livelihoods. India has adopted a two-pronged strategy to account for this diversity:

- adopt a sectoral approach in planning the NAPCC
- encourage and support states in drafting individual SAPCCs.

The NAPCC (launched in 2008) endorsed eight national missions, each overlooking a specific area of concern vis-à-vis energy formulation/conservation and climate adaptation. Each mission³⁰ is overseen by a nodal ministry. The MoEFCC is the overarching nodal agency, closely supported by the ministries of finance and external affairs. **NAPCC clearly recognises the need to engage corporates and companies across industry sectors to support the implementation of the initiatives. SMEs are identified as essential for cluster development initiatives.**

The Advisory Council on Climate Change was formed in 2008. The council is chaired by the Prime Minister, with representation from diverse stakeholders, including different ministries and civil society organisations. It was formed to support decision making and international negotiations.

At the subnational level, SAPCCs are formed post inputs from relevant departments that oversee environmental concerns (e.g. energy, agriculture and water) are taken. The state-level action plans take into consideration environmental diversity and social vulnerability.

³⁰ Each National Mission is required to develop its detailed implementation plan and budgetary requirements

This complex and interdependent ecosystem provides an opportunity to holistically plan for climate-risk mitigation with a long-term goal and chalk out result-linked fund allocation while prioritising local needs. This also gives scope to incorporate specific line items for engendered climate initiatives for focused action. However, management of roles, responsibilities and expectations would be critical to agree upon and establish such a mechanism. Third-party collaboration for guidance on gender-responsive planning, gender-segregated data collection and management, and implementation oversight and monitoring can be useful.

The figure on page 21 highlights the key milestones for climate focused planning by the Government. Coordination, accountability, a shared long-term vision, and adequate representation of the vulnerable groups by the current governmental set-up continues to be widely critiqued. Further, the missions do not equally focus upon equity, human rights and protection of the vulnerable. Given the close linkages between climate change risks and women's vulnerability, it might be significant to adopt an equity and gendered lens throughout the stages of planning and implementation.

Critical role of community-level organisations in strengthening initiatives and meeting local needs

Though the plan is silent on the role of PRI, local governance holds a significant role in planning, converging, and implementing diverse policies, schemes and initiatives to meet regional needs. The local government can play an essential role in engaging and empowering women towards climate action. In disaster prone areas, PRI members are noted to have adopted proactive initiatives for climate action. Another notable instance is the implementation of the SBA wherein the focus was on mobilising the gram panchayats in pledging for an ODF community and planning, implementing as well as monitoring the same. The efforts of the GPs has been praised across the country.

In working towards a gender-responsive climate action, PRIs can be mobilised to focus on four key areas:

- regional climate risk factors for targeted response where PRIs can engage women in the planning process and use their local knowledge for building climate resilience and food security
- **build livelihoods in farm and off-farm sectors** for differently placed households
- share knowledge and best practices for what works, why it works and what is needed towards sustainable results; GPs can consciously adopt a gender-responsive and inclusive lens for building community resilience
- build accountability by bridging the institutional focus with community needs and clearly charting the resource flow.

Despite this layered structure that feeds into climate planning horizontally and vertically (with a focus on a bottom-up approach), meeting our climate commitments has been a challenge.

At COP26, for the first time, India has pledged to reduce emissions to net zero by 2070. To meet this target, the country must think together, think out of the-box, and make the most of its resources.

A few areas where we need to think more stringently are (1) in building accountability towards gender responsive climate action; (2) developing a common minimum framework to chart roadways towards the vision; (3) develop robust governance mechanism to monitor outcomes; and (4) create an evidence base to move the needle.

Women's leadership in climate action

In 2019, a study investigated the influence of female political representation on climate change policy outcomes.

Data from a sample of 91 countries was collated and reviewed for this analysis.

The study reports that female representation in national parliaments leads to more stringent climate change policies across countries and in turn results in lower carbon dioxide emissions.

Case study: An NGO provides local women in Gujarat, India, with exclusive access to an innovative tool for keeping agricultural land usable during dry seasons.

TANs is a regional civil society organisation founded by Trupti Jain and Biplab Paul. The duo has designed and developed the Bhungroo irrigation technology.

This innovative tool supports farming in both dry and wet seasons by both harvesting and storing water for irrigation.

TANs identify and train local women in the uptake and adoption of this technology, thereby providing rural women access to a productive asset and agency to participate in decision making.

“Even though women do not have land rights, they now have rights to the tools that the farmers need to make the land useful.” - Trupti Jain

Another critical step would be to **engage civil society and the private sector for enhanced accountability and visibility of climate initiatives**. Developmental organisations at the national, state, regional and community levels will play an extremely important role in this move. Advocating the mainstreaming of gender equity issues in climate financing and capacity building for adopting a gendered lens for climate planning and promptly reporting violation of rights are some critical elements of their strategic positioning. Women climate entrepreneurs will be another set of key players.³¹ In the section on climate financing, the role of international donor organisations has been highlighted in channelling gender-responsive climate initiatives. This section aims to highlight the role of CSOs through case studies.^{32, 33}

Case study: Women SHGs trained as climate entrepreneurs

80 women from four SHG groups in Rajasthan were trained to become ‘solar engineers’ who could install a small-scale solar power system in houses and build solar lamps under the Rajasthan Gramin Aajeevika Vikas Parishad (Aajeevika).

Case study: Women SHGs trained as climate entrepreneurs

They entered an MoU with IIT Mumbai for technical support and provision of raw material. After doing a baseline survey, the demand for solar lamps built by these women was found to be 60,000 lamps. **The initiative is projected to bring in revenue worth INR 1.2 crore to these four SHGs.**

Private sector – an enabler of structural transformation

To advance social justice and human rights in the labour sector, stronger and even bolder commitments are called for to create and sustain an inclusive economy. This involves accelerating women’s empowerment, supply chain management, a climate-just transition, and development of health infrastructure. Organisations and firms that can drive resilience across supply chains must be supported, to ultimately secure vulnerable communities and women in all sectors. There is a greater need to acknowledge that corporate structures have a complex and inextricable linkage to gender equity in climate action. Placing women at the centre of the climate-narrative will enable enhanced and holistic solutions which can mitigate business risks while being advantageous to women and men from the most vulnerable communities.



³¹ UNDP and ReNew Power have launched an integrated entrepreneurship development platform to support woman climate entrepreneurs.

³² Role of NGOs in women empowerment: case studies from Uttarakhand, India. January 2021 Journal of Enterprising

Communities People and Places in the Global Economy ahead-of-print(ahead-of-print)
³³ file:///C:/Users/aguapta413/Downloads/10-1108_JEC-04-2020-0066.pdf

Global investments needed for a clean energy transition by 2050 to limit global temperatures below 1.5° C is estimated to be about USD 131 trillion.³⁴ While public capital will be an important source of funding, there is also a need to mobilise private sector investments to scale up operations on climate action. This is an opportune time to engage the private sector as changing business values towards socially responsible investments have encouraged many companies to adopt ESG investment strategies in their operations and pledge to achieve net zero in last two years. This means that more companies are now conscious of environmental impacts caused by their own operations. Along with this, there is a keen interest in investing in climate solutions to reduce the climate risk of vulnerable groups, particularly women. While it is evident that private sector companies have the potential to make significant contributions towards climate action, whether they will be able to remove systemic gender gaps in climate response is a growing concern.

As businesses prepare to enhance investments that prioritise ESG factors and fulfil net zero pledges, women in business can assume a critical role to push the agenda of gender-responsive climate action. Research indicates that women leaders have a higher inclination in contributing to climate action.³⁵ However, women are highly underrepresented in power positions, particularly in carbon-emitting industries.

Case study: Corporation takes a lead to push a multi-stakeholder collaboration engaging women in clean energy business practices

An international network on gender and sustainable energy, working with 36 partners across 18 countries in Asia and Africa, has been working on the intersection of energy access and women's economic empowerment through its WEE programme. The WEE programme, implemented between 2014 and 2018, focused on developing women's enterprises in the renewable energy sector. The programme was implemented in seven countries: Indonesia, Kenya, Nepal, Nigeria, Senegal, Tanzania, and Uganda. The leading partner organizations were the Centre for Rural Technology Nepal (CRT/N), Energy 4 Impact, Kopernik Solutions (Kopernik), Practical Action Eastern Africa and Solar Sister.

Case study: Corporation takes a lead to push a multi-stakeholder collaboration engaging women in clean energy business practices

Together with these partners, the network supported more than 4,000 women to launch and grow clean energy businesses in seven countries. These women-led, largely micro level, enterprises have delivered clean energy products and services to more than 2.9 million consumers, mostly in rural areas and in low-income communities.



³⁴ "World Energy Transitions Outlook: 1.5°C Pathway," International Renewable Energy Agency (2021).

³⁵ [https://www.oliverwyman.com/content/dam/oliverwyman/ow-forum/climate/Diversity%20%20Climate%20report%20\(002\).pdf](https://www.oliverwyman.com/content/dam/oliverwyman/ow-forum/climate/Diversity%20%20Climate%20report%20(002).pdf)

Key stakeholders and influencers in the gender-responsive climate financing landscape



Source: PwC analysis

This figure attempts to map the key stakeholders and influencers that impact decisions on gender-responsive climate financing.

For ease of mapping, the stakeholders/influencers have been divided into six main groups:

01 Government

02 Development agencies – international (including multilateral and bilateral) and national development partners

03 Industry players, including both public sector undertakings (PSUs) and private sector corporations

04 For-profit organisations/clusters (this group comprises local and/or rural profit-making entities that may be engaged in developing/implementing solutions on field and includes climate entrepreneurs)

05 Support organisations at the national, sub-national and community levels – these entities develop the capacity, knowledge, and access to resources that enable participants to make informed decisions

06 Private climate-financing bodies



3. Gender mainstreaming in business-led climate action

ESG and gender-responsive investing

In the last few years, gender lens investing is increasingly being placed at the core of investment and businesses in India.³⁶ Simultaneously, there has been exponential growth in climate finance globally. However, gender-responsive climate finance, particularly in the private sector, has not yet gained impetus

ESG criteria have a 'shared value' with the SDGs, where collective social action and human welfare intersect with policy action and investment portfolios. The social performance of organisations is no longer circumscribed by operational aspects such as human rights and labour standards, which have been drafted by international instruments (e.g. the Universal Declaration of Human Rights and the Core Conventions of the ILO). These standards, though initially prepared for government structures and capacities, now extend to the social context and relevance of businesses, beyond just the 'in-principle' commitment of organisations.

While SDGs provide a practice framework across thematic areas, the ESG space is more corporate centric and aimed at 'profitable', 'sustainably-driven' investments that take cognisance of societal well-being.

High ESG value in business organisations can lead to efficient management and profitability

Though companies have made substantial headway on the disclosure of environmental impact and governance standards, a wide chasm nonetheless remains in delineating, quantifying and consequently disclosing the 'S' in ESG criteria.

In the current situation, gender is under-represented in the ESG domain. As a result, gender equality mainstreaming across the ESG pillars is largely ignored, deferring the financial possibilities that can otherwise emerge from empowering women and recognising them as stakeholders and protecting their rights as workers.

³⁶ <https://idronline.org/the-rise-of-gender-lens-investing-in-asia-fundraising/>

Transition to clean investments for gender-sustainable supply chains

The focus on transitioning to sustainable supply chains has increased significantly in the past few years with a spotlight on gender equality within the supply chain.

The adoption of social equity is crucial as social injustice in any one tier of the supply chain tends to amplify and affect the long-term viability of any business. The various dimensions that come under gender-sustainable supply chains include non-discrimination, adequate housing, women's safety at the workplace, equal wages, health and hygiene, hunger and bonded labour.³⁷

As a growing industrial and manufacturing market, India has also begun instilling sustainability practices in value supply chains through governance. The NMCP supports MSMEs through incubators, financing of pilot projects, marketing and overall sustainable development.³⁸ This effort to support MSMEs in developing skills at par with international competitors was initiated in 2004.

The top 1,000 companies listed on SEBI must provide an overview of their ESG risks and opportunities, along with social-related disclosures that include gender and social diversity, SIAs and CSR. The aim is to lead to long-term value creation and allow investors to understand sustainability-related risks and opportunities.³⁹ However, in the case of the NMCP, the key agenda does not include the building of gender-responsive sustainability initiatives in the manufacturing supply chain. Moreover, the scope of its application is at a nascent stage, with SEBI mandating that only the top 1,000 listed entities report on BRSR.

According to the latest notification from SEBI, the existing BRR has been replaced by BRSR, which includes sustainability reporting along with financial reporting.

With women's participation in the labour force decreasing from 26.7% in 2005 to around 19.9% in 2020,⁴⁰ there is an urgent need for gender sustainability at the workplace. A gender-sustainable supply chain can increase productivity and workforce turnover (fewer people falling sick or dropping out), create good perception in society and better relationships with stakeholders (ease of operations), and improve the supply chain's ESG rating, consumer evaluations and investment portfolio. Additionally, stakeholders within the supply chain must hold their suppliers accountable to international labour and gender standards to ensure sustainable procurement. Companies must also invest in ensuring fair wages are paid across genders and educating their workforce on best practices and social equality, apart from investing in better hygiene and health facilities for women and introducing conveniences such as childcare support and flexible leave. These actions will build a sustainable supply chain that will continue to give long-term positive returns.



³⁷ Mani, V., Gunasekaran, A., Papadopoulos, T., Hazen, B. and Dubey, R. (2016). Supply chain social sustainability for developing nations: Evidence from India. Resources, Conservation and Recycling, 111, pp.42–52.

³⁸ Msme.gov.in. (2022). National Manufacturing Competitiveness Programme. [online] Available at: <https://my.msme.gov.in/MyMsmeMob/MsmeScheme/NMC P.htm>.

³⁹ www.sebi.gov.in. (2021). SEBI | SEBI issues Circular on "Business Responsibility and Sustainability Reporting by

listed entities." [online] Available at: https://www.sebi.gov.in/media/press-releases/may-2021/sebi-issues-circular-on-business-responsibility-and-sustainability-reporting-by-listed-entities-_50097.html.

⁴⁰ data.worldbank.org. (2021). Labor force, female (% of total labor force) - India | Data. [online] Available at: <https://data.worldbank.org/indicator/SL.TLF.TOTL.FE.ZS?locations=IN>.

Climate finance is driving women's entrepreneurship – the MSME way

Women entrepreneurs are significant contributors to the recorded growth of MSMEs⁴¹ in India. Women-owned enterprises constitute 20.37% of the total 633.88 lakh MSMEs in the country. Also, 24%⁴² of the sector's workforce comprises women.

It is evident that MSMEs have the potential to shape the adaptive capacities of women engaged in the sector by enhancing financial capacities, decision-making abilities and overall well-being. From a consumer perspective, the strong presence of such enterprises in smaller rural and urban markets can facilitate faster dissemination of climate-smart technologies and products among women, which is otherwise difficult to achieve. The deeper understanding of consumer needs at the local level held by these enterprises can be leveraged to develop climate products that are more easily accepted by women.

While the potential of MSMEs to unlock women's resilience to climate change is evident, it is ironic that the engagement of women entrepreneurs in the sector is relatively limited. Most women-owned MSMEs are confined to micro enterprises in India.⁴³ Similarly, they form only a small segment (33%) of all early-stage entrepreneurs in India (IFC 2021).⁴⁴ Inadequate gender-disaggregated data on climate products and services provided by the MSME sector is a challenge to identifying bottlenecks in creating financially viable businesses catering to women's issues. Women entrepreneurs in India struggle to secure funds through traditional formal financing mechanisms. **The finance gap for women-owned MSMEs was found to be INR 6.37 trillion, i.e. 73% percent of the total demand.)⁴⁵** Barriers to traditional financing are on account of lack of awareness on women-owned businesses, perception of women as a higher risk, reduced ability to produce collateral, etc. Women are also forced to rely on informal and unreliable sources for borrowing – moneylenders, middlemen, agents and so on.

In this context, access to climate finance is an even greater challenge for women entrepreneurs to overcome. The key barriers to access for women are as follows:

- **Climate fund flow mechanisms:** Unlike traditional MSME financing, climate finance in India is mostly made available through formal financing structures such as national climate funds (e.g. NAFCC), Union and state budgets, international climate finance (e.g. GCF, GEF, CIF) and private climate finance (e.g. CDM). These are guided by stringent rules and regulations with limited flexibility for MSMEs to seek direct individual funding.
- **Extensive procedures of existing schemes and provisions:** Schemes and provisions to increase sectoral engagement of MSMEs in climate action, such as the CDM and the GCF's MSME programme, have seen little success. This is primarily due to the extensive procedures and requirements like upfront cost and energy emissions audits that entrepreneurs are required to comply with before and after finance is received. Women MSMEs often lack the technical expertise and funds to fulfil these criteria. There are no standardised eligibility criteria to access MSME finance, and the same vary from scheme to scheme.
- **Weak policy and financial infrastructure:** The current policy framework and financial infrastructure to channelise climate funds into MSMEs is weak and fragmented. India lacks a clear policy directive on how to facilitate this fund flow.
- **Lack of awareness on climate finance:** Most women in the MSME sector are micro enterprise owners located in remote locations. They lack the necessary information on the few financial schemes and programmes that are available on climate action. Low financial literacy on leveraging climate action is also a big challenge.

To encourage women MSMEs to access climate finance, the Government must establish a clear policy framework and simplify qualifying criteria. Developing targeted financial products in line with the strengths and weaknesses of women entrepreneurs will further increase access. Lastly, provisions are needed to enable microfinance institutions and non-banking financial companies to provide climate finance.

⁴¹ It has maintained a consistent growth of at least 10 per cent since 2015 with a sectoral contribution of 30.27% to the national GDP in 2018-19 (Gol, 2021)- <https://msme.gov.in/sites/default/files/MSME-ANNUAL-REPORT-ENGLISH%202020-21.pdf>

⁴² The sector employs a total of 1109.89 lac individuals (Gol, 2021)- <https://msme.gov.in/sites/default/files/MSME-ANNUAL-REPORT-ENGLISH%202020-21.pdf>

⁴³ Government of India (2021) MSME annual report 2020-21, <https://msme.gov.in/sites/default/files/MSME-ANNUAL-REPORT-ENGLISH%202020-21.pdf>

⁴⁴ <https://www.ifc.org/wps/wcm/connect/ca5c0868-e89d-4b43-ace5-8a702ed29b25/Financial+Inclusion+for+Women-owned+MSMEs.July+31.pdf?MOD=AJPERES&CVID=mOK28X8>

⁴⁵ <https://europepmc.org/article/pmc/pmc8662980>



4. Developing a blueprint for a sustainable future

This section discusses some of the critical areas of focus for creating an inclusive and sustainable green future.

Gender equality in green growth sectors

Businesses that can function by establishing and acting on the linkages between gender equality within communities and climate action and engage in continual sustainable practices can progress rapidly. Through responsible and strategic actions, small and local businesses in developing countries can address and mitigate climate change risks and optimise opportunities for affected communities and business organisations. Managing cost liabilities arising from climate change impacts across operations and value chains is important for companies seeking to become more **resilient**. Furthermore, continued neglect of the issues of climate-vulnerable societies and women can put businesses risk of reputational damage and brand mismanagement. Women in India who are most vulnerable to climate impacts must be placed at the centre of the green economy and green recovery, with the Government and private sector supporting their adaptation and sustainable development. Using technical and sector-specific expertise to implement adaptation efforts can provide greater levels of public financing and increase the efficiency of the entrepreneurial system. This is as relevant to small-scale enterprises and MSMEs, as it is to large industries and corporates, as sustainability initiatives need to be strengthened

under the ESG mandate and beyond. **Impact investing** can accelerate poverty reduction measures by investing in communities inclusively. Value chains that engage women in sectors like agriculture, microenterprises and other informal sources of livelihood generation need greater attention. These include manufacturing subsectors that are vital to the national economy such as garment factories and other industrial units where women from low-income groups comprise a large part of the workforce.

Innovation and technology as pillars for accelerating gender-equitable action

Growth in market share and wealth creation among economically weaker communities can be achieved by **developing new digital and innovative solutions and services to intensify adaptation efforts**. Collaborations with local government and other agencies can contribute to these efforts. Multistakeholder partnerships across sectors are required to ensure **that women have access** to the right channels for income generation from factories to farms and in food systems. Government bodies in India can support the economic costs of climate change adaptation, leading to benefits in **specific climate-vulnerable regions**. A key measure is scaling up women's informal businesses and shaping them into more formal and result-driven MSMEs.

Green investments with the right technological and innovation measures

can facilitate clean development and an eventually transition to net zero goals. Scaling up equitable investments to improve human and social capital through knowledge sharing, technology access, upskilling and access to finance for women by leveraging opportunities created by the private sector is instrumental. Moreover, enhancing employment opportunities to address the economic and social losses from climate disasters and the pandemic is an important response to climate change.

Need for gender-specific data to develop climate-smart, women-centric solutions

Data is a priority for targeted action towards specific groups of women across regions, sectors, geographies and communities. Data-driven collaborative action, across sectors and at both the horizontal and vertical levels will support in developing accountability. Gender-equitable approaches must be used to map those most susceptible to multidimensional poverty, such that they can be empowered to access potential opportunities, improve their skill sets, and explore new avenues and markets that can increase their social and economic gains. At present, lack of gender-disaggregated data is a barrier to scaling up gender-responsive opportunities.

Reinforcing a gender-just transition to climate resilience requires both public and private sector participation

There is a need for innovative approaches for enhancing women's access to climate action by enhancing their skills to prepare better context-specific intervention plans for mitigation and adaptation. Mobilising finance for adaptation at the national and sub-regional levels must be prioritised at the community level. This can be a small step towards bridging the gaps in gender-differentiated outcomes through public and private funding. Institutional interventions in financial systems can integrate gender-responsive services in climate change action. A case in point is the European Commission,⁴⁶ which adopted a regulatory mandate that underscored the 'minimum standards' aligned to the Paris Agreement goals and climate transition benchmark in 2019. Similar regulations in Indian businesses can create a sustainable environment for all. Empowering women and those

in marginal societies can enable a smooth shift to green jobs. This can also augment a gender-just and inclusive environment for work that can contribute to climate resilience.

The transition process needs to integrate accountability with respect to ensuring the promotion and protection of women's rights. Women can be unique agents of knowledge and skills for effective solutions to climate change. This will require intervention across existing and new businesses that overlook gender biases in their practices. Transition processes in sectors such as energy must be accompanied by an institutional mechanism that enables active involvement of regional and local stakeholders in planning an efficient transition to a gender-just green economy. Climate decision making that focuses on the environment and the collective needs of societies and its most vulnerable people can lead to substantial progress in the social innovation domain. Engaging women as key stakeholders can amplify social and economic gains for both businesses and women in work.

Green bonds for Indian business: In Union budget 2022–23,⁴⁷ India has committed to decarbonising the economy and ushering in green infrastructure by issuing sovereign green bonds for greater resource mobilisation. Green bonds have not gained momentum in India despite the fact that it is the second largest emerging market for green bonds after China and the USA. Financing green initiatives for climate action in India, green bonds are an opportunity for Indian investors, corporates and stakeholders who are looking at debt financing options.



⁴⁶ European Commission. (2019, November 27). Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 amending Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks, and sustainability-related disclosures for benchmarks. <https://eur->

[lex.europa.eu/legalcontent/EN/TXT/?uri=celex:32019R2089](https://www.cnbcvt18.com/economy/explained-what-are-green-bonds-and-how-can-they-fund-green-infrastructure-12337522.htm)
⁴⁷ <https://www.cnbcvt18.com/economy/explained-what-are-green-bonds-and-how-can-they-fund-green-infrastructure-12337522.htm>

Gender bonds for gender equity

Globally, debt capital markets are instrumental in financing progress toward gender equality in both the public and private sectors. Social, sustainability, and sustainability-linked bonds and loans are debt instruments that can provide financing opportunities for vulnerable communities in climate adaptation efforts and climate-smart projects. With the rise of sustainable finance mechanisms, new solutions such as gender bonds⁴⁸ can help mitigate social risks, multidimensional vulnerabilities and gender inequality, and consequently reduce gender gaps. These bonds can positively impact an organisation's performances, as greater gender diversity in teams and a higher rate of gender diversity in boardrooms have been linked to reduced securities fraud.⁴⁹ At the same time, such organisations also perform better in terms of CSR initiatives and ESG practice. Integrating gender objectives into the framework of bonds can effectively tackle structural barriers to gender-equitable outcomes and optimise economic opportunities for women in women-led and managed business initiatives.

Resource mobilisation and upskilling for a socially inclusive workforce

With energy transition seeing growing momentum and the inclusion of a net zero pledge in India's development agenda, a sustainable gender-inclusive workforce is an imperative for women and men to be gainful recipients of economic growth. Building resilience through upskilling of large workforces can substantially reduce gender gaps in workforce demographics, biased practices, impact on livelihoods and pay disparities. It will be vital to integrate gender-equitable practices across supply chains in green growth sectors. Human rights due diligence, engagement of climate-vulnerable communities in scalable initiatives, low-carbon development across supply chains of corporates and financial firms – all of these initiatives have the potential to support women-led and owned sustainable practices and will be of immense value for building wider societal resilience. Resource mobilisation, collaboration, and cooperation among business firms, civil society groups and governments can integrate adaptation into business planning processes.

A distributive approach to financing diverse sectors of development and overcoming the digital divide can be a critical step for achieving a holistic economic growth trajectory. In addition to inflation, debt and increasing commodity costs and social inequalities, labour market imbalances and the digital divide, inequitable access to education, skills and economic opportunities are concerns which must be adequately addressed. Transitioning to a net-zero sustainable economy with integrated perspectives on climate change and a CDM would entail rapid movement to climate change solutions that focus on gender-responsive approaches to amplify women's socioeconomic positions and enable ownership opportunities.

If gender diversity becomes a practice and not just a mandate across organisations, it can enable greater value creation across supply chains and workforce. It can also drive economic performance and growth, with women in leadership roles amplifying environmental, governance and social profit. India's social and economic contexts must ensure wider representation of women across all sectors in order to help organisations perform better.



⁴⁸ <https://www.ifc.org/wps/wcm/connect/05aca7eb-6e85-4296-8b27-f8c75c7107d4/Bonds+to+Bridge+the+Gender+Gap.pdf?MOD=AJPERES&CVID=nQI1OB1>

⁴⁹ <https://hbr.org/2021/05/banks-with-more-women-on-their-boards-commit-less-fraud>



5. Addressing gender equality in climate action



Funding and raising awareness

Investments under ESG initiatives can be used to target women-owned small enterprises and support them with funding and financial management.

Additionally, it is important to raise awareness amongst women about existing Government and private schemes.



Upskilling and mentorship

Women entrepreneurs in India would greatly benefit from gaining essential business and management skills from successful mentors. Mentorship initiatives will help create an environment of innovation in small businesses and build a robust system of support and learning.



Integrated gender-tagged policies

While women entrepreneurship policies exist in the country, it is important for these policies to better define the social sector of ESG as well as lay out detailed framework for inclusive businesses. This framework should take gender-specific policies into consideration, such as reproductive healthcare, disparities in access to education and awareness and discrimination.



Knowledge building and technology integration

To engage with the community and potentially develop and scale-up enterprises, women require knowledge-building sessions and workshops. Perpetual and systemic disparity in education levels and social status have impacted women's confidence in expanding their businesses. Technology integration along with targeted training can help bridge this gap.

Source: PwC analysis

In conclusion, we would like to highlight the four interconnected areas for consideration: (1) gender-responsive climate funding and awareness generation among women across levels on available resources and support, (2) upskilling and mentorship programmes for women climate entrepreneurs, (3) policy advocacy and (4) evidence generation on climate results with a focus on gender equality as well as support for green innovation designed keeping in mind the first-mile users (women and the marginalised).

Recommended actions

Linking sector-based context-specific scenarios to on-ground perspectives will strengthen women's participation in climate initiatives, thereby enhancing the adaptability and sustainability of these initiatives.

Ensuring equal access and opportunity to education and economic assets – i.e. land, natural resources, training and knowledge – **will help women drive sustainable development.**

Promoting gender and development research will help government and non-government bodies take informed action. Thus, it would be beneficial to design, implement and publish pilot studies that test the **degree of impact of women's engagement across the value chain on climate results.**

Given the multitude of stakeholders engaged in climate decision making, **collaboration with public and private actors** is essential to deliver improved results.

Financial strategies and innovative approaches are crucial to **close digital and knowledge gaps** among the most vulnerable communities.

Scaling up development projects across the value chain for women in the workforce is important and profitable. Women need to be given access to fundamental productive assets and agency for decision making.

Enhanced institutional transformations for stronger enforcement of climate policies and adaptation measures will include **incorporation of a gender lens** for quantitative and qualitative improvements.

Recommended actions

Full participation of key ministries must be ensured for **systematic improvement of national and regional climate programmes** for low-emission, green growth.

Ministries/departments of women and child development and social justice must be closely involved so that planning on climate initiative includes the perspectives of the vulnerable.

Leveraging public funding for climate finance through public-private collaborations can lead to greater growth and inclusivity.

A bottom-up approach to social investing and social entrepreneurship can revitalise businesses that engage women in India's rural and urban landscape.



Glossary

Abbreviation	Definition
AF	Adaptation Fund
AIPA	Apex Committee for Implementation of Paris Agreement
BRSR	Business Responsibility and Sustainability Reporting
CAMPA	Compensatory Afforestation Fund Management and Planning Authority
CBDR-RC	Common but Differentiated Responsibilities and Respective Capabilities
CDM	Clean Development Mechanism
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CIF	Current Investment Fund
COPs	Conference of the Parties
CPI	Climate Policy Initiative
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
DFI	Development Finance Institutions
DoEA, MoF	Department of External Affairs, Ministry of Finance
ESCOs	Energy Services Companies
ESG	Environmental, Social and Governance
FMCG	Fast-moving consumer goods
GAP	Gender Action Plan
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GES	Gender Equality Summit
GP	Gram Panchayat
IAP	Indoor Air Pollution

Abbreviation	Definition
IDA	International Development Agency
ILO	International Labour Organisation
LWPG	Lima Work Programme on Gender
MIWE	Mastercard Index of Women Entrepreneurs
MEA	Multilateral Environmental Agreements
MSME	Micro, Small and Medium Enterprises
MOEF&CC	Ministry of Environment, Forest and Climate Change
NAPCC	National Action Plan on Climate Change
NAF	National Adaptation Fund
NAFCC	National Adaptation Fund for Climate Change
NCEF	National Clean Energy Fund
NDCs	Nationally Determined Contributions
NDRF	National Disaster Relief Fund
NMCP	National Manufacturing Competitiveness Programme
PRI	Panchayati Raj Institution
PSU	Public Sector Undertaking
SAPCC	State Action Plans on Climate Change
SBA	Swachh Bharat Abhiyan
SDG	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
SIA	Social Impact Assessment
SFtW	She Feeds the World
SHGs	Self-help Groups
UNFCCC	United Nations Framework Convention on Climate Change
UNGCNI	United Nations Global Connect Network India
WEE	Women's Economic Empowerment
WCRF	Women-led Climate-resilient Farming

Acknowledgements

We would like to thank all contributors from United Nations Global Compact Network India and PricewaterhouseCoopers Private Limited India for providing their valuable insights to this knowledge paper which explores the benefits of planning a greener future with women at the core for both businesses and development sector specialists.

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About UN GCNI

Global Compact Network India (GCNI), formed in November 2000, was registered in 2003 as a non-profit society to function as the Indian Local Network of the UN Global Compact, New York. It is the first Local Network in the world to be established with full legal recognition. It also serves as a country level platform for businesses, civil society organisations, public and private sector and aids in aligning stakeholders' responsible practices towards the Ten Universally Accepted Principles of UNGC in the areas of Human Rights, Labour, Environment and Anti – corruption, broad UN goals including Sustainable Development Goals and other key sister initiatives of the United Nations and its systems. It has also emerged as the largest corporate sustainability initiative in India and globally with a pan India membership of 350 leading business and non-business participants and 350 signatories, strengthening their commitment to the UN Global Compact Principles by becoming proud members of the Local Network in India. For More Details, Please Visit: www.globalcompact.in

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Data Classification: DC0 (Public)

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GG – March 2022 - M&C 17937