ASEAN Low Carbon Energy Programme

Integrating a Gender Lens in Voluntary Carbon Markets

Volume II. *Main Report*

ASEAN LCEP Core Delivery Partners

Technical Partners

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To get in touch:

FCDO ASEAN LCEP
Gilles Pascual Gilles.Pascual@sg.ey.com
Smita Biswas Smita.Biswas@dt-global.com

Gender Tech Enterprises
Sue Phillips Sue@gendertech.co.uk

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Acronyms

ACR	American Carbon Registry
ASEAN	Association of Southeast Asian Nations
BEIS	Department for Business, Energy & Industrial Strategy
CAR	Climate Action Reserve
CCB	Climate, Community and Biodiversity
CCP	Core Carbon Principle
CDM	Clean Development Mechanism
CO2	Carbon dioxide
COP	Conference of the Parties
CSR	Corporate Social Responsibility
DEI	Diversity, Equity and Inclusion
EDF	Environmental Defence Fund
ESG	Environmental, Social and Governance
FCDO	UK Foreign, Commonwealth and Development Office
GAP	Gender Action Plan
GHG	Greenhouse Gas
IC-VCM	Integrity Council for the Voluntary Carbon Market
ILO	International Labour Organization
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
IPCC	Intergovernmental Panel on Climate Change
IPLC	Indigenous Peoples and Local Communities
ISO	International Organization for Standardization
ITMO	Internationally Transferred Mitigation Outcomes
LEAF	Lowering Emissions by Accelerating Forest Finance
LCEP	Low Carbon Energy Programme
MRV	monitoring, reporting and verification
NDC	Nationally Determined Contributions
PFP	People's Forest Partnership
REDD+	Reducing Emissions from Deforestation and Forest Degradation
SAN	Social Audit Network
SBTi	Science Based Targets initiative
SD	Sustainable Development
SDG	Sustainable Development Goals
SDG5	Sustainable Development Goal 5: Gender equality
TSVCM	Taskforce on Scaling the Voluntary Carbon Market
UNFCCC	United Nations Framework Convention on Climate Change
UN-REDD	United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation
VCM	Voluntary Carbon Market
VCMI	Voluntary Carbon Markets Integrity Initiative
VCS	Verified Carbon Standard (VCS)
VCU	Verified Carbon Unit
VVB	Validation and Verification Body
WOCAN	Women Organizing for Change in Agriculture and Natural Resource Management

Definitions

Benefit Sharing is the sharing of monetary and non-monetary benefits from the sale of carbon credits with the mitigation activity's partners (see ICVCM Glossary).

Gender refers to the socially constructed behaviours, expectations, cultural attributes, and norms associated with women, men, boys, girls, and gender diverse people.

Gender Equality refers to the full and equal exercise of rights by men and women. They have equal access to socially, economically, and politically valued goods, resources, opportunities, benefits, and services. It is the absence of any discrimination on the basis of gender.

Social Inclusion refers to the process of removing institutional barriers and the improvement of incentives to increase the access to development opportunities by a range of individuals and groups; it is essentially making the 'rules of the game' fairer.

Women's Empowerment may be defined as building assets, capabilities, and opportunities for women to participate in all parts of society on the same basis as men

Gender Sensitive examines and considers gender norms, roles, and relations to create awareness and meet the minimum safeguarding requirements.

Gender Responsive addresses gender inequality generated by unequal norms, roles, and relations by going beyond creating awareness and minimum safeguarding requirements to taking more active measures that aim to empower individuals to make active choices to build their access to rights and awareness.

Gender Transformative addresses the root causes of gender and social inequality by transforming unequal gender norms with the aim to change structural power and social relations.

Carbon Credit (also referred to as a carbon offset) is a transferable instrument representing one metric ton emission reduction of carbon dioxide (CO2) or greenhouse gas (GHG) equivalent, that is verified by independent certification bodies. Carbon Credits are created through a certified carbon reduction project that either 'avoids' or 'removes' CO2 emissions from the atmosphere and sells them to buyers to compensate for their negative residual emissions.

Carbon-Crediting Program is a standard setting program that registers mitigation activities and issues carbon credits.

Indigenous Peoples and Local Communities (IPLCs) are, typically, ethnic groups who are descended from and identify with the original inhabitants of a given region, in contrast to groups that have settled, occupied, or colonised the area more recently (see Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) glossary).[i]

Mitigation Activity is an activity that reduces anthropogenic emissions of a greenhouse gas or enhances removals by sinks relative to emissions in the activity's baseline scenario and seeks registration and issuance of carbon credits under a carbon-crediting program. The term refers to activities that may be implemented at different scales, including projects, programmatic approaches, policies, or jurisdictional REDD+ activities. They may also be implemented at one or more sites (see ICVCM Glossary).[ii]

Offsetting is the compensation for an entity's greenhouse gas emissions by achieving an equivalent amount of emission reductions or removals outside of that entity.

Validation is the process of independent, third-party evaluation of a mitigation activity requesting registration under a carbon-crediting program by an accredited Validation and Verification Body against the requirements of the applicable carbon-crediting program.

Verification is the process of periodic independent, third-party ex-post evaluation by a Validation and Verification Body of requests by a registered mitigation activity to issue carbon credits against the requirements of the applicable carbon-crediting program.

Voluntary Carbon Market is a decentralised market where ecosystem actors voluntarily buy and sell certified carbon credits that represent CO2 or GHGs avoided or removed from Earth's atmosphere.

Foreword

By Gilles Pascual & Smita Biswas

Gilles Pascual
Programme Director
ASEAN Low Carbon Energy Programme

Smita Biswas
Gender & Inclusion Lead
ASEAN Low Carbon Energy Programme

Funded by the UK's Foreign, Commonwealth and Development Office, the ASEAN Low Carbon Energy Programme (LCEP) is a £15 million 3-year development programme with the aim of facilitating sustainable finance flows and improving energy efficiency measures in the ASEAN region. Implemented in compliance with the UK's International Development (Gender Equality) Act, the Programme seeks to support a Just Transition to a low carbon economy by mainstreaming gender across all its interventions, with an empowerment level of ambition.

The role of women in dealing with all aspects of the climate change challenge is central, crucial and indispensable. Women continue to bear a disproportionate burden from the adverse impacts of climate change, and despite some progress having been made over recent years, the gender perspective needs further work to be fully integrated into the processes of formulating and implementing policies and actions on the ground. This is of utmost relevance to the ASEAN region where there is much to be done to close the gender gap, address high rates of deforestation whilst also being a prime area for potential high-quality, investable carbon offset projects.

Over its three years of implementation, LCEP has been a pioneer for challenging existing ways of approaching **gender integration in climate finance,** for the betterment of both people and planet. To that end, we have previously supported the GenderSmart flagship publication **"Gender & Climate Investment: A Strategy for Unlocking a Sustainable Future"** and published **"Integrating Gender Considerations into Sustainable Bonds: A How-to-Guide"** in collaboration with the International Institute for Sustainable Development and GenderSmart. This current report, focused on intentionally **integrating a gender lens in the voluntary carbon markets (VCMs),** is the third in our series of publications challenging the status quo.

There is increasingly widespread recognition that voluntary carbon credits can be a crucial instrument for reducing greenhouse gas emissions. Accordingly, there has been an exponential global growth in terms of the size and scale of the VCM sector. In tandem, 2021/22 in particular has seen the emergence of a series of global initiatives of strategic importance to shape and govern the integrity of the VCM to accelerate a Just Transition to 1.5 degrees.

Our extensive stakeholder consultation and research for this report shows that whilst good steps in developing gender equality and safeguarding criteria as well as in encouraging buyers to purchase high integrity carbon credits are being taken, **much more must be done to promote gender equality in VCMs.** These need to go beyond risk-reduction and address structural change. There is ample evidence that the **direct and intentional inclusion of women and girls into carbon and climate projects more widely can deliver better carbon and climate outcomes, promote gender equality and improve overall project sustainability.** It will be a missed opportunity if this is not recognised and addressed.

We hope that this pioneering report will stimulate action across the VCM eco-system by building the case, presenting the evidence and examples of best practice and proposing a set of comprehensive recommendations for integrating a gender lens in the voluntary carbon markets.

Acknowledgements

The report 'Integrating a Gender Lens in Voluntary Carbon Markets' is made up of three separate volumes: the Executive Summary (Volume I), the main report (Volume II), and a set of appendices of tools and resources (Volume III).

This report has been written by Sue Phillips (Gender Tech Enterprises) and Olivia Jenkins (Social Development Direct) with contributions, guidance and support from Smita Biswas (DT Global) and Suzanne Woodman (DT Global).

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Executive Summary

This report has been commissioned and funded by the UK Foreign, Commonwealth and Development Office (FCDO) under the ASEAN Low Carbon Energy Programme (LCEP). It presents the findings and recommendations of research into gender and the voluntary carbon markets (VCM) undertaken over the period of February through September 2022.[1]

Five key learnings from this report

Empowerment of women in VCM projects through their participation and involvement in leadership **can improve climate outcomes for all,** leading to better and more efficient use of resources and more sustainable results.

Historically, women have been under-represented throughout the VCM ecosystem, especially in the global south. This needs to change by **'opening the VCM door' widely to women.** The massive gender gap in financial flows to women engaged in climate stewardship (including inequitable benefit sharing arrangements, and under-representation in leadership, management, and project owner and developer roles) all need to be addressed so that women can better contribute to the much needed success of the VCM.

There is a **growing demand amongst buyers for more expensive higher-integrity carbon credits** that meet robust social and environmental standards, including an interest in credits that can prove **both that they 'do no harm' and also deliver genuine opportunities for women,** with transformational stories being particularly engaging.

Demand is greater than supply and **all crediting programmes have a role to play by raising their game to the 'best in class'[2] with encouragement and technical support** to project developers. This can be done through the adoption of specific requirements on gender integration, provision of clear guidance and examples for project developers, and more demanding and robustly collected impact data required before labelling projects as 'empowering women'.

The Integrity Council for the Voluntary Carbon Market (IC-VCM), Voluntary Carbon Markets Integrity Initiative (VCMI), and others involved in market governance and intermediary roles (such as carbon ratings agencies, exchanges, and financial institutions) can all contribute to raising market awareness, demand, and supply of **carbon credits that integrate the experiences, voices, and opportunities for women.**

1 It involved an in-depth review of existing research and crediting programme coverage of gender equality and women's empowerment, search for best practice in related and relevant sectors, and a series of key stakeholder interviews and discussions across the VCM ecosystem.

2 See Section 4.3 of Volume II of this report

Why gender matters

Gender equality is both a human right and essential for a Just Transition. Gender gaps still persist in 2022, including in economic opportunity, political power, education, and health. Estimates show that it will take 136 years to reach parity in these areas with the current trajectory, with progress being hindered further by COVID-19 (which disproportionately had a negative effect on women).[iii] A 2015 study by McKinsey showed that if the global economy representation gap were to close, up to US$28 trillion (or 26%) could be added to the global GDP by 2025.[iv]

Climate change is worsening, and social inequities are experienced differently by women and men. Deliberate action is needed to ensure climate adaptation and mitigation do not worsen gender and social inequities and, wherever possible, deliver positive impacts for girls and women that help close the gender gap.

Why gender makes a difference to activities that are designed to reduce or remove carbon emissions?

Targeting women in climate projects can improve climate outcomes for all, leading to a more efficient use of resources and more sustainable outcomes.

Women are on the frontline of climate change mitigation and adaptation and offer unique perspectives, expertise, and problem-solving capabilities. Women—and particularly rural and indigenous women—play a significant role in agricultural production and forest management[v] and are uniquely placed for involvement in the management of nature-based solutions. If project developers want to drive strong climate outcomes, they need to target women.

Targeting women in climate projects can improve climate outcomes for all, leading to a more efficient use of climate finance. There is growing evidence that women-managed nature-based solutions deliver better climate outcomes.[vi] For example, research of a 'payment for ecosystem services' intervention in Indonesia, Peru, and Tanzania found that the 50% of forest user groups with a 50% gender quota conserved more trees and shared payments more equally than those without a gender quota.[vii] Carbon reduction initiatives such as clean cookstove projects are already reducing both women's exposure to toxic fumes from indoor air pollution and the number of hours women need to spend on fuel collection and cooking, leaving more time for income-earning or leisure activities.[viii]

On the other hand, a poorly regulated market has resulted in standards with varying levels of social and environmental protections and safeguards and, with some notable exceptions, very little consideration of gender dimensions and impact.

Why strong representation of women in the VCM ecosystem matters and how it could be strengthened

The research findings highlight the importance and value of greater participation of women in the VCM. Women have been historically under-represented throughout the VCM ecosystem at every level.

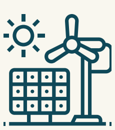
Women have proven to be effective leaders in achieving climate goals. Evidence from a number of sources[ix] support that claim. A critical mass of 30% women on a company's board improves climate governance, innovation, and a lower growth of emissions: 0.6% compared to 3.5% for companies with no women on their board.[x] Evidence from a CDC and Berkely Haas School of Business study show that women in corporate leadership are more likely to proactively improve energy efficiency, invest in renewable energies, and measure and reduce carbon emissions.[xi]

Some examples of the perceived value that women play highlighted by interviewees include: the strong presence of women in leadership, Boards, and advisory groups of IC-VCM and VCMI, the entry of highly experienced women from the corporate social responsibility (CSR) sector, and growing feminisation of the gender profiles of organisations leading the way on high integrity market initiatives.

But overall, the sector is still very imbalanced. Feedback from women interviewed in this research suggests the need for more proactive policies, targets, recruitment, and training of women across the VCM ecosystem. Figure 1 below illustrates what 'good' would look like for women engaged in the VCM.[3]

Figure 1: What does 'good' look like for women engaged in the Voluntary Carbon Market?

Women engaged in the VCM are **both safe from harm and see beneficial outcomes** from this engagement (e.g. increased incomes, respect for their leadership roles, equitable ownership of assets, improved health outcomes.)



Women are not portrayed only as beneficiaries of VCM projects, but are **equally represented at the table and have an equal stake in projects.** This may be directly as community representatives, as entrepreneurs, or via women's groups and organisations.

Women have a **complete understanding of how their projects are being financed** and they know the value they bring to the carbon market financial flows.

Women **benefit from the proceeds** of the carbon credit sales in an equitable manner.

Buyers of credits can map and **monitor how the contribution of women is being measured** in terms of their obligations and financial benefits and are **not being sold carbon credits that misleadingly claim to particularly benefit women.**

All actors across the VCM comply with **comprehensive gender requirements, which are gender sensitive and enhance gender equality** at the same time as producing positive climate outcomes. Technical support is available when needed.

3 This box has been adapted from Sixdegrees https://www.sixdegreesnews.org/archives/31284/this-fargo-further-women-and-the-carbon-market

Why does gender matter right now?

With the recent fast growth in size of the VCM and the exponential growth predicted over the rest of this decade,[xii] it is critical that consideration of the gender dimensions of market operations are not left behind. This rapid, largely unrestrained growth has led to the emergence of global level market governance initiatives, such as the IC-VCM and the VCMI, amongst others. These initiatives offer strategic and critical opportunities to influence the VCM. It is important to ensure that gender equality and women's empowerment are embedded into emerging benchmarks the define high integrity amongst both suppliers and buyers of carbon credits.

With rapid growth comes the emergence of new market actors and innovative processes—including methodologies, standards, carbon rating agencies, carbon exchanges, advisory services, and funders—creating both opportunities and challenges for ensuring the gendered implications of VCM operations are fully understood and embedded to avoid intended harm and missed opportunities.

The policy environment is changing and it's time to catch up

Gender equality and women's empowerment are becoming increasingly recognised as integral to climate policy by the United Nations Framework Convention on Climate Change (UNFCC). At Conference of the Parties (COP) 21 in 2015, the Paris Agreement on Climate Change acknowledged that Parties should respect and promote gender equality and the empowerment of women. Similarly, in 2017 at COP 23 the Gender Action Plan (GAP) was adopted. Other relevant and significant policy developments signalling an internationally growing focus on gender equality and women's empowerment in climate is the growing inclusion of gender in Nationally Determined Contributions (NDCs) (in 2021 up to 78%).[xiii] With finalisation of Article 6 of the Paris Agreement at COP 26 in 2021, protections for women and respect for their rights to development are firmly embedded, along with the need for carbon credits to demonstrate their contribution to Sustainable Development Goals (SDGs), at the national level.

How can a gender focus be integrated and help VCM crediting programmes?

Most carbon crediting programmes reviewed make some reference to gender, but few provide clear and explicit guidance on their requirements.[4] Gold Standard is currently the most explicit about its own requirements and provides guidance to project developers. It includes mandatory requirements for all project developers seeking carbon credit accreditation, and a set of higher-level criteria for those projects wanting to demonstrate exemplary practice and gender equality impacts.

The more general absence amongst crediting programmes of specific and/or more demanding requirements on gender (either processes and procedures or targets) results in an unnecessarily low level of gender consideration, potentially resulting in unanticipated harm and missed opportunities. For crediting programmes to deliver on their integrity principles and objectives, we strongly recommend that greater attention is given to gender in project design and monitoring, reporting and verification (MRV) requirements.

4 See Section 4.3 of Volume II of this report for the list of crediting programmes reviewed.

A key finding of this report is that current gender and women's empowerment labelling/ tagging practices are generally insufficient (described by many key stakeholder interviewees as 'fluffy,' 'unquantified,' and 'unverified') to give buyers and intermediaries confidence that they are purchasing carbon credits that are delivering 'meaningful' impacts for women. A step change in the quality of, and requirements for, gender equality and/or Sustainable Development Goal 5: Gender Equality labelling will enable those crediting programmes that adopt such rigour to stand out to buyers and intermediaries seeking carbon credits linked to high quality impacts for women.

How can a gender focus be integrated and help project owners and developers?

A consistent message from the research is that there is a deficit in the supply of carbon credits that are delivering meaningful impacts for women. This is borne out by analysis of two leading registries (VERRA and Gold Standard). Twenty percent of Gold Standard SDG-labelled carbon credits are labelled SDG 5 (Gender Equality). In absolute terms, this is nearly 500 projects, well above other crediting programmes.[xiv] VERRA lists 46% of its Sustainable Development (SD) Vista certified projects as contributing to SDG 5, but the numbers involved are small, with a total of 11 out of 24 projects. Under VERRA's Climate, Community, and Biodiversity (CCB), there are 25 out of 130 projects (19%) verified or under verification for the Community Gold level, which mandates the projects generate net positive impacts on the well-being of women and that women participate in or influence decision making.[xv]

As mentioned above, another important related issue is that although there may be good gender focused projects generating carbon credit, buyers and intermediaries can find it difficult to identify them due to the absence of high-quality, comparable labelling.

An important issue raised was that of price: if the investment in gender integration is not reflected in a higher price, then why invest additional time and resources into integrating a gender focus? Is this correct? Our research findings suggest that while this has been true historically, in 'more sophisticated' parts of the market there is a growing group of buyers searching for high integrity carbon credits that come with 'co-benefits' for communities and, increasingly, with clear evidence of impacts for women. And they are prepared to pay more to achieve those targets.

A small survey by Women Organizing for Change in Agriculture and Natural Resource Management (WOCAN), Survey of Women in Environmental Markets Ecosystem (2021), found that 67% of respondents believed buyers would be willing to pay a premium price for GHG credits with women's empowerment co-benefits. A number of market players interviewed in our research claimed to be actively trying to secure a gender price premium, including Climate Impact X, Empower Co, Wildlife Works, and the Fair Climate Fund.

Of equal importance for project developers to consider are the inherent returns of investing in women: firstly, better and more sustainable carbon impacts through women's participation and active leadership in project design, management, and 'ownership' and; secondly, the social, economic and environmental benefits for women, their households, and communities that can be unlocked through leadership roles, jobs and businesses opportunities, and access to land and assets by women's empowerment. These facts are not widely known or understood amongst project owners and developers.

A further important research finding is that more project developers would integrate gender if they had easy access to case studies and examples of good practice—the what and the how—guidance and easy to use methodologies and resources, along with access to technical expertise and support. This could be a role for crediting programmes and/or a role for IC-VCM (see recommendations below).

Why are there not more women-led projects in the VCM?

The absence of women developers was cited as one potential reason why there are few women led projects to mitigate GHG emissions. Other reasons for the small number of women led climate related projects and businesses[5] with access to the VCM could be: the 'invisibility' of potentially eligible women-led climate initiatives; the projected complexity and 'inaccessibility' of the VCM to most women-led businesses and projects; the absence of knowledge and skills amongst women and the women's organisations and networks that support them; and the almost complete lack of finance going to local women. This is starkly supported by the evidence. According to a 2016 UNDP report,[xvi] projects addressing climate change and women's rights account for only 0.01% of all worldwide funding.[xvii]

What are buyers looking for and what role can they play in building a stronger demand for gender and carbon integration?

The WOCAN survey mentioned above found that 65% of respondents believe the demand for carbon credits with women's empowerment will grow once buyers are aware of the opportunity to purchase offsets with a 'co-benefit' for women's empowerment/ gender equality. 90% of the brokers who responded think there is an interest from buyers to support projects that benefit women.

Our research findings suggest that at present this demand sits in a small niche market of more 'consumer facing' corporates and those with longer engagement with the VCM who are aware of the risks and potential damage that poorly designed mitigation projects can cause—socially, environmentally, and to corporate reputations. Whilst 'the market demand for high quality' has recently exploded, widespread recognition amongst buyers of why gender and women's empowerment matter to a carbon credit purchase has not. This finding suggests the need for a buyer focused communications push, ideally led by leading corporates. As one interviewee expressed, 'it's time to create a real buzz.'

The market can also expect further growth in demand for carbon credits that empower women as corporate policy and statutory Environmental, Social and Governance (ESG) reporting evolves. Over 85% of the 500 largest global corporations now disclose non-financial information on the SDGs as part of their annual financial reporting.[xviii]

The growing body of 'gender lens' investors provides a potential source of demand for carbon credits that also empower women. This could be built upon with the support of the Gender Smart and 2X Challenge Community who are already seeing a strong interest and demand in gender and climate linked investments from the market.[xix]

5 Not easy to find data on this but the gender profile of project owners and developers could provide valuable insights.

Where are the examples of good practice?

The report includes examples of existing good practice in the VCM and, where relevant, the wider climate field. A small selection of case studies and examples of good project practice across a range of asset types are provided in Volume 3. Other innovations and 'best in class' examples from the VCM showing leadership on gender equality and women's empowerment are given in Figure 2. This is not a comprehensive list of good practices, but rather the best examples emerging from the research.

Figure 2: 'Best in class' examples from the VCM showing leadership on gender equality and women's empowerment

Innovation type	Who	What
A gender focused crediting programme	Gold Standard (see *here* for more information)	Mandatory requirements for gender sensitivity and SDG. The highest percentage and number of SDG 5 projects registered. An available certification for capturing deeper impacts for women. Provides gender policy, guidance, and tools to project developers.
The W+ Standard Women's empowerment measurement tool and accredited standard	Women Organizing for Change in Agriculture and Natural Resource Management (WOCAN) (see *here* for more information)	An independently verified rigorous and robust quantitative methodology for assessing impacts and outcomes for women. Designed to distinguish genuine and significant change for women. The W+ Standard units can be monetised and traded, returning money to project developers and requiring a minimum of 20% to be returned to local women's organisations.
Woman led brokerage	Empower Co (see *here* for more information)	Launched in 2022 to sell the W+ Standard units (attached and standalone from carbon credits) from projects with meaningful women's empowerment impacts to 'mission aligned' buyers, with at least 50% of proceeds from sales going directly to women.
Financial intermediary seeking to promote carbon credits that also meaningfully benefit women	Climate Impact X (see *here* for more information)	Inclusion of women's empowerment criteria in project ratings. Whilst only one of a number of criteria including in project scoring, inclusion of specific indicators signals recognition of the value of, and interest in women's empowerment.

Recommendations

Drawing on the research, analysis, and stakeholder findings, we have set out our key recommendations to integrate gender into the VCM. We start with outlining the recommendations relevant to a wide range of key stakeholders in the climate and gender sector, and then set out specific and more detailed recommendations for IC-VCM and VCMI. See Section 7: Recommendations in Volume II of this report for further details.

Recommendations are grouped by those relating to:

- Democratisation of the VCM
- Building market awareness, expertise, and resources
- Building a stronger demand for carbon credits with a gender equality and women's empowerment focus
- Integration of gender into global VCM governance
- National level action

Democratisation of the VCM

- Recommendation 1: Increase access to the VCM for women

Building market awareness, expertise and resources

- Recommendation 2: Form a cross market Gender Technical Advisory Group to guide and support market development
- Recommendation 3: Borrow from best practice on gender mainstreaming within the international development sector when designing VCM standards and principles
- Recommendation 4: Build on best practice on gender lens investing and women focused standard setting to develop integrated carbon and gender standards/product tagging for the VCM
- Recommendation 5: Collate and tailor available climate related gender resources to support capacity building in the VCM ecosystem to mainstream gender

Building a stronger demand for carbon credits with a gender equality and women's empowerment focus

- Recommendation 6: Create a communications campaign to raise awareness of the benefits of integrating gender into the VCM

Integration of gender into global VCM governance

- Recommendation 7: Build the governance and accountability structure for supply side integration of gender
- Recommendation 8: Carbon credit rating agencies can strengthen their contribution to increasing VCM impacts for women by highlighting carbon credits that are delivering meaningful and significant impacts for women
- Recommendation 9: Embed gender considerations into the scope of work of the Paris Agreement Article 6.4 Supervisory Body from the outset

National level action

- Recommendation 10: Build national level recognition of the importance and value of integrating gender into the design and development of carbon market regulatory frameworks nationally

VCM specific recommendations

- Recommendation 1: Include a new free-standing Criterion within Section 7.2 SD Net Positive Impact entitled "Ensuring Net Positive Gender Impacts" to intentionally integrate gender equality in terms of women's empowerment and/or transformational change across all mitigation activities
- Recommendation 2: Further strengthen the draft CCPs and Assessment Framework to be more ambitious on sustainable development impacts and gender equality and women's empowerment
- Recommendation 3: IC-VCM should play a leading role in integrating gender equality and women's empowerment across the VCM by facilitating technical guidance and advice and support to the sector
- Recommendation 4: Use IC-VCM's strategic position in the VCM to provide market governance and leadership on gender equality and women's empowerment
- NB These recommendations only relate to the Claims Code of Conduct as we are unsighted on other VCMI planned initiatives at this stage.

VCMI specific recommendations

- Recommendation 1: Further strengthen the messaging on gender equality and women's empowerment in the Claims Code of Practice to more pro-actively promote market integration of gender equality and women's empowerment as central to higher quality carbon credits
- Recommendation 2: VCMI could do more to leverage its position on the demand side of the VCM to promote gender equality and women's empowerment
- Recommendation 3: VCMI should leverage its work with national governments to promote gender equality and women's empowerment

1 Background and objectives

1.1 The need: Growing gender inequality

The latest available SDG 5 data shows that the world is not on track to achieve gender equality by 2030.[xx] COVID-19 and the backlash against women's sexual and reproductive health and rights are further diminishing the outlook for gender equality.[xxi] Violence against women remains high; global health, climate, and humanitarian crises have further increased risks of violence, especially for the most vulnerable women and girls; and women feel more unsafe than they did before the pandemic. Women's representation in positions of power and decision-making remains below parity. This is based on only 47% of the data required to track progress on SDG 5, as the other 53% is currently available—rendering women and girls effectively invisible.[xxii]

1.2 The opportunity: Growing voluntary carbon market

VCMs allow carbon emitters to offset their unavoidable emissions by purchasing carbon credits. A carbon credit is a tradable unit representing one metric ton of carbon dioxide (CO2), or an equivalent amount of another greenhouse gas (GHG), avoided or removed from Earth's atmosphere. A carbon credit is created through a carbon project, that is set up, implemented, and run by a carbon project owner. This carbon project owner will conduct an activity that either 'avoids' or 'removes' CO2 emissions from the atmosphere. An example of an avoidance project is replacing a fossil fuel power plant with renewables, so that less CO2 is emitted than was previously (emissions are avoided). An example of a removals project is replanting a forest that will absorb CO2 as it grows (emissions are removed). Many carbon projects also contribute to other social and environmental objectives, providing income to local communities or protecting biodiversity. These types of contributions are referred to as 'co-benefits'.[xxiii]

It should be noted that carbon credits can be traded in both 'mandatory' schemes (i.e. for governments to comply with national, regional, or international carbon reduction regulations) or 'voluntary' markets (which are not for regulatory purposes). The VCM allows corporates to make claims about their reduction emissions (see Figure 3 for more information).

Figure 3: What is Carbon Offsetting?[xxiv]

Companies buy carbon credits in the VCM to 'offset' their greenhouse gas (GHG) emissions. Offsetting is employed to compensate for those emissions that the company is not (yet) able to reduce internally. When a company has purchased enough carbon credits to 'offset' all emissions generated over a given timeframe, it can claim to be, for example 'carbon neutral', for that period.

Demand for carbon offset credits is expected to increase significantly over the next few years, as companies and businesses increasingly launch carbon 'net zero' and 'net positive' ambitions, often by 2050. To do this, companies will need to purchase carbon credits to offset any emissions which they are not able to reduce through other means. Due to this increasing demand, it is estimated that the global VCM could be worth upward of US$50 billion by 2030.[xxv] See Chapter 2 for more information on the background of the VCM.

Significant categories of VCM projects include renewable energy, non-renewable energy, agriculture, and forestry. They tend to be based in rural communities in the global south, for example in Latin America, Africa, and Asia. These types of projects have significant impacts on local communities, which can be both positive and negative. They also often have differentiated impacts and outcomes for women and men, due to gender and social norms. However, there is currently little understanding of the gendered outcomes, or how the VCM can be used for positive gains for gender equality. This is both a huge missed opportunity, and a risk to the integrity of the market (see Chapter 3 for more details).

1.3 Objective of this report

The overall objective of this report is to advocate for explicitly integrating a gender lens into the VCM, drawing on analysis of the current state of play of gender integration in the VCM, and including recommendations for the way forward. The report analyses gender integration in the VCM in three main sections of the VCM ecosystem:

1. The governance and institutional framework in the VCM
2. Buyers and sellers in the VCM
3. Finance and financial intermediaries within the VCM

1.4 Structure of this report

This report is structured into three volumes:

- Volume I is the Executive Summary, which can be read as a standalone document
- Volume II is the main report and findings from our research, structured into the following chapters:
  - Chapter 1: Background and objectives of this report
  - Chapter 2: Background to the VCM
  - Chapter 3: The case for gender to be integrated into the VCM
  - Chapter 4: VCM governance and institutional framework related to gender mainstreaming
  - Chapter 5: The potential for buyers and sellers in the VCM to integrate gender
  - Chapter 6: The role of finance and financial intermediaries
  - Chapter 7: Recommendations
  - Annexes
- Volume III is a depository of background analysis and tools, structured into the following appendices:
  - Appendix 1: Background on Carbon Crediting Programmes and Standards
  - Appendix 2: Best Practice for Integrating Gender in Other Sectors
  - Appendix 3: Best practice in Gender Frameworks / Markers
  - Appendix 4: Examples of best practice in integrating gender into the Voluntary Carbon Market
  - Appendix 5: Examples of emerging good practice case studies
  - Appendix 6: IC-VCM Public Consultation Response
  - Appendix 7: VCMI Public Consultation Response

1.5 Intended audience

The intended audience for this report is:

- Global regulatory bodies such as the IC-VCM and VCMI
- Other market leadership initiatives on both the demand and supply side of carbon markets
- Purchasers of carbon credits (the buyers)
- Project owners and developers (the suppliers)
- Carbon crediting programmes and standard setters (such as VERRA, Gold Standard etc.)
- VCM intermediaries such as brokers, exchanges, ratings agencies, and advisers
- Financiers of carbon mitigation projects
- Donors, philanthropists, UN Agencies, the World Bank, Development Finance Institutions, and others who are supporting the growth of high integrity carbon markets

1.6 Methodology

The research for this report was undertaken over the period of February through September 2022. It involved an in-depth desk review of research on gender and the VCM, as well as a review of standards and methodologies used by carbon crediting programmes and best practice in related and relevant sectors. It also included primary research in the form of a series of key informant interviews with stakeholders across the VCM ecosystem and group consultations in the form of two online webinars.

A more detailed description of the methodology is provided in Annex 2, along with a list of key stakeholders consulted, broken down into those who took part in interviews, our group consultations, and our Expert Advisory Group Members (Annex 1).

2 Background to the voluntary carbon market

This Chapter provides key background information on the VCM which it is necessary to understand in order to critically engage with this report. The Chapter includes information on the VCM ecosystem, the current state of the VCM, some of the key criticisms against the VCM, global regulatory initiatives, and Article 6 of the Paris Agreement.

2.1 The VCM Ecosystem

The VCM ecosystem is made up of various actors, each with their own roles, responsibilities, and incentives. The 'demand' side begins with pledges to reach net zero, necessitating the purchase of carbon credits to offset corporates' residual emissions that they are not (yet) able to reduce internally. These types of pledges are made by corporates and facilitated by consultants and brokers. The 'supply' side is made up of the projects which 'remove' or 'avoid' emissions, and the actors (project developers, owners, crediting programmes and standards, independent verifiers) who bring these projects to market as carbon credits. Intermediaries—such as exchanges, carbon rating agencies and financial actors—facilitate the purchase of carbon credits. The demand and supply sides are governed by different global regulatory initiatives and national governments. Figure 4 summaries the VCM ecosystem.

2.2 The current state of the VCM

For a number of decades, the VCM has played a role in responding to the global challenge of responding to global warming. However, over the past two years in particular, the VCM has exponentially scaled-up. This is because more and more companies are setting voluntary climate targets. Corporate climate targets are commitments to reduce some or all of a company's emissions towards net zero by 2050 or earlier. As an example, as of September 2021, more than 3,000 companies had joined the United Nation's Race to Zero campaign to take rigorous and immediate action to halve emissions by 2030 and more than 900 companies had set science-based emission reduction targets following the guidelines of the Science Based Targets initiative (SBTi).[xxvi]

At the same time, the challenge of meeting the targets set by the Paris Agreement in 2015 is becoming more and more challenging. The Taskforce on Scaling the Voluntary Carbon Market (TSVCM), a pre-cursor to IC-VCM, estimated that the VCM needs to grow to 15 times its current size by 2030 to keep global warming below 1.5°C.[xxvii] Based on the latest State of the Voluntary Carbon Markets 2022 report by Ecosystem Marketplace, 2021 was a historic, record breaking year for the VCM as it nearly quadrupled in value towards $2 billion as of mid-2022 driven by nature-based solutions and rising prices. Nearly 500 million credits were traded in 2021, surpassing Ecosystem's previously reported partial year 2021 volumes by 66% and value by twice. By 2030, the VCM is estimated to be worth upward of $50 billion.[xxviii]

Figure 4: The VCM Ecosystem

GOVERNANCE

Voluntary Carbon Markets Integrity Initiative (VCMI)

A multistakeholder platform focused on developing high integrity guidance for buyers of carbon credits.

VCMI has an important role to play in defining a high-quality carbon credit for its own audience of companies, consumers and investors.

National Governments

Set policies and develop regulatory frameworks to create an enabling environment that facilitates VCMs by supporting project developers and investors.

Integrity Council for Voluntary Carbon Markets (IC-VCM)

An independent governance body focussd on quality and integrity of credits on the supply side.

DEMAND SIDE

Pledge Net Zero

Corporates

Make a voluntary commitment to meet their climate commitments.

Consultants

Third party advisors to support clients with their carbon reduction strategies.

Purchase Carbon Credits

Broker

Buy carbon credits and market them to end buyers.

Advise and help corporates design & execute carbon offset portfolio.

Intermediaries

Exchanges

Simplify and speed up the process of trading carbon credits by creating standard products.

Exchanges are key to driving the demand for integrity by assuring clients on what they are buying.

Carbon Rating Agencies

Provide independent ratings to verify carbon claims, bringing greater transparency and confidence to ecosystems actors to identify high quality carbon credits and report co-benefits.

Financial Actors

Provide funding to project developers to implement projects generating carbon credits

Increasingly acting as intermediaries to provide trading platforms or portfolio auctions.

SUPPLY SIDE

Carbon Credit Supply

Crediting Programs and Standards

Set verification standards for carbon credits and approve their verification ahead of market sale. Standards adopted by crediting programmes play a critical role in establishing the expectations of project developers.

Project Developers

Set up projects issuing carbon credits, calculate baselines and establish management practices.

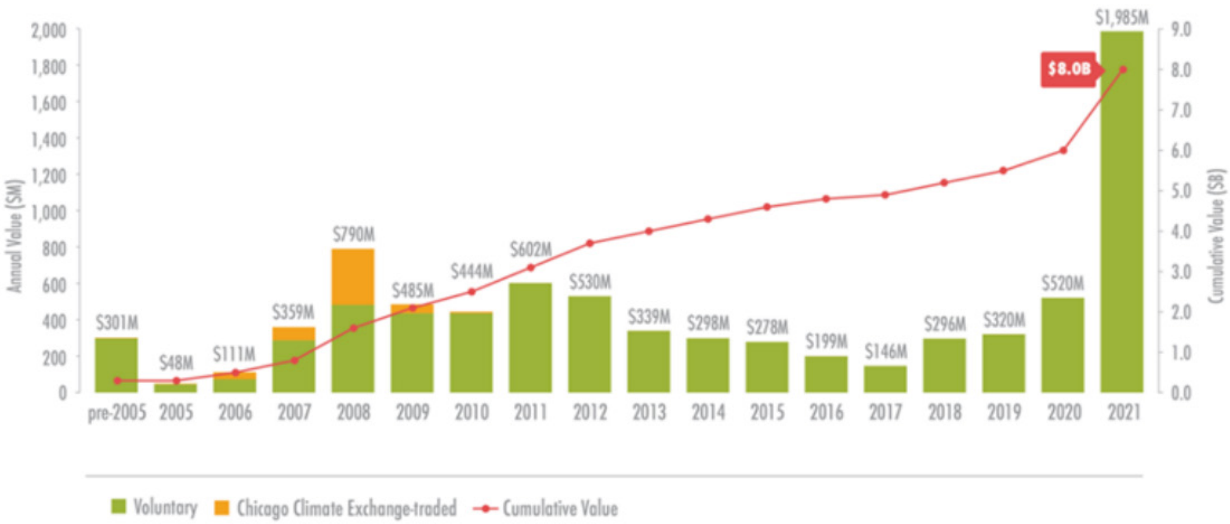
Project Owners

Renewable energy producers, landowners, affortation and reforestation firms etc.

Independent Verifiers

Independent third parties contracted by registries to undertake physical verification or quality audits.

Figure 5: Size of the VCM by traded value of voluntary carbon offsets, pre-2005 to 31 December 2021[6]



2.3 Criticisms of the VCM

Whilst the VCM has a key role to play in emissions reductions, structural challenges need to be addressed in order to achieve the scaling needed if the VCM is to play its role in maintaining global warming levels below 1.5 degrees. The VCM has made significant strides in both market functioning and credit integrity over the last 20 years, however, the VCM is currently fragmented, opaque, and illiquid. Buyers struggle to navigate a variety of standards to identify high-quality carbon credits at transparent prices. Co-benefits of carbon credits (i.e., benefits beyond carbon, such as social/gender equality co-benefits) that can be measured, reported, and verified are often perceived as adding an overbearing layer of complexity. On the supply side, project developers (sellers) have historically faced unpredictable demand, low prices, limited access to financing, and long lead times to verify credits. This has led to a state of low liquidity and limited data transparency in the VCM.

The extensive literature concerning carbon markets suggests that double counting and additionality are the key problem areas that have limited the success of mechanisms.[xxix] So too are social and environmental considerations, such as the lack of engagement of indigenous peoples and local communities (IPLCs), and adverse impacts experienced by these groups. A large advocacy movement has emerged against carbon markets, with the view that these markets promote 'greenwashing' by companies and are inherently exploitative of the global south and IPLCs in particular.

2.4 Global regulatory initiatives: IC-VCM and VCMI

In response to these criticisms and recognising the rapid growth in the VCM and its role to play in meeting the targets set by the Paris Agreement, global regulation of carbon markets is improving. 2020/21 saw the emergence of a series of global initiatives of strategic importance that are likely to shape carbon market operations going forward. Two that are specifically targeted at the VCM (rather

6 Source: Ecosystem Marketplace 2022, a Forest Trends Initiative.

than mandatory markets) and have been singled out as a focus for this research, are the **Integrity Council for the Voluntary Carbon Market (IC-VCM)** and the **Voluntary Carbon Market Integrity Initiative (VCMI).**

- **IC-VCM** was established in late 2021, following on from the Taskforce on Scaling the Voluntary Carbon Market (TSVCM), as an 'independent governance body for the voluntary carbon market' whose purpose is 'to ensure the voluntary carbon market accelerates a Just Transition to 1.5 degrees'. IC-VCM will set and attempt to enforce 'definitive global threshold standards'. This initiative could have far-reaching influence and impact across the supply side of the VCM in establishing a benchmark for crediting programmes and standards. It aims to fulfil this role though development and promotion of Core Carbon Principles (CCP) and an accompanying Assessment Framework to establish the VCM benchmark for high integrity carbon credits. If successful in establishing the CCPs as a globally accepted framework by both buyers and suppliers of carbon credits, IC-VCM will play a major role in defining market integrity going forward.
- **VCMI** was also established in 2021 is a 'multi-stakeholder platform to drive credible, net-zero aligned participation in voluntary carbon markets'. It has a particular role to play in promoting demand side integrity 'to ensure meaningful use of carbon credits for voluntary purposes and the associated business case for scaling high integrity voluntary carbon markets. It also has an important remit on supply-side integrity to help national governments develop policy options and strategies to promote high integrity voluntary carbon markets and facilitate their engagement with supply-side integrity efforts to ensure transparency and assurance.

IC-VCM and VCMI are working collaboratively to promote 'end-to-end' integrity across the VCM; IC-VCM is focused on the supply side of the VCM (projects), whilst VCMI is focused on the demand side of the VCM (buyers). Chapter 4 contains our analysis on how they are currently integrating gender and how they could do more. See Appendix 6 and 7 in Volume III of this report for further analysis of their roles in integrating gender into the VCM, including the reactions from our stakeholder consultations.

2.5 Article 6 of the Paris Agreement

A major recent development for carbon markets going forward – both voluntary and mandatory ¬– is the finalisation of Article 6 of the 2015 Paris Agreement in November 2021 Glasgow at CoP 26. Article 6 provides principles for how countries can 'pursue voluntary cooperation' to reach their climate targets. It will play a highly strategic role in defining the goals, principles, and 'rules of the game' for carbon markets going forward, including the VCM. Two key paragraphs are particularly relevant to VCM operations, notably Articles 6.2 and 6.4:

- Article 6.2 allows countries to trade emission reductions and removals with one another through bi-lateral or multilateral agreements. These traded credits are called Internationally Transferred Mitigation Outcomes (ITMOs).
- Article 6.4 will create a global carbon market overseen by a United Nations entity ('Supervisory Body'). Project developers will request to register their projects with the Supervisory Body. A project must be approved by both the country where it is implemented and the Supervisory Body before it can start issuing UN-recognised credits. These credits, to be known as A6.4ERs, can be bought by countries, companies, or individuals.[xxx]

Agreement of these two articles includes important principles in the VCM about social, economic, and environmental protections, respect for human rights obligations, and the Sustainable Development Goals (SDGs).[7]

7 Article 6.2 references the 11th preamble paragraph of the Paris Agreement, "acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and the right to development, as well as gender equality, empowerment of women and intergenerational equity'

3 Why should gender be integrated into the VCM?

Having outlined the key background information on the VCM, we now turn to the integration of gender. This Chapter highlights the key reasons for why gender should be integrated into the VCM in terms of:

- The social justice case
- The impact case
- The policy imperative
- The risk of not integrating gender
- Why the time is now for gender integration in the VCM

3.1 The social justice case for integrating social and gender equity into the VCM

Gender equality is both a human right, and essential for a Just Transition. Women make up 50% of the world's population; without their full participation and empowerment in climate action, a Just Transition to net zero will not be possible. Gender gaps still persist in 2022, including in economic opportunity, political power, education and health. Estimates show that it will take 136 years to reach parity in these areas by the current trajectory. This gap increased by 36 years in 2020 due to the COVID-19 pandemic which disproportionately negatively affected women.[xxxi] A 2015 study by McKinsey showed that if the global economy representation gap were to close, up to US$28 trillion (or 26%) could be added to the global GDP by 2025.[xxxii]

Climate change is worsening gender and social inequities and is experienced differently by women and men. The Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (February 2022) notes with high confidence that gender and other social inequities (e.g., racial, ethnic, age, income, geographic location) compound vulnerability to climate change impacts.[xxxiii] It found that women and girls are more at risk of food insecurity than boys and men, are more likely to die in extreme weather events, and are more likely to experience negative mental health impacts caused by climate change. Due to social norms around women and men's roles in society, climate change impacts such as water scarcity, forest depletion, or rising temperatures can increase women's workloads related to care and household work, expose them to sexual violence, and lead to productivity losses.[xxxiv] For example, as climate variability increases the scarcity of water and firewood, women, particularly adolescent girls, are likely to need to spend more of their time to source them and may be pulled out of school to do so, negatively impacting their education and future opportunities.[xxxv] Land ownership is key for climate action,[xxxvi] yet in Asia, women make up 42% of agricultural labourers but only 11% of land owners whilst in the Middle East and North Africa region women comprise 40% of agricultural labourers but only 5% of landowners.[xxxvii] Climate change increases household poverty and tension and is therefore linked with increased gender-based violence[xxxviii] and child marriage.[xxxix] Women and children are 14 times more likely than men to die during a climate-related disaster due to gendered differences in capacity to cope and insufficient access to early warning information.[xl]

Gender and social inequities are likely to persist in the transition to a net zero economy unless deliberate action is taken to ensure a Just Transition. Women earn less than men and are under-represented in certain occupations and sectors relevant to the green economy and transition to net zero. In the renewable energy sector, where the number of jobs could increase from 10.3 million in

2017 to nearly 29 million in 2050, women only represent 32% of employees.[xli] More women tend to work in informal jobs which are lower paid and at greater risk during climate shocks and in the transition to net zero. An International Labour Organization (ILO) study of skills for green sectors across 32 countries concludes that, without policy interventions, the energy transition will likely create more employment opportunities for men than for women.[xlii]

Deliberate action is also needed to ensure climate adaptation and mitigation do not worsen gender and social inequities. The Intergovernmental Panel on Climate Change (IPCC) 2022 report notes that understanding the links between climate adaptation and gender equality is important to ensure that adaptive actions do not worsen existing gender and other inequities within society (e.g. leading to maladaptation practices). Adaptation actions do not automatically have positive outcomes for gender equality, and efforts are needed to change unequal power dynamics and to foster inclusive decision making for climate adaptation to have a positive impact for gender equality.[xliii] The same can be said for mitigation activities.

3.2 The impact case for improved results in the VCM

Women have a leading role to play in the Just Transition. Women have proven to be more effective leaders in achieving climate goals. A critical mass of 30% of women on a company's board improves climate governance, innovation, and a lower growth rate of emissions: 0.6% compared to 3.5% for companies with no women on their board.[xliv] Women's leadership and representation in parliaments has been shown to result in lower carbon dioxide emissions as they implement stronger climate change policies.[xlv] Evidence from the CDC and Berkeley Haas School of Business study show that women in corporate leadership are more likely to pro-actively improve energy efficiency, invest in renewable energies, and measure and reduce carbon emissions.[xlvi]

Women are on the frontline in climate change adaptation and offer unique perspectives, expertise, and problem-solving capabilities. Women—and particularly rural and indigenous women—often play a significant role in agricultural production and forest management[xlvii] and are uniquely placed for nature-based solutions. Women make up 43% of the agricultural workforce globally, rising to over 60% in many low-income countries.[xlviii] Indigenous and rural women use forests for raw materials, food, or medicinal plants to boost income, and their conservation of the forest helps manage deforestation emissions.[xlix] If project developers want to drive strong climate outcomes, they need to target women.

Targeting women in climate projects can improve climate outcomes for all, leading to a more efficient use of climate finance. According to one estimate, if all women smallholder farmers received equal access to productive resources, their farm yields would rise by 20 to 30%, and 100 to 150 million people would no longer go hungry. These increasing farm yields could reduce the pressure to deforest more land, reducing additional emissions.[l] A randomized trial supported 440 forest users from Indonesia, Peru, and Tanzania with a 50% gender quota assigned to half of the groups. It was found that those groups with a gender quota conserved more trees in a 'payment for ecosystem services' intervention and shared the payment more equally than those without a gender quota.[li]

There is a unique and exciting opportunity for voluntary carbon markets to drive climate finance towards integrated gender equality and climate outcomes. Currently, only 10% of climate finance flows to the local level, 1% of "gender equality" funding from governments flows to women's organisations, and 3% of environmental philanthropy supports "women's environmental activism".[lii] The VCM represents a huge financial flow to developing economies, with enormous potential for advancing gender equality, if the two goals are intentionally integrated. Effectively empowering women can often require many years, and project budgets for development interventions seldom account for this longer timeframe. Carbon mitigation projects, on the other hand, are designed for 10-30 year implementation cycles and are therefore well-suited for long-term commitments, monitoring, and consistent reporting on outcomes.[liii] Climate projects in carbon markets such as clean cookstove projects are already both reducing women's exposure to toxic fumes from indoor air pollution, as well as reducing the number of hours women need to spend on fuel collection and cooking, leaving more time for income-earning or leisure activities.[liv]

3.3 The policy imperative for integrating gender into the VCM

Gender equality and women's empowerment are becoming increasingly recognised as integral to international climate policy through the United Nations Framework Convention on Climate Change (UNFCCC). The Lima Work Programme on Gender was adopted at COP20 in 2014 with the aim of advancing and improving gender-balanced and gender-responsive climate change policy. At COP21 in 2015, the Paris Agreement on Climate Change acknowledged that Parties should respect and promote gender equality and the empowerment of women, and that adaptation (Article 7) and capacity building (Article 11) should be gender responsive. At COP23 in 2017, the Gender Action Plan (GAP) was adopted, designed to further recognise and advance women's participation in climate negotiations, develop gender-responsive policy on climate change, and incorporate the mainstreaming of gendered perspectives in the implementation of all work of Parties of the Convention. For several years a 'Gender Day' at COPs recognises and celebrates gender equality and the empowerment of women and girls in climate policy and action.

The need for a 'Just Transition' to a green economy has garnered support in recent years. The International Labour Organization's (ILO) 2015 Guidelines for a Just Transition,[lv] which was negotiated between governments, employers, and their organisations, as well as workers and their Trade Unions, established a global understanding for the term "Just Transition." It describes a Just Transition as a process "towards an environmentally sustainable economy, which needs to be well managed and contribute to the goals of decent work for all, social inclusion and the eradication of poverty". As part of COP26, 17 developed countries and the European Union signed on to support the conditions for a Just Transition internationally. This included recognising "that the effects of climate change disproportionately affect those in poverty, and can exacerbate economic, gender and other social inequalities" and that climate change mitigation and adaptation action should display "a commitment to gender equality, racial equality and social cohesion; protection of the rights of Indigenous Peoples; disability inclusion; intergenerational equity and young people; the promotion of women and girls; marginalised persons' leadership and involvement in decision-making; and recognition of the value of their knowledge and leadership; and support for the collective climate action of diverse social groups."[lvi] Companies are also increasingly thinking about how to promote a Just Transition in their work.[lvii] To be a legitimate part of climate adaptation and mitigation efforts, the VCM must also recognise the importance of gender equality within climate policy and a Just Transition.

At the national level, governments can strategically engage with the VCM to achieve their Nationally Determined Contributions (NDCs). As laid out in Article 6, the VCM has a role to play in achieving emissions reductions at the national level. Governments are increasingly making their NDCs gender responsive. International Union for Conservation of Nature (IUCN) (2021) found that out of 89 recently updated NDCs, 78% include at least one mention of gender, which is up from 40% in 2016.[lviii] They found that Latin America and the Caribbean and Sub-Saharan Africa are regional leaders, with 18 out of 18 NDCs (or 100%) and 17 out of 18 NDCs (or 94%), respectively, including gender considerations. Therefore, integrating gender into VCMs can help countries to meet the mitigation targets and the gender objectives of their NDCs, as well as their wider sustainable development objectives under the SDGs.

Gender equality is not only a standalone SDG (SDG5) but is also essential to achieve each and every one of the 17 SDGs. In this way, integrating climate and gender in VCM projects is a shortcut to progress along a whole range of SDGs.[lix] Some examples of the role of gender equality in the SDGs include:[8]

- Zero Hunger (SDG 2): Women play a critical role in food production, processing, and distribution and are therefore essential to meeting the agricultural productivity and nutrition targets of Goal 2
- Clean Water and Sanitation (SDG 6): Women and girls play a central role in the provision, management, and safeguarding of household water and sanitation. Addressing the water and sanitation needs of women benefits the health and well-being of entire communities
- Affordable and Clean Energy (SDG 7): As primary energy managers in households, women can play a powerful role in the successful transition to sustainable energy
- Responsible Consumption and Production (SDG 12): Unsustainable production and consumption patterns are gendered, with women suffering disproportionately from resource scarcity and natural disasters resulting from climate change
- Life on Land (SDG 15): Women's specific knowledge of and dependence on forests makes them key contributors to forest conservation and regeneration

As detailed in the gender business case section above, gender equality is also inherent to Climate Action (SDG 13). Under SDG 13, target 13.B is a call to "promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities."

3.4 The risk of not integrating gender into the VCM

It may appear that carrying out work in the VCM without a gender lens will have a neutral effect on women and men's lives, but this is incorrect. In gender unequal societies, when gender is not taken into account, there is a possibility of playing into gendered roles and upholding the status quo, often negatively affecting women. For example, without putting in place non-discrimination employment policies, gendered stereotypes and inequalities may lead to women being discriminated against when VCM projects hire workers in communities. Therefore, VCM projects which give little or no consideration for how gender norms and unequal power relations affect the project and climate outcomes can potentially do harm, contravening the principle of Do No Harm.

To ignore women's needs as community members, employees, consumers and other stakeholders of VCM projects is not only harmful, but it is bad project design. If gender concerns are not included in VCM project design, women's needs are less likely to be addressed and this may lead to negative outcomes. For example, if project developers do not take action to prevent and respond to

8 For more information on the links between gender equality and each SDG, see _UN Women (2018). Why Gender Equality Matters Across All SDGs: An Excerpt of Turning Promises into Action_.

gender-based violence and harassment, they risk facing legal action from community members, poor productivity and health of workersm, and increased staff turnover. Projects can run into major issues to the detriment of climate outcomes and the community.

It is therefore important for VCM projects to integrate gender in a meaningful and sustainable way. Corporate buyers are increasingly aware of 'pink-washing',[9] and if they do not address this, they are likely to be held to account by their customers. Gender must be integrated fully and throughout project design, implementation, and credit sales. This will not only be beneficial to corporate buyers who will be able to say confidently that they are supporting women, but also to project developers who are likely to be able to sell credits at a higher price to achieve returns for their investment in women focused climate action and, to communities on the ground who are delivering climate solutions for the benefit of people and planet.

3.5 The time is now for gender integration in the VCM

Meaningfully integrating a gender lens in VCMs is more crucial now than ever to address the widening gender disparities as reported by UN Women that the world is not on track to achieve gender equality by 2030.[lx] Awareness of the links between gender and climate, as outlined above, is increasing. The VCM has evolved over the last two decades as a discrete and relatively siloed sector, detached from the development sector, and heavily influenced by financial markets and climate science. A poorly regulated market, driven primarily by climate integrity and trading concerns, has resulted in standards with varying levels of social and environmental protections and safeguards and, with some exceptions, little consideration of gender dimensions and impacts. As detailed in the following Chapters, from top to bottom, VCM operations are presently largely gender blind.

As the market rapidly expands, the dangers of adverse impacts on women are considerably multiplied. At the same time, major opportunities are missed for addressing gender inequalities and drawing on the insights and inputs from women who are the forefront of climate impacts and action. Women's leadership and voices in the VCM have been historically under-represented throughout the VCM ecosystem. Women's voices from the global south – gender and climate alliances of women's organisations on the frontline of climate action – have been largely focused on drawing attention to the harmful impacts of carbon markets on women and their communities, including engaging in advocacy against carbon markets as 'corporate greenwashing'[10] and a 'false solution' to climate change.[lxi] With limited buyer awareness of the importance of, and implications of, gender to mitigation activities, the demand for high integrity carbon credits that can demonstrate impacts for women is largely missing.

Whilst there are valid concerns about the VCM, the global high-level focus on improved integrity in the market offers a unique and exciting opportunity for VCMs to drive climate finance towards integrated gender equality and climate outcomes. If the VCM fully embraces integrity and creditability, there is now:

- An opportunity to improve current poorly regulated market operations to **improve safeguards and protections for Indigenous Peoples and Local Communities (IPLCs), with the equitable inclusion of women and girls** and more marginal social groups within them
- An opportunity to enhance the link between carbon credits and **the pursuit of the SDGs,** including on gender equality and women's empowerment in particular.

9 'Pink-washing' refers to companies reaping the benefits of selling support for women's empowerment and gender equality without meaningfully investing or acting on gender inequality. For example, a company may release a pro-gender equality statement on International Women's Day, but not have policies which support women in its workforce.

10 'Greenwashing' here refers to the appropriation of climate action for marketing purposes, without taking strong action to promote climate action throughout a companies' operations. For example, a company may get involved with 'Earth Day' for marketing purposes, but also be heavily polluting their environment.

- An opportunity to channel more of the finance, which is moving from the global north to the global south, towards **locally driven** climate mitigation and adaptation projects and enterprises, especially for **women who play a leading role** in natural resource management and agriculture and are at the forefront of climate action

In our research, much of the emphasis of discussions with interviewees reflected these opportunities. They also highlighted a number of significant processes driving the push towards improved outcomes:

- The growing concern about the **strong criticism of carbon markets** as 'greenwashing' and harmful to local communities and the need for the sector to respond and 'clean up its act' to build future market credibility
- The **voices of IPLCs finally taking centre stage** at COP26 in Glasgow
- **Intergovernmental Panel on Climate Change (IPCC) reports** increasingly referencing the direct link between the achievement of climate and SDGs, and most recently and explicitly in their 2022 report
- The explicit focus on social and environmental considerations in **the work of IC-VCM and VCMI** and strong support for this agenda at Board level in both bodies
- **Growing demand from buyers for high quality** carbon credits that protect them from accusations of greenwashing and reputational risk
- The finalisation of **Article 6 at COP 26 and the wins on social and environmental considerations,** most notably the requirements to link carbon crediting to the SDGs and rights and protection requirements around IPLCs, marginalised groups and women explicitly mentioned
- Higher level of **awareness of the links between gender and climate change impacts** and responses within the climate community (as seen in the commitments of countries at COP26)

It is time to take hold of the opportunities and integrate gender into the VCM for better outcomes for communities and the planet.

We now turn to the current state of play of gender integration in the VCM and the opportunities and challenges for integration, in terms of:

- **VCM governance and institutional framework related to gender mainstreaming**
- **Buyers and sellers**
- **Finance and financial intermediaries**

4 VCM governance and institutional framework related to gender mainstreaming

Following on from the background to the VCM (Chapter 2) and why gender should be integrated into the VCM (Chapter 3), this Chapter outlines the current state of play of gender integration in VCM governance and the institutional framework. The first section discusses gender in terms of the global VCM market governance (Article 6, IC-VCM and VCMI). The second section then goes on to look at gender in terms of the national dimension of the VCM. The third section analyses how gender is being, and could further be, integrated into carbon crediting programmes and standards.

4.1 Global VCM market governance

Figure 6: Quotes from our research on gender and global VCM market governance

"Gender is absent from the market's policy framework and this absence sends out a major signal to the market on what's valued/ not valued."

"We need a holistic view on how to incorporate gender across the VCM ecosystem."

"We need fresh ideas about doing things differently at the market design level. That means more women and diversity of perspectives in market governance and leadership."

As the above quotes in Figure 6 illustrate, interviewees stressed the importance of embedding gender into market governance to drive meaningful market change. Whilst there is a plethora of market initiatives underway, the key governance initiatives that this report focuses on as opportunities for embedding gender equality more deeply are:

- Article 6 of the Paris Agreement
- The Integrity Council for Voluntary Carbon Markets (IC-VCM)
- The Voluntary Carbon Market Integrity Initiative (VCMI)

The role of Article 6 of the Paris Agreement in the promotion of gender equality in the VCM[11]

Activities under Article 6 of the Paris Agreement are required both to promote sustainable development and to minimise, and where possible avoid, negative environmental, economic, and social impacts. Parties are also required to respect, promote, and consider their respective obligations on 'human rights,

11 Coverage of Article 6 in this report is restricted to the implications for the VCM and gender and inclusion in the VCM.

the right to health, the rights of indigenous people, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity' (the 11th preamble of the Paris Agreement).

Going forward, governmental parties and VCM participants will need to assess the alignment and contribution of mitigation activities to national sustainable development (SD) objectives and priorities. A number of tools and approaches exist to assess SD impacts and co-benefits both in and outside the carbon market sphere. The most commonly used tools and approaches used by carbon crediting programmes are not yet suitable for the purpose of a stringent SD assessment and compliance with the rules for Article 6 activities.[lxii] Over the coming year it can be expected that crediting programmes will update their methodologies and tools to enable assessment of SD impacts of mitigation activities. **This presents an opportunity for improving accountability for gender impacts.**

Article 6 specifically mentions gender equality and women's empowerment, sending a powerful message to the market that gender equality is valued as an integral and essential dimension of carbon market integrity. This creates an opportunity for the promotion of SDG5 as a goal for carbon mitigation activities going forward. The Supervisory Body established under Article 6.4 is tasked to determine the requirements and processes to enable the application of robust, social and environmental safeguards and the SDGs. As such, how the Supervisory Body decides to treat gender and women's empowerment will have a strategic influence on future carbon market operations. **Engagement with the Supervisory Body, and those leading on social safeguards and SDG dimensions will be highly significant for integrating gender into the VCM.**

IC-VCM and its role in integrating gender into the VCM on the supply side

Our key stakeholder interviews highlighted the perceived strategic importance of IC-VCM in market signalling on gender equality and women's empowerment. We heard that:

- IC-VCM has a key role to play in **defining how gender is a part of its definition of quality and integrity** and to ensure that consideration is 'meaningful, qualified and measured'
- The **senior leadership of IC-VCM** (and VCMI) signifies a change in the gender profile of market leadership (see Figure 7 below for more details)
- Gender and an assessment of a projects' impacts on women **must be integrated into the IC-VCM's CCPs and Assessment Framework.** They must also be highly visible and a mandatory requirement for disclosure and part of what's meant by integrity
- IC-VCM must provide **leadership on making benefit sharing and financial transparency mandatory** to show where the money is going and how it flows to women
- There is a growing movement to integrate IPLCs into VCM operations at every level. It is important to ensure gender is not lost and that there is **sufficient focus on women's voices** and those of more marginalised/vulnerable groups within IPLCs

Figure 7: IC-VCM and VCMI leading by example in women's leadership[lxiii, lxiv]

IC-VCM's evolving governance structure also sends out a market signal on the role of women in voluntary carbon market leadership. Of note:

- IC-VCM's Chair is a woman and women are well represented at the Board level with seven out of the 18 current Board members being women (39%)
- All three sub-committees are led by women
- Nine out of 29 members of the Distinguished Advisory Group are women (31%) and seven out of 23 members of the Expert Advisory Group (30%)

Both VCMI Steering Committee co-chairs are women and women are well represented at Steering Committee level with four out of nine members being women (44%)

- 15 of the 35 members (43%) of the VCMI Expert Advisory Group are women, including both Co-Chairs

These figures are at or above the recommended baseline threshold for women in leadership. These figures are notable given the overall gender profile of the voluntary carbon markets, which is disproportionately male dominated.

As we know from our research, **women have proven to be effective leaders in achieving climate goals.** A critical mass of 30% of women on a company's board improves climate governance, innovation, and a lower growth rate of emissions: 0.6% compared to 3.5% for companies with no women on their board.[lxv]

The CCPs and accompanying Assessment Framework have recently been shared in draft form and will be finalised by IC-VCM the end of 2022.[lxvi] At consultation stage, they included gender in two important places:

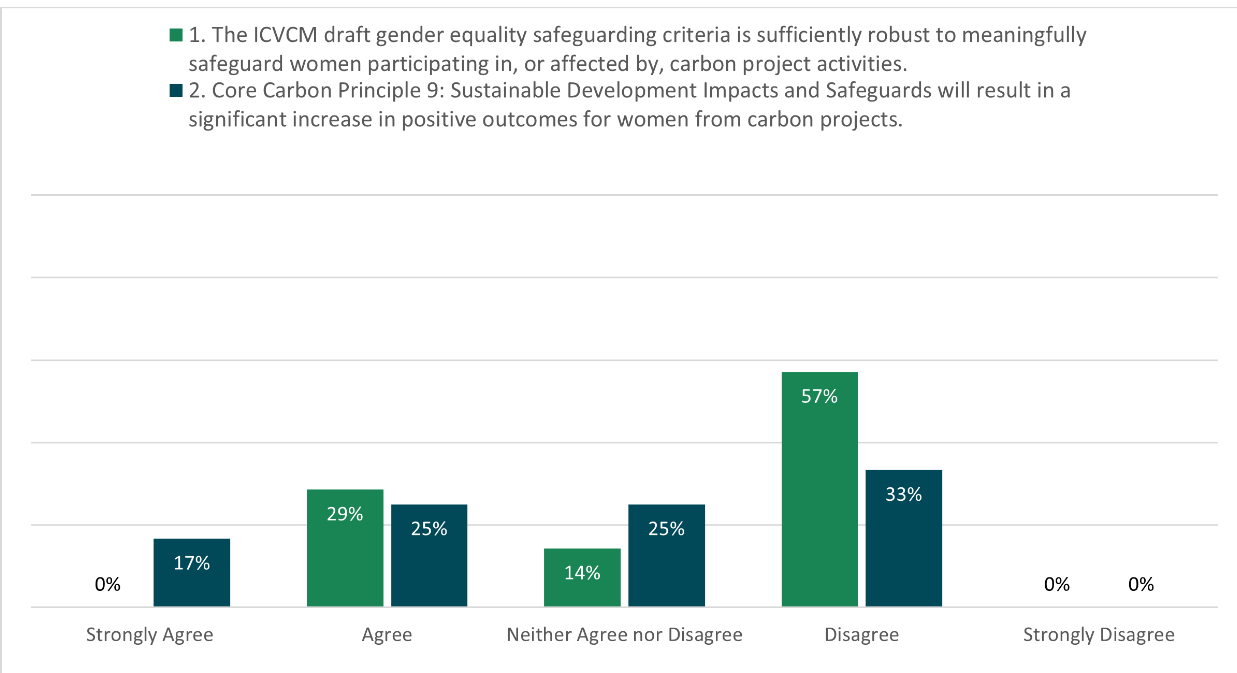
1. **An explicit focus on gender in the setting of social and environmental safeguarding standards** (criterion 7.2). Requirements for carbon-crediting programs includes carbon-crediting programs to:
    a. Have a dedicated gender policy
    b. Undertake a comprehensive gender assessment by a suitably qualified individual when potential gender impacts have been identified
    c. Have specific guidance to comprehensively address gender considerations drawing on internationally recognised standards (e.g. United Nations Development Programme, European Investment Bank, Green Climate Fund)
    d. Have tailored and targeted mechanisms to ensure that equal opportunities are available to women, men, non-binary and gender nonconforming people to voice their opinions and participate in decision-making
    e. Produce data disaggregated by gender for monitoring, assessing, and reporting on gender impacts
    f. Align with national gender policy frameworks.

2. **A requirement for carbon-crediting programs to promote net positive impacts related to the SDGs** (Core Carbon Principle 9: Sustainable Development Impacts and Safeguards). As outlined in section 3.4, gender is not only a standalone SDG (SDG5), but also a key driver of every SDG. The criteria for net positive impacts is:
    a. net positive SDG impacts of mitigation activities;
    b. evidence-driven procedures to ensure that a mitigation activity is consistent with the SDG objectives of a host party and, where possible, uses national/local tools and frameworks;
    c. guidance on use of standardised tools and methods to assess SDG impacts;
    d. procedures to make information publicly available.

These measures represent an important step forward in clearly defining a definitive global threshold standard for high-quality carbon credits that explicitly recognises **gender equality as both a safeguarding issue and an opportunity for delivering net positive SD impacts.** See Appendix 6 in Volume III for our full response submission to IC-VCM's consultation.[12]

Our group consultation with 13 women participants from across the VCM eco-system revealed that 57% of participants believed that the IC-VCM draft gender equality safeguarding criterion is not yet sufficiently robust to meaningfully safeguard women participating in, or affected by, carbon project activities (see Figure 8 below). The participants were more positive compared to the overall CCP 9 (Sustainable Development Impacts and Safeguards), with 42% of participants either agreeing or strongly agreeing that it will result in a significant increase in positive outcomes for women from carbon projects.

Figure 8: Polling results from the group Stakeholder Consultations in August 2022



12 In response to the public consultations, the ASEAN LCEP has provided recommendations to IC-VCM on how the CCPs and Assessment Framework can be strengthened with respect to the integration of climate and social/gender objectives. This is included in Appendix 6 in Volume III of this report.

In our group consultations, participants believed that the safeguarding protections could be further enhanced to avoid 'tick boxing'. At the same time as pushing for further tightening, participants recognised the importance of **the gender safeguarding protections being mandatory** (the importance of which should not be understated) and the value that they will offer crediting programmes and project developers who have little awareness or experience of gender and inclusion.

Participants were concerned that buyers will seize on tagged carbon credits that don't have to meet a high bar to be tagged as benefitting women (some referred to this as 'waving the 'pink flag'). This **'low bar' tagging risks undermining meaningful women's empowerment work** and could lead to unintended consequences. This observation applies specifically to Phase 1 of the implementation of the CCPs where only a qualitative assessment is required. This particular concern should be addressed by IC-VCM in Phase 2 when gender-tagged carbon credits will be required to demonstrate meaningful impacts through robust quantification.

In terms of the approach to sustainable development impacts, participants argued strongly in favour of **an explicit gender equality requirement.** Rather than gender equality only being explicit under safeguarding, participants proposed the promotion of gender equality as explicit in both safeguarding requirements and net positive SD impacts. They felt gender should not simply be listed as one of the possible wider menu options to demonstrate net positive sustainable development impacts but **explicitly promoted.**

In addition, participants felt that gender equality and impacts on women should be **mainstreamed across the entire CCP and Assessment Framework,** rather than siloed in two particular places. This will make gender a visible and mandatory part of what is meant by high integrity across the board. For example, a key area where gender is currently missing is in the criterion for access and benefit sharing (criterion 7.11) as well as CCP on program governance.

VCMI and its role in promoting gender integration on the demand side

In its mission statement, VCMI makes a clear commitment to promote 'inclusive, sustainable development in line with the UN's SDGs'. One of its ten principles for Voluntary Corporate Climate Action is 'Equity-Oriented action'. VCMI's commitment is articulated as promoting:

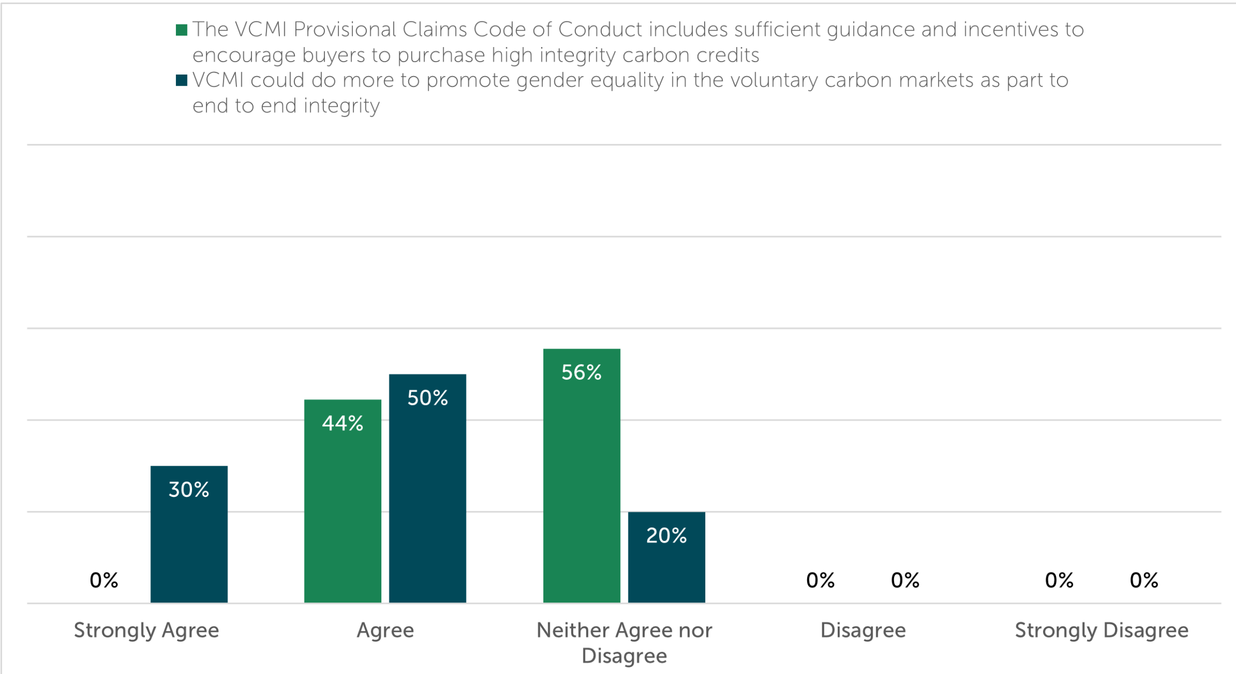
- a **fair price** for carbon credits to account for the costs project developers incur in order to ensure high integrity supply
- social safeguards that support **'healthy, inclusive, and resilient livelihoods and economies'** applied to the sourcing of carbon credits
- corporate engagement following a rights-based approach that **safeguards against any violations of human rights and respects the rights of local stakeholders,** and IPLCs in particular in the context of nature-based solutions
- Engagement should also **'empower women, minorities, and other vulnerable groups'.**

Beyond this, there is little explicit mention of gender equality in VCMI's 'Provisional Claims Code of Practice',[lxvii] which guides companies on when they can credibly make voluntary use of carbon credits as part of their net zero commitments. VCMI instead refers to IC-VCM and CORSIA to identify what constitutes a 'high-quality' carbon credit and does not seem to fully recognise its own role in promoting gender equality in the VCM. See Appendix 7 in Volume III for our full response submission to VCMI's consultation.[13]

13 In response to the public consultations, the ASEAN LCEP has provided recommendations to VCMI on how the Provisional Claims Code of Practice can be strengthened with respect to the integration of climate and social/gender objectives. This is included in Appendix 7 of Volume III of this report.

The reaction from our group consultations with women in the VCM ecosystem revealed that **44% of participants believed the VCMI Provisional Claims Code of Conduct includes sufficient guidance** and incentives to encourage buyers to purchase high integrity carbon credits. **80% believed VCMI could do more to promote gender equality** in the VCM as part of 'end-to-end market integrity'.

Figure 9: Polling results from the group Stakeholder Consultations in August 2022



VCMI is well-placed to influence buyer behavior, pushing the market further to focus on wider SDG impacts. Rather than relying on carbon crediting programmes to push the market on this, VCMI should also take a leading role in helping to drive change by setting out its own position on the benchmark standards that it will accept aligned with best in market and by playing a buyer 'educational' role. As Chapter 5 below sets out in more detail, corporate buyers have an important role to play in integrating gender in the VCM. During key stakeholder interviews, we repeatedly heard that it is buyers who have the greatest potential to ultimately change the market by demanding enhanced social/gender co-benefits with improved transparency and accountability, driving up the price for carbon credits with social co-benefits. Publication of the updated Claims Code of Practice is therefore an opportunity for VCMI to contribute to improving the integrity of the market by helping to shift buyer behavior by setting out its own benchmark.

VCMI might also consider what other steps that it could take (in and alongside the Claims Code of Practice) to drive higher social (including gender) and environmental integrity. For example, VCMI has an important role to play in **making / reinforcing connections with companies Environmental, Social and Governance (ESG) and Diversity, Equity, and Inclusion (DEI) policies and targets.** This would help build the case for investment in carbon credits that also address gender and wider inclusion goals. It could also consider how it might reference and make use of the changing global ESG regulatory/disclosure requirements.

4.2 The national dimension

This section sets out the role of national governments and policies in the integration of gender in the VCM. This aspect of VCM operations is only briefly covered in this report, highlighting some key issues emerging from the research. More in-depth research is merited and recommended.

The VCM is generally very new for national level policy makers. Now that the details of Article 6 have been finalized, governments are finding themselves rapidly needing to engage with both mandatory and voluntary carbon markets in their jurisdictions. The rapid scaling of the international market for carbon credits is leading to what some term as a 'wild west' in many places, where new and existing buyers, brokers, and other intermediaries are entering supply markets in a competitive and sometimes unscrupulous search for securing projects. Some countries, such as Indonesia, are putting VCM trading on hold until they have resolved their own policy framework.

A number of interviewees highlighted the early stage of development of regulatory frameworks at country level and the steep learning curve for national governments as both a challenge and opportunity for integration of gender in the VCM. Some of the important factors on how gender equality and women's empowerment is being integrated (or not) in national level policy frameworks and market regulation are:

- **The significant gains of the final Paris Agreement Article 6.2 agreement** in embedding respect for human rights and social and environmental protections into the trading of GHG emissions reductions across countries. The specific reference to avoidance of social, economic and environmental impacts, inclusion of safeguards and protections and specific mention and regard for 'gender equality, empowerment of women and intergenerational equity' and the requirement to demonstrate positive contributions to the SDGs. All open up strategic opportunities for securing gains for women's empowerment and gender equality.
- **Policy makers are in considerable need of guidance and capacity building support.** The role of the new Article 6.4 Supervisory Body will be important for this. It is important that gender equality and women's empowerment are fully integrated into capacity building support.
- **How the Article 6 rule book is developed in detail and applies the agreed provisions** on women's empowerment and gender equality will have an effect on the VCM. At the same time, it will be a two-way flow so practices in the VCM will also influence the rules for the mandatory market. Gender equality and women's empowerment needs to be written into these and other international governance frameworks.
- **Governments are looking for large-scale jurisdictional projects to meet the scaling challenge.** It is therefore going to be important to ensure that those jurisdictional/ large scale projects have gender and women's empowerment built in.
- **The coming years will see increasing disclosure requirements and better reporting at national level** and project developers will need to be much more aligned with government requirements as they emerge. This is a potential opportunity, as long as these policy and reporting frameworks reference and require gender reporting
- **Whilst carbon outcomes may be traded across borders, SDG benefits of carbon mitigation and adaptation projects will stay in country,** potentially giving governments a strong incentive to push hard on integration of these benefits into their requirements for project developers. To benefit from this opportunity, key government officials will need to appreciate the relevance and importance of SDG5 and to champion this agenda.
- **Asset types prioritised by national governments will be strongly influenced by their NDCs.** NDCs should therefore be a starting point for identifying those that will be most impactful and/or offer the greatest opportunities for gender equality and women's empowerment.

- **Women – both representatives of government departments responsible for gender and voices of local women's organisations – are more often 'absent than present'** in NDC and other climate policy / national level programmes such as United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD). This is a major barrier to be overcome if women and gender equality are to move away from the periphery of carbon markets.
- **Finally, global governance frameworks such as those under development by VCMI and IC-VCM** will have an important role to play at national level therefore their leadership and advocacy on gender equality and women's empowerment is vital.

4.3 Crediting programmes and standards

This section sets out the landscape of crediting programmes and standards and their current coverage of gender and women's empowerment. In their role in setting eligibility requirements for carbon credits and approving their verification ahead of market sale, the standards adopted by crediting programmes play a critical role in establishing the expectations of project developers on gender.

How do carbon crediting programmes value and assess gender and social impacts more widely?

The current state of play amongst carbon crediting programmes is patchy and inconsistent in its treatment of gender and women's empowerment with only one programme reviewed or mentioned by interviewees as having gender and women's empowerment as an explicit and mandatory focus: Gold Standard.

Although there are no common mandatory gender standards across the VCM, most of the leading carbon crediting programmes **have incorporated gender into their standards to some extent.** Standards tend to have similarities to the International Finance Corporation (IFC) Performance Standards, for example around stakeholder consultation. However, they do not draw from IFC Performance Standards as directly as other sectors, such as the broader climate finance sector. See Appendix 2 in Volume II of this report for an analysis of best practice in integrating gender into standards across the international development sector and climate finance sector.

Figure 10 below summarises and assesses the current level of integration of gender into the leading carbon crediting programmes. This is a fast-moving environment, and this analysis is based on the documents available when our research took place in mid-2022. A fuller, more detailed analysis of the current state of gender integration in VCM carbon crediting programmes and standards is given in Appendix 1 in Volume III of this report.

Figure 10: An assessment of the coverage of gender equality and women's empowerment in VCM standard-setting programs and standards

Carbon crediting programme and standards	Sectoral Scope	Coverage of gender equality and women's empowerment
VERRA's Verified Carbon Standard (VCS)	Covers all project classes	**Minimal Coverage:** Social and environmental safeguards include 'Do No Net Harm' in terms of environmental and socio-economic impacts. – Engagement with local stakeholders includes that there must be assessment of the different groups that will be impacted by the project. – There must not be any form of discrimination or sexual harassment. – Communication and consultation must be performed in a culturally appropriate manner, including language and gender sensitivity.
VERRA's Climate, Community & Biodiversity (CCB) Standard	Land management projects that address climate change, support local communities and smallholders, and conserve biodiversity.	**Some Coverage:** The social safeguards go further than the VCS to integrate gender. For example: – Stakeholder consultations must be gender and inter-generationally sensitive with special attention to vulnerable and/or marginalized people. – Capacity building of local workers targeting a wide range of people in the community, with special attention to women and vulnerable and/or marginalized people. There is also a possibility to 'Do Good' with respect to gender and women's empowerment, under the 'Exceptional Community Benefits (Gold Level)' which projects can comply with as an add on. There are strong requirements around marginalized and/or vulnerable groups, as well as women specifically: – Identify community groups that are marginalized and/or vulnerable. Demonstrate that the project generates net positive impacts on the well-being of all identified marginalized and/or vulnerable community groups. Demonstrate that any barriers or risks that might prevent benefits going to marginalized and/or vulnerable smallholder/community members have been identified and addressed. Demonstrate that measures are taken to identify any marginalized and/or vulnerable smallholders/community members, whose well-being may be negatively affected by the project, and that measures are taken to avoid, or when unavoidable to mitigate, any such impacts. – Demonstrate that the project generates net positive impacts on the well-being of women and that women participate in or influence decision making and include indicators of impacts on women in the monitoring plan.

Carbon crediting programme and standards	Sectoral Scope	Coverage of gender equality and women's empowerment
VERRA's Sustainable Development Verified Impact Standard (SD VISta)	Any project type that aims to deliver sustainable development benefits	**Some Coverage:** The safeguards are very similar to the Climate, Community & Biodiversity (CCB) safeguards but are more detailed. For example: – Stakeholder consultation shall be carried out with respect for local customs, values, and institutions. It shall provide an ongoing opportunity for self-identification of stakeholder groups that are vulnerable (i.e., lacking ability to anticipate, cope with, resist and recover from stresses or shocks due to physical, social, economic, and environmental factors or processes) and/or marginalized (i.e., unable to participate fully in economic, social, political and cultural life). Where those groups are identified, project proponents shall emphasize optimizing benefits to them. – Full project documentation, including project description and monitoring reports as they become available, shall be accessible to all stakeholders, including interested stakeholders. Special attention shall be paid to providing access to full project documentation by marginalized and/or vulnerable stakeholder groups.
Gold Standard	Covers most project classes but excludes project-level REDD+, industrial gas, and has stringent safeguards on hydro.	**Strong Coverage:** Two levels of gender certification; All projects must be 'Gender-Sensitive' (comply with the Gender Safeguarding Principles and Requirements, and gender sensitive stakeholder consultations). See Appendix 4 in Volume III of this report for further details on Gold Standard's Gender Equality Guidelines. Requirements include: – Apply Gold Standard Safeguarding Principles which includes a principle on Gender Equality & Women's Rights: • The Project shall not directly or indirectly lead to/contribute to adverse impacts on gender equality and/or the situation of women. Specifically, this shall include (not exhaustive): (a) sexual harassment and/or violence against women; (b) slavery, imprisonment, physical and mental drudgery, punishment, or coercion of women; (c) restriction of women's rights or access to resources (natural or economic) – Conduct stakeholder consultation according to Gold Standard Stakeholder Consultation & Engagement Procedure, Requirements & Guidelines including: • The project developer shall ensure that the stakeholders are invited in a gender-sensitive manner. Efforts shall be made to solicit input from women and marginalised groups. • The project developer shall ensure that the place and timing of the physical meeting(s) is appropriate for all relevant stakeholders and does not pose a barrier to participation, e.g. for a particular gender or stakeholder group. • The project developer shall encourage equal and effective participation by both men and women, marginalised individuals, and groups in the meetings. Projects can also seek further gender certification to be 'Gender-Responsive'. This includes that there must be a gender analysis to determine a baseline and align the project to SDG targets, likely including SDG 5. Project developers must produce a gender commitment statement, establish meaningful gender performance indicators and sex-disaggregated targets, monitor, and verify outcomes, and can then make claims based on how the Project delivers on its commitment statement and the proposed Project gender goals, actions and commitments. Separately, all Gold Standard projects must monitor and report against the SDG impacts. This can include SDG 5 on gender equality.

Carbon crediting programme and standards	Sectoral Scope	Coverage of gender equality and women's empowerment
American Carbon Registry (ACR)	Covers industrial processes; land use, land use change and forestry; carbon capture; waste.	**Minimal Coverage:** No mention of gender. In terms of social safeguards, community impacts should be net positive, and projects must 'Do No Harm' in terms of violating local, national, or international laws or regulations. There is no required process to follow on safeguards, but internationally recognised approaches are pointed to such as The World Bank Safeguard Policies, Climate Community and Biodiversity Alliance (CCBA) Standard and the Social Carbon Standard.
Climate Action Reserve (CAR)	Covers agriculture and forestry; energy; waste; and non-CO2 GHG abatement.	**Minimal Coverage:** There is little guidance on gender or social safeguards, but there is a general environmental and social 'Do No Harm' approach.
Plan Vivo	Covers REDD+; Afforestation/ reforestation; assisted natural regeneration; improved land management; agroforestry.	**Some Coverage:** Plan Vivo Standard principles on gender include: – Community members, including women and members of marginalised groups, must be given an equal opportunity to fill employment positions in the project where job requirements are met or for roles where they can be cost-effectively trained. – Projects demonstrate community ownership - Smallholders or community groups must not be excluded from participation in the project on the basis of gender, age, income or social status, ethnicity, religion, or any other discriminatory basis. – Projects demonstrate positive livelihood and socioeconomic impacts. The project must strive to avoid negative impacts on participants and non-participants, especially those most vulnerable.
ART TREES	REDD+ emission reduction and removals	**Some Coverage:** TREES requires Participants to demonstrate they have implemented REDD+ actions in accordance with Cancún Safeguards ensuring activities 'do no harm'. There are no explicit mentions of gender in the Cancun safeguards. However, in the TREES ESG Safeguards Guidance, it is stated that: – Participants should respect, promote and consider principles of gender equality and empowerment of women when implementing REDD+ actions ensuring consistency with relevant international conventions or agreements. – The Participant should describe the national, subnational or REDD+ specific framework that defines procedures for providing information on the design, implementation, and monitoring of REDD+ actions. These procedures should include the explicit requirement to identify who the relevant stakeholders are. The consideration of 'women, men, and female and male youth across all stakeholder groups' is encouraged. Apart from these points, there is little targeted and explicit guidance for mechanisms ensuring gender equity.

In addition to coverage, there is the question of scale. Figure 11 and Figure 12 below provides a sense of scale of gender coverage in the two leading carbon crediting programmes and standards – VERRA and Gold Standard.

Figure 11: Gender Analysis of Gold Standard's Portfolio[lxviii]

Gold Standard (www.goldstandard.org/) captures the extent of gender integration into validated mitigation activities in three ways:

Gender sensitivity: As described in Figure 10, gender sensitivity is mandatory for all Gold Standard certified mitigation activities. Therefore, it can be assumed that all certified projects /credits, 1313 registered projects, have met their mandatory gender sensitivity criteria. According to Gold Standard, their gender sensitive requirements are now seen as 'business as usual' and they have seen a general improvement in the gender outcomes of projects as a result.

SDG 5: As demonstrating SDG impacts is integral to Gold Standard certification, separately to being either gender sensitive or responsive, project developers have the option to select SDG 5 as one of their intended SDG contributions. As of May 2022, 483 out of 2244 (around 20%) projects have been either verified as, or planning to, contribute to SDG 5 outcomes. This notable achievement represents the largest number of SDG 5 certified projects of any crediting programme. On the flip side, it also means that 80% projects are not delivering SDG 5 or other gender equality or women's empowerment outcomes. The largest issuance category is domestic energy efficiency, followed by wind and 'other' (forestry, solid waste, organic waste, gas extraction, electricity generation, irrigation).

Gender responsiveness: To date, only two projects have applied to Gold Standard for this specific categorisation.

Figure 12: Gender Analysis of VERRA's Portfolio[lxix]

VERRA's (https://verra.org/) portfolio includes several types of credit standards. A total of 1,803 VCS projects are currently registered on VERRA's registry (as of July 2022).

Given the way that projects are labelled it is not possible to determine how many have a strong gender equality or women's empowerment dimension, with the exception of those certified under SD Vista and CCB. Of the 24 SD Vista projects listed, 11 are listed under SDG 5. These cover cookstoves, solar energy and water purification projects.

Climate, Community and Biodiversity (CCB) labelled projects, as land management projects that simultaneously address climate change, support local communities and small holders and conserve bio-diversity – around 300 - lend themselves towards opportunities for women's empowerment. CCB can choose to be verified at the Exceptional Community Benefits (Gold Level) as an optional add-on, with additional requirements including to "**demonstrate that the project generates net positive impacts on the well-being of women and that women participate in or influence decision making and include indicators of impacts on women in the monitoring plan".** As of October 2022, out of 130 projects verified or under verification for CCB, 25 (19%) were also verified for Exceptional Community Benefits (Gold Level).

VERRA's top carbon credit issuance categories are renewable and non-renewable energy, agriculture, forestry and other land use, and waste handling and disposal. Like Gold Standard, there are potentially considerable opportunities for gender equality and women's empowerment within these project types that are currently under exploited.

VERRA has adopted the W+ Standard (see Figure 13 below for more details) as an accredited methodology meaning they also issue the W+ Standard labelled carbon credits. To date no W+ Standard labelled Verified Carbon Units (VCUs) have been issued but at least two projects are expected to issue such credits in 2023.

We found differing views amongst crediting programmes about their **role in actively promoting gender equality and women's empowerment,** from VERRA's 'let the market decide' to Gold Standard's approach 'we should be showing market leadership'. Both have evolved more socially focused standards over time. The Climate, Community and Biodiversity (CCB) Standard was developed in collaboration with the CCB Alliance, whilst the W+ Standard and VERRA's cookstove standard were developed by the wider market and adopted by VERRA in recognition of their innovation and value add. Gold Standard's gender policy was developed with advice from their external Technical Advisory Committee and an expert working group. A number of respondents talked about a 'race to the top' and that crediting programmes follow each other's quality innovations, particularly when they see market demand shifting.

The general **lack of specific safeguarding and co-benefit requirements of crediting programmes** was raised by a number of interviewees as an important barrier to improving market performance on gender equality and women's empowerment and an explanation of performance to date. Crediting programmes have a key role to play in signalling value to the market and the lack of mandatory requirements (with the exception of Gold Standard) means that gender equality and women's empowerment are not valued as an integral element of carbon credit integrity right now. And voluntary guidance 'is largely ignored.' Whilst all the major crediting programmes have social and environmental safeguarding requirements, interviewees reported that gender 'tends to get lost.' We found, however, differences in views on how explicit requirements should be. Those arguing for a more integrated approach and strengthening social rather than gender specific safeguards argued that 'adding' too many specific requirements adds to the time and complexity of the crediting process. Others argue that disaggregation of 'social' and 'community' interests is key to ensuring that the diversity of risks and opportunities are identified and understood and ensuring inclusion processes that bring in perspectives of more marginalised and vulnerable populations, including women. The latter view is likely to prevail in the higher integrity end of the market and would be in line with the language of Article 6.

An important point made by many interviewees concerns the **quality of monitoring, reporting, and verification required by crediting programmes.** Most mentioned the 'superficiality' of measurement, with SDG attributes in particular 'labelled without solid baselines, measurement and independent verification'. Improving the quality of 'social' monitoring, reporting, and verification (MRV) by more crediting programmes will require robust measurement of baselines and quantification and is seen as essential to making meaningful progress to embed social safeguarding and sustainable development impacts into the certification and issuance of carbon credits. Labelling or 'tagging' drew particular criticism for its superficiality. A number of interviewees drew attention to the fact that project developers will go for 'the minimum' and that leading crediting programmes need to considerably improve their requirements on social and environmental safeguards and standards to drive higher levels of project integrity. If gender equality is a requirement by carbon crediting programmes only as a marketing and check the box exercise, it does more harm than good for actual women's empowerment efforts. Our own analysis of leading standards confirmed that few crediting programmes have requirements for robust and comprehensive MRV on gender and impact level gender indicators are currently few and far between.

The W+ Standard, developed by Women Organizing for Change in Agriculture and Natural Resource Management (WOCAN), was developed to provide a rigorous and robust quantifiable methodology for assessing impacts of project activities on women. It is increasingly used in the VCM as an accredited methodology with VERRA, as well as the climate sector more widely.

Figure 13: WOCAN and the W+ Standard

WOCAN's W+ Standard (*http://www.wplus.org*) is the first global standard for quantifying women's empowerment impacts linked to project implementation. Partnering with VERRA's Verified Carbon Standard (VCS) Program, since 2017 Verified Carbon Units (VCUs) can be jointly labelled under both standards. Through WOCAN and VCS, project developers using the VCS Program can apply the W+ Standard to demonstrate impacts for women's empowerment. The W+ Standard is designed to be implemented with carbon or non-carbon projects in ways that are flexible, yet measurable and independently verifiable. It includes six specific categories to integrate and measure women's empowerment impacts gained in relation to: Leadership, Health, Food Security, Time, Income & Assets, and Education & Knowledge.

Although certified by VERRA, the W+ Standard is a stand-alone standard that can be applied alongside monitoring, reporting and verification procedures of any VCM crediting programme as a deeper dive into the quantified assessment of gender outcomes.

Some interviewees drew attention to the fact that rapid market growth was resulting in a host of **new crediting programmes and methodologies 'popping up,' pushing and offering simplicity.** This trend is seen by some as a potentially damaging countertrend for those pushing for high integrity, with social integrity likely to be lost. The success of IC-VCM will be critical in how this tension plays out in the market. Will the 'race to the top' or the 'race to the bottom' prevail? It is likely to be a mixture that plays out differently in different geographical contexts, with governments playing a key role (see Section 4.2 above). The fast growth of digital and remote monitoring, reporting and verification (MRV) is another trend that may be challenging from a gender/social perspective.

Finally, the **limited gender expertise and capacity** was raised in relation to crediting programmes. This was raised both internally within those programmes, but also amongst Validation and Verification Bodies (VVBs) with the latter being highlighted as a 'weak link' given the key role that they play in ensuring integrity. The absence of an International Organization for Standardization (ISO) equivalent for verification and validation of the social dimensions of mitigation activities is seen by some as a major gap. The only social auditor that we came across in our research is the Social Audit Network (SAN) that acts as the independent third-party verifier for the W+ Standard. The link back from VVBs to standards was also raised. The role of VVBs and auditors is to arbitrate, but they are tasked to arbitrate on the basis of what is required by the carbon crediting programme standard. If these requirements are insufficient, they have no role in determining otherwise.

4.4 The marketing and selling of carbon credits through intermediaries

The VCM has seen phenomenal growth in the number of organisations that have entered the space over the last 1-2 years alone. Brokers, advisers, exchanges, and ratings agencies abound, both from private and not-for-profit sectors and a growing number of alliances and partnerships. For example, in the reforestation and forest protection area, the LEAF (Lowering Emissions by Accelerating Forest Finance) coalition and Peoples Forest Partnership (PFP) are major new initiatives launched in 2021. Intermediaries play an important role in defining and driving quality and how gender equality and women's empowerment is addressed in market operations.

Exchanges and financial intermediaries were cited as key to building market demand driving the demand for integrity and drive price. Examples include Climate Impact X, Carbon Place, Everland, Standard Chartered, Emergent, and Air Carbon Exchange. These organisations earn their reputation and influence in the market by being able to offer sound advice and assuring their clients on what they are buying. As such they want to be clear about carbon claims and associated impacts. A number of interviewees stressed that this is generating the demand for higher measurement standards and comparable data. Climate Impact X and Air Carbon Exchange (interviewed) both see social and environmental co-benefits as being central to integrity. As such, they and others play an important role in driving demand amongst their clients. Both see gender as an important part of the social and environmental integrity story. They are also seeing buyer interest in gender grow.

The recent arrival of **Carbon Ratings agencies,** for example Sylvera (used by Climate Impact X), BeZero (used by Air Carbon Exchange) and Calyx Global intend to bring greater transparency to the VCM. They aim is to boost the confidence of ecosystems actors such as buyers, investors, traders, project developers and exchanges to identify high quality carbon credits. Independent ratings (such as D-AAA structure mirroring S&P or Moody's credit ratings) are applied to verify the carbon claims of carbon offsetting projects. By helping to distinguish between the many projects and the multiple standards used by crediting programmes, rating agencies can be expected to play an important role going forward in defining integrity and where gender equality and women's empowerment fits into the equation. The more that ratings agencies and market exchanges explicitly consider gender, the more they signal to the market –buyers and suppliers - that gender equality and women's empowerment matters. As Figure 14 below illustrates, social and environmental considerations are included (Sylvera and Calyx global) as a co-benefits/SDG rating for interested buyers though they are separated from their Greenhouse Gas (GHG) ratings.

Figure 14: Carbon ratings agencies: Sylvera, BeZero and Calyx

Sylvera Ratings: seek to verify the impact of carbon offsets (with an initial focus on forestry projects) through advanced machine learning, satellite data and data analytics to assess the raw carbon performance, additionality, permanence, co-benefits, and risk.[lxx] Sylvera has a separate co-benefits rating based on how well the project has incorporated the people related UN SDGs and the number of people it will benefit. Sylvera intentionally separates the co-benefit ratings from the GHG rating in order to prevent a high co-benefits score from inflating the carbon rating of a project that is underperforming from a GHG emissions perspective.

Calyx Global has developed ratings frameworks to independently assess GHG risk and SDG impact. The GHG Ratings assesses the likelihood that carbon credits truly meet their CO_2 reduction or removal, and the SDG Impact Ratings evaluate project claims of impact on SDGs.[lxxi]

Be Zero Ratings is a publicly available, risk-based framework for assessing carbon efficacy and represent BeZero's Carbon's current opinion on the likelihood that a given credit achieves a tonne of CO_2 avoided or removed.[lxxii] BeZero recognises the associated co-benefits of a project are important but does not account for co-benefits within their rating methodology. This may be due to concerns over the lack of standardisation and transparency of SDG declarations as raised in BeZero's report on "Mapping the SDG declarations lifecycle".[lxxiii]

As well as using these independent ratings agencies, we found that Climate Impact X had developed its own internal ratings system. In their case, a gender indicator is included as one of their measures of quality (specifically, women's empowerment). As one of a number of assessment criteria, a gender specific indicator in itself doesn't necessarily mean that gender becomes a significant differentiator between projects (a project could score highly without doing anything on gender), but it does send a market signal that Climate Impact X considers gender equality and women's empowerment an important dimension of integrity. It also offers buyers the opportunity to search for projects that score well on gender and women's empowerment.

Management consultancies and advisers also play an important role. With corporates needing to respond to an increasingly demanding climate and ESG regulatory environment they look to advisers to assist with their transition plans. Although we were unable to include any such advisors in the key stakeholder interviews, it's clear from other interviews and wider discussions that they will have an important role to play in making the connections between carbon emissions and ESG/ gender advice. Most interviewees stressed the need to step up the narrative on why gender matters and to target management consultancies and advisers with this message. In exploring the potential role of advisers in more deeply embedding gender into the VCM, it's important to note that corporates also look to NGO advisers with strong climate integrity credentials (such as Environmental Defense Fund (EDF)).

Brokers were also mentioned in our interviews as playing an important role. The variety of brokers and the interest and expertise that they bring is rapidly growing, making for an ever complex playing field. As one interviewee put it, 'we are seeing a whole new bunch of players.' Concerns were raised about the background and experience of the new players, with many completely new to the carbon market/ climate space and others coming from dealing exclusively with the Clean Development Mechanism (CDM) market. Both have little, if any, experience of the non-carbon dimensions of mitigation activities (e.g. co-benefits). This is seen as a barrier in the movement for high social and environmental integrity unless initiatives such as IC-VCM and VCMI make their desired impact.

Not-for-profit organisations play an important role in this space too, such as Emergent (who co-ordinate LEAF). Strong environmental and social credentials are of course not exclusive to NGOs with brokerages such as Everland focusing exclusively on the marketing and sale of community driven mitigation activities.

A number of interviewees mentioned and welcomed Empower Co as a new market entrant with a focus on women's empowerment (see Figure 15 for more information). Many interviewees wait with interest to see how Empower Co progress in their mission of establishing women's leadership and empowerment as a monetised asset.

'If Empower Co is able to establish a significant market price and asset value for women's empowerment outcomes through selling the W+ Standard units to corporate buyers this will be game changing'.

Figure 15: Empower Co: A brokerage focused entirely on women[lxxiv]

Empower Co was launched in early 2022 with the aim of 'building the global voluntary market for women's empowerment by selecting the most impactful women's empowerment projects and initiatives and linking them with mission aligned buyers.' It markets and sells W+ Standard units that have been generated by projects that have been independently audited to provide assurance to buyers that they are purchasing units that represent real, validated, impacts for women. They also help 'project developers scale the outcomes of women's empowerment'. At least 50% of proceeds from the sale of W+ Standard units go directly to women.

Further potential could lie in the **growing number of women in key roles in the selling and purchasing carbon credits.** Contrary to perceptions of the VCM being seen as a male-dominated market, others commented on the rapid growth in women in the sector. Women joining the VCM sector are often emerging from CSR/ ESG roles in the corporate sector where they have been developing their skills and experience for some time. This trend will make a 'significant difference' to market operations and could bring a shift towards an interest in the gender dimensions of the market. As an example, Air Carbon Exchange (whom we interviewed) have actively sought to build a gender balanced team, employ more women than men at present and generally see more female than male applicants for jobs. Whilst the recent rapid growth in the market has seen a rush of men from the finance sector, women 'have been there longer' and are seen to 'environmentally and sustainability astute' and 'make well balanced judgements on future looking decisions.' The evidence from this is quoted in Chapter 3.

5 Gender integration for buyers and sellers in the VCM

This Chapter focuses on the integration of gender equality and women's empowerment on the supply and demand sides of the VCM including the current status, opportunities, and challenges.

5.1 The supply of carbon credits

In this section we look at the research findings on the integration of gender into the supply side of the VCM, that is those that are designing and implementing 'projects' or 'activities' to reduce or remove GHG emissions, commonly known as 'Project Developers'.

How widely are gender equality and women's empowerment integrated into VCM projects?

The general feedback from interviewees across the VCM eco-system is that **gender equality and women's empowerment is rarely a strong feature of mitigation activities/ projects seeking carbon credits via the VCM.** One of the challenges of answering this key question is absence of market wide data. This prevents an overall assessment of the extent to which gender equality and women's empowerment are integrated into mitigation activities world-wide. The fact that there are multiple VCM registries, and that there are few specific markers to identify where certified mitigation activities have a gender equality or women's empowerment dimension, makes any attempt at trying to assess coverage impossible. As outlined in Chapter 4, two of the crediting programmes reviewed – VERRA and Gold Standard – use SDGs for labelling 'co-benefits'.

What factors currently limit the focus on gender and women's empowerment amongst project developers?

Some of the factors mentioned by those interviewed on why project developers give limited, if any, consideration to gender equality and women's empowerment were as follows:

- The **lack of mandatory and specific gender requirements** by all but one crediting programme (Gold Standard).
- As mentioned in Chapter 4, whilst labelling and tagging of social and environmental co-benefits is growing in response to market demand, **labelling requirements are low and insufficient to drive meaningful investment** in gender equality and women's empowerment (or other social and environmental impacts). The concern was summarised by one interviewee as 'big parts of the market just wanting a tick box exercise which is fairly meaningless and is being exploited by the system and leading to a focus on quantity rather than quality' of co-benefits.
- A **lack of incentives,** particularly financial incentives, for project developers to embed gender equality and women's empowerment and wider sustainable development impacts into their activities. Those that do are driven by personal and organisational drivers and see the higher prices received for high integrity credits merits the investment.

- Until very recently, for most crediting programmes there has been a **disconnect from the international development sector** and its governance frameworks requiring alignment with the SDGs.[14]
- The primary focus of mitigation activities is ensuring and demonstrating that emissions reductions and removals are legitimate and permanent, additional, and robustly verified and validated. This involves a robust and complex set of methodologies and procedures. Some argue that this leaves little space for non-carbon considerations, for either buyers or suppliers. Meeting the carbon monitoring requirements of crediting programmes is already highly challenging, and costly for project developers so **it is important to be mindful of adding additional complexity and costs,** particularly for smaller project owners and developers.
- **There is little gender expertise** amongst project developers. For example, in the conservation space gender hasn't been on the agenda given the primary focus on biodiversity and species protection. Reportedly, this is gradually beginning to change with the growing recognition amongst these groups that communities and their livelihoods are a vital part of the solution. The cost of resourcing gender expertise and **limited supply of gender specialists** in the VCM was also raised as an associated constraint.
- Linked to capacity is the **lack of case studies for project developers to draw on** to help them design in gender and women's empowerment and the limited availability of methodologies, tools, resources and help to integrate gender equality and women's empowerment into the design and implementation of their activities/ projects. Examples of good practice exist, as do useful tools and other resources, both in the VCM and the broader climate and energy sectors, but these are not widely available for others to learn from. See Appendix 5 in Volume III of this report for some good practice case studies which were collated during our research.
- There is a **lack of women project developers.** Although there is no quantitative data available to confirm this, the point was mentioned by a number of interviewees. The professional groups which tend to lead project development are male-dominated: conservationists, agriculturists and foresters and more recently technology-based solutions. Interviewees commented on the generally limited understanding of the relevance and importance of gender amongst these professional groups.
- Similarly, the fact that most **project developers are international and/or come from outside local communities** means that they have limited insights into the local communities' interests and bring short term and 'siloed' perspectives rather than a long-term commitment and investment in those communities. There are notable examples amongst those interviewed, for example Wildlife Works and Plan Vivo. These types of project developers put local communities at the heart of their approach, invest considerable time and resources in building relationships, and see their role as supporting local communities to play a project leadership role.
- **The question of price** and whether this is or isn't a driver came up in a number of interviews. On the one hand, some mentioned that as price goes up project developers aren't interested in the 'add-ons' as they are happy with the price that they are getting for carbon alone and undertaking additional activities and additional monitoring and reporting is costly. Others believed the opposite – that if a price is established, demand will grow (see section 5.2 for a more detailed discussion on pricing).

14 With the exception of Gold Standard that has been aligned with global development priorities since its foundation requiring all projects to contribute to a minimum of three SDGs (previously MDGs) monitored to specific targets and indicators and independently verified. The fact that some standards have been doing this for some time demonstrates that it is possible and Gold Standard arguing that it should be expected.

Which mitigation activity/ asset types lend themselves towards a deeper focus on gender and delivering positive impacts for women?

Mitigation activity types are wide ranging, covering reductions and removals, nature-based and technology-based solutions. Within those broad categories there exists a wide range of 'asset types' that are considered legitimate sources of carbon credits. Not all mitigation activity types will have significant impacts for women, but some will. Those that demand a particularly strong focus on ensuring women's interests and rights are protected are **where women need to be deeply involved in decision making** given the potential adverse impacts (often unintentional). Some asset types also offer economic and social opportunities for women which will only be achieved if designed from the outset with the direct involvement of women themselves. The asset types below are those that have been identified to both require strong scrutiny as well as empowerment opportunities.

Forestry and sustainable agriculture projects and nature-based solutions more generally are important mitigation activity/project types for in-depth consideration of gender equality and women's empowerment from both a safeguarding and impacts perspective. Women play a vital role in the management of forest and nature-based eco-systems and projects can cause considerable disruption and harm if women's roles are not identified and intricately understood. These same projects provide opportunities for women's role to be valued and built upon through the creation of new opportunities for strengthening livelihoods, access to employment and assets, and participation in leadership roles. As established project types that already have a community focus, some interviewees thought that this would be 'an easier place to bring a gender lens' by building on existing community engagement processes, especially in those projects seeking certification under standards such as VERRA's CCB Standard. Some expect sustainable agriculture projects to be a major growth area for carbon credit eligibility in the near future. This shift could offer significant potential benefits and opportunities for women engaged in agriculture if their prominent role here is recognised and built upon.

REDD+ programmes (Reducing emissions from deforestation and forest degradation) are arguably ahead of other parts of the VCM on gender. Various programmes supporting REDD+ action have acknowledged the strong linkages between forest protection and gender equality and the benefits that gender equality brings to the success of REDD+. And while not part of VCM, the UN-REDD Programme has emerged as a key player in this field given its focus on reducing emissions from deforestation and forest degradation and support provided to countries on nature-based solution market readiness. As a United Nations (UN) led initiative (UN Development Programme / UN Environment Programme /Food and Agriculture Organization), the UN-REDD Programme embraces the UNFCCC Cancun safeguards.[lxxv] and UN principles and policies on human rights and gender equality and women's empowerment. In this process, the support it provides fully integrates social inclusion, gender equality and women's empowerment principles.[lxxvi] These aspects are now also increasingly reflected in the REDD+ projects and associated standards in the VCM sector, for example VERRA's Climate Community and Biodiversity (CCB). The UN-REDD programme also has a comprehensive pool of gender expertise available to help in its gender support to countries, with experts at global, regional and in some cases national levels from across the three agencies. Major initiatives such as the LEAF coalition, Peoples Forest Partnership and the Green Gigaton Challenge[15] reflect the potential scale and therefore importance of a strong and robust REDD+ framework from a women's empowerment and gender equality perspective and its application by alliances.

Cookstoves are an obvious project category that—if implemented well—can have big impacts for both climate and women at scale given the extent of firewood use globally and the health, time-saving, and livelihood opportunities for women. Review of both VERRA and Gold Standard Registries shows that

15 The Green Gigaton Challenge is a global challenge launched in 2020 to catalyse funds to transact one gigaton of high-quality emissions reductions from forest based natural climate solutions by 2025 and annually after that as an aspirational goal. It brings together a coalition of public, private and philanthropic partners never seen before to challenge funds into efforts led by national and sub national governments to arrest deforestation.

these project types are well represented among projects tagged with SDG5 benefits (e.g. 7 of the 11 SDG 5 tagged projects under SDVista). By far the majority of Gold Standard's 483 SDG 5 tagged projects are cookstove or biogas projects. Cookstove projects are seen by many as highly impactful for women with 'a long impact tail'.

Water purification is a small but potentially interesting project type with potential employment and entrepreneurship opportunities for women. These projects can also have time saving and health benefits. For example, the Sustainable Water Purification Programme in Tanzania, credited by Gold Standard, saves time for women since they no longer need to boil water to make it safe, and can use this time for income-generating activities or leisure time instead.[16]

Renewable energy including Solar Energy, wind, and hydropower is again a potentially important project type for women, particularly if opportunities for women are designed in from the outset with opportunities for employment and entrepreneurship, especially related to ongoing maintenance. Solar Sisters in Africa (*https://solarsister.org/*) and Solar Mamas (*https://www.barefootcollege.org/tag/solar-mama/*) are well known examples of women entrepreneurship in the energy sector. These types of projects can also have important time savings for women, who no longer need to spend hours collecting firewood. This can result in more time for women to engage in paid work or leisure activities, increasing women's economic empowerment.

Although not a project type as such but rather a way in which projects are implemented, **women's participation and leadership in the governance of projects** was raised by a number of interviewees as an impactful investment that brings gender equality and women's empowerment impacts as well as wider community benefits ('women make good decisions about how carbon credit income is spent') and climate sustainability impacts. Since evidence is largely anecdotal, but consistent with wider experience and evidence on the impact of women's participation in project decision making (as outlined in Chapter 3), mining of MRV data from VCM projects would provide hard evidence and a potentially deep and compelling argument to support the limited documented and undocumented experience.

An emerging trend that should not be ignored is the move towards **technology-based solutions** where gender and wider social considerations are generally considered irrelevant. This will need attention as the market evolves to ensure that gender and social dimensions are fully understood and opportunities for creation of jobs, skills development, and entrepreneurship opportunities for women are fully considered and promoted to ensure a Just Transition where women are not left behind in accessing high tech, green jobs, and business opportunities.

5.2 Buyer demand for carbon credits

'"Buyers can and do drive market change."

"Establishing the 'gender price premium' will drive supply side investment."

In this section we explore perspectives shared by interviewees on the companies and organisations purchasing carbon credits as part of their strategies and plans to reduce GHG emissions to zero or 'net zero', with the purchase of carbon credits helping to abate their emissions during their transition.

16 See the project design document for more details. Available at: *https://platform.sustain-cert.com/public-project/2607*

5.3 Why should buyers be thinking about gender?

Many corporate buyers[17] of VCM credits have not only made climate commitments but are also increasingly aware and committed to the achievement of the SDGs, as evidenced through the exponential rise in Environmental, Social, and Governance (ESG) reporting. Many VCM projects are already helping buyers to achieve these aims, with the SDGs integrated into project design in order to achieve a greater social impact. SDG standards exist in the market to complement carbon standards with additional certifications for projects which promote the 'co-benefits' of the SDGs. For example, VERRA's Sustainable Development Verified Impact Standard (SD VISta) assesses projects against the SDGs whilst the Gold Standard for the Global Goals requires projects to monitor their impacts against a minimum of three SDGs using an SDG Impact Tool.[18] This represents a shift since the early 2000s when market actors argued that carbon markets could only handle one objective (carbon mitigation).[lxxvii]

Buyers are more likely to pay a higher price for credits with co-benefits (such as gender). The price of carbon credits is influenced by several factors, one of which is the perceived positive impact of the credit. For example, 'removal' credits tend to trade at a premium to 'avoidance' credits due to the higher demand for them from buyers, which is at least in part due to buyer's understanding that removal credits are a more powerful tool in the fight against climate change.[lxxviii] Similarly, in many cases, VCM projects with a verified positive impact on sustainable development (as a co-benefit) can draw a higher price.[lxxix]

There is an opportunity for the VCM to align with other sectors beyond carbon markets and the SDGs which share common motivations. Due to increasing interest in gender lens investing, which has been steadily growing in emerging markets and is now estimated to be worth USD 15 to 20 billion,[lxxx] VCM projects and companies which verifiably improve gender equality could also tap into additional funding from gender lens investors, multiplying project investment and impact. Companies and investors are increasingly reporting on their ESG impact, often including reporting on their contributions to the SDGs. There is potential to integrate VCM projects within ESG reporting through projects which have both an environmental and social impact. At the same time, Diversity, Equity, and Inclusion (DEI) is also becoming ever more important in the workplace, with many companies setting DEI targets, for example in employee recruitment. Companies could use VCM projects with positive social and gender inclusion impacts to hit certain DEI targets and amplify their impact. The VCM presents a unique opportunity to integrate the achievement of these corporate priorities and to avoid a gender/climate target silo.

What do we know about buyer's interest in gender and carbon credits?

A WOCAN Survey of Women in Environmental Markets Ecosystem (2021) found that **65% of respondents believe the demand for carbon credits with women's empowerment benefits will grow** once buyers are aware of the opportunity to purchase offsets with a co-benefit for women's empowerment/gender equality. 90% of the brokers who responded think there is an interest from buyers to support projects that benefit women, with 67% of respondents believing buyers would be willing to pay a premium price for GHG credits with women's empowerment co-benefits. However, market demand for gender focused carbon credits is yet to be generated in anything other than a small niche market.

17 The term 'Buyers' includes a wide range of organisations and individuals, from the largest global corporates to SMEs, from the highest emitters of carbon emissions to the least, covering sectors as diverse as oil and gas and extractives and heavy industry through to consumer facing sectors such as fashion and cosmetics. In the context of this report, we are not referring to individual buyers of carbon credits.

18 See Gold Standard SDG Impact Tool for more information. *https://globalgoals.goldstandard.org/430-iq-sdg-impact-tool/*

Not surprisingly, many interviewees reported that a **buyer's number one priority is carbon** and strongly made the point that **any valuing of additional attributes such as gender needs to be directly related to carbon impacts.** The overall market for purchasing carbon credits is still in an early stage of development at scale, with many new buyers 'focused on getting the carbon part right' with 'limited bandwidth' to take on non-carbon considerations. A more or less equal number disagreed with that view, including those interviewed directly involved in carbon credit sales, arguing that strong buyer demand already exists. An explanation lies in the highly varied buyer landscape, with some corporates just beginning the journey to net zero and others, particularly those with long standing commitments to ESG, being 'more sophisticated' and attuned to the critical importance of the social and environmental dimensions of carbon reductions and removals. Consumer-facing corporates are similarly coming to the table with an interest in what their customers want, and they are an important part of the VCM that is pushing for higher carbon, environmental and social integrity. The buyers that dominate the market are of course those with the biggest emissions, i.e. fossil fuel companies. As one interviewee put it 'there is a big difference between what an Exxon and a Kering or Puma is looking for' and this has a big impact on the scale of demand for different asset types and their interest beyond pure carbon.

We frequently heard that **a growing number of buyers are looking for higher integrity and co-benefits** – wanting to both **avoid reputational risk** and to ensure investments in **carbon credits that are genuine and good assets** to invest in. As one interviewee put it, **'the market for high quality has exploded'** and this will increase as market regulation increases. The market is also seeing the emergence of buyer collaborations looking for high integrity carbon credits or purchasing carbon credits through direct investments in high integrity projects, such as the LEAF coalition and the Livelihood Carbon Fund. Such initiatives create strategic opportunities for raising gender awareness and integrity at scale. At a recent Sylvera Carbon Summit, a keynote speaker[19] stressed that corporates are 'not just a buyer of quality but a shaper as well' and that more and more corporates are moving 'upstream' in sourcing high quality credits.

One reason cited for the limited demand for gender focused carbon credits is that 'no value is yet attached to gender equality and women's empowerment.' **Why gender and women's empowerment matters to a carbon credit purchase is not widely understood** – not just amongst buyers but also financial intermediaries who are supporting the buying and selling of carbon credits.

Where there might be potential buyer interest it is **'hard for buyers to find projects/ carbon credits that have positive impacts on women'.** A number of factors[20] were cited as contributing to this. Registries don't always single out impacts on women as a distinct attribute or label, with impacts on women often wrapped into broader categories. The difficulty of comparing across projects and registries due to the different indicators, methodologies and tagging systems used by crediting programmes was also mentioned. This problem has not been resolved despite the emergence of carbon ranking agencies, as co-benefits are not integrated into rankings and their methodologies also differ. Perhaps the most significant claim and concern was the lack of robust reporting and measurement of impacts, which were described by one interviewee as 'unquantified, unverified and 'fluffy'. Whilst this is clearly a generic statement that doesn't reflect the widely varying requirements of crediting programmes (e.g. market leaders such as Gold Standard pride themselves on the robustness of their MRV processes) it was raised as a widespread issue of concern to more discerning buyers seeking high integrity carbon credits.

19 From Equinor

20 NB these were comments made by key stakeholder interviewees. Some of the statements are broad and sweeping impressions that don't necessarily note exceptions.

The lack of audit and independent verification of social/gender impacts is perceived as a risk for buyers. All leading standards require independent verification but, as noted above, it is the gap in social and gender expertise amongst verification bodies that is seen as an issue.

Finally (and arguably most significantly), interviewees – especially those on the demand side – stressed that **there just aren't enough projects with high social and environmental integrity** and/or where opportunities for women are built in.

How is the demand for gender focused carbon credits likely to grow?

It is evident from interviewees that **a 'gender price premium' has not yet been established.**[21] There clearly is a direct link between buyer demand and supplier response, with a gender price premium necessary to make it worthwhile for project developers to invest in 'designing in' benefits and opportunities for women together with methodologies to assess and measure impact. To quote one of our interviewees, 'establishing the 'gender price premium' will drive supply side investment'. Climate Impact X and other exchanges (e.g. Carbon Place) could play a key role in establishing a price for gender focused carbon credits. Securing a high-profile buyer/s for gender explicit credits would also send out a strong market signal to others.

A further message from interviewees was to **start with those asset types where impacts on women are an easier sell, for example, cook stoves, off grid renewable energy, safe water access, forestry, and regenerative agriculture** to build demand for carbon credits where there are 'easy gains' for women and the link between women's empowerment and what makes 'good carbon sense' is straightforward to illustrate. See section 5.1 above for more information. Again, interviewees stressed the importance of ensuring that the demand is generated for credits demonstrating measurable and independently verified and genuine impacts for women, rather than misleading 'low bar' tagged credits.

Corporate policy on gender and diversity is seen as key and changing in a positive way, especially with awareness increasing post pandemic. Corporate and investor interest in social and environmental impacts as well as climate impacts is growing. More and more companies have been making explicit commitments to the SDGs. Over 85% of the 500 largest global corporations now disclose non-financial information on the SDGs as part of their annual financial reports.[lxxxi] One interviewee involved in carbon market sales finds women in the top three 'asks' of buyers looking for co-benefits. For many larger corporates, **gender and DEI is 'right up there' on the agenda** and has been for a number of years, independently of their climate work. As engagement with the VCM has grown, thinking on gender and climate has become more integrated. Several interviewees suggested targeting Chief Sustainability Officers of companies with SDG 5 targets to increase demand for gender in the VCM. The increasing ESG corporate disclosure requirements in some jurisdictions (e.g. EU, UK) are also seen as a driving force for raising corporate demand for gender impacts within and beyond their supply chains. Board room influence is key, with more and more companies shifting from managing risk to 'being the best we can' to maintain competitive edge. The fact that gender and diversity were already a board room priority pre-pandemic (e.g., women's participation on Boards, gender pay gap, gender equality in the workforce) has put gender and women's empowerment high on the list of corporate ESG priorities, offering a springboard for building buyer interest in purchase of carbon credits that bring meaningful impacts for women.

Gender lens investors provide a potential source of demand for gender focused carbon credits, but connections seem yet to be made to link the two. The growing body of work linking gender smart investing to climate smart investments provides an opportunity to connect with 'signed up' corporates' de-carbonisation plans and purchase of carbon credits (see Chapter 7 below).

21 Some compared this to a biodiversity price premium which is beginning to evolve.

One of the key suggestions emerging from our stakeholder interviews is to **build a buzz around gender focused carbon credits** and create a market and price. As the market grows, and more project developers see the links between integrating processes and activities to empower women and climate integrity and sustainability of their carbon mitigation activities, demand will continue to grow. Figure 16 includes suggested examples of how to do this.

Figure 16: Building a 'buzz' for gender-focused carbon credits

Educate and build a buzz by:

- Educate buyers on what good looks like and why gender and women matter with clear and compelling materials
- Build a clear narrative and 'hit the headlines' that is directly and very explicitly linking the women's empowerment rationale to carbon impacts
- Generate pilots and inspiring case stories in a marketable form
- Create a buyer coalition based on projects that meet certain criteria with robust and measurable outcomes
- A carbon marketplace or exchange could hold a well prepared and publicised auction selling high gender impact carbon credits

Finally, the **importance of better data and more accountable reporting requirements in unlocking demand needs to be a central component of any strategy** to build buyer demand for gender integrated carbon credits. Figure 17 provides a set of emerging recommendations to the challenges faced by buyers in finding mitigation activities that are genuinely empowering women and girls.

Figure 17: Key issues and recommended solutions to buyer demand for better data on women's empowerment and gender equality

Stakeholder Issue Raised	Recommended solutions
Most crediting programme lack robust reporting on gender and impacts are unquantified, unverified and 'fluffy'.	– **Integrate gender and impacts on women into the VCM governance and policy framework** so it's visible and a mandatory requirement for disclosure and considered part of what's meant by integrity, including benefit sharing with transparency to show where the money is going as mandatory. – **Push up the overall standard and integrity of labelling/ tagging** to make it meaningful and to drive the supply of mitigation activities with higher standards of social and environmental integrity, explicitly including gender. Clearer definitions of what 'meaningful' looks like. – **Mandatory, meaningful, and independently certified** measurement will drive buyer demand i.e. those that can demonstrate that there are no hidden adverse impacts (e.g. slave labour, sexual violence) as well as positive impacts. Buyers will have more confidence in what they are buying. – **Tap into the shift in responsibility for climate and ESG** from CSR leads to Chief Finance Officers and the search for rigorous reporting driven by the desire to be able to audit ESG and to respond to the growing critique of the explosion in unverified ESG claims and need for a 'market clean up'.

Stakeholder Issue Raised	Recommended solutions
Can't compare across projects and registries due to the different indicators, methodologies and tagging systems used. Standards have widely varying requirements. Market leaders such as Gold Standard pride themselves on the robustness of their MRV processes, whereas other standards have rudimentary social and environmental protection requirements with little or no mention of women specifically.	– **Standardisation of data reporting requirements on gender,** including standardised measures and indicators to enable comparisons. This is also coming 'down the pipe' with the work of bodies such as the International Sustainability Standards Board (ISSB) leading the work on internationally comparable ESG data and auditing. – **Establish 'best in market' robust methodologies** for identifying meaningful impacts on women. A performance standard directly focused on gender, such as the W+ Standard or the Gold Standard's Gender Responsive Requirements, backed by some influential market players to establish widespread market use.
Registries don't necessarily single out impacts on women as a distinct attribute or label. Impacts on women are often wrapped into broader categories.	– **Explicit labelling of positive impacts for women,** with high levels of visibility of data and methodologies used to give credibility to claims and reassurance to buyers. – **Greater buyer information** on what good looks like and what to look for in order to establish whether projects are having meaningful gender equality and women's empowerment impacts.
Ranking is now emerging (e.g. Sylvera, Climate Impact X) but their methodologies differ so this is not helping with cross market comparison	– **Explicit incorporation of gender equality and women's empowerment into carbon rating agencies** and into definitions of integrity and integrity rankings of exchanges (e.g. Climate Impact X ranking assessment).
The lack of audit and independent verification of social/ gender impacts is risky for buyers. Again, all leading standards require independent verification but the gap in social and gender expertise amongst verification bodies that is seen as an issue.	– Include VVBs in **training and capacity building** efforts. – IC-VCM and crediting programmes to **require technical expertise** in gender and /or social development of VVB teams as required for other expertise areas.

6 The role of finance and financial intermediaries

This section looks at the role of finance and financial intermediaries who play an important role in the financing of activities generating carbon credits. Finance is a large and complex area in its own right. This report does not go into depth, but rather highlights the importance of this part of the ecosystem to gender integration into the VCM and some of the issues emerging from the research.

Carbon credits can provide a long-term form of finance for mitigation and adaptation. As such, they offer a 'more favourable form of finance' to climate projects than donor grants which are short term and unreliable. One of the key constraints facing project developers, especially smaller project developers, is access to finance upfront and the cost of going through a demanding certification process in advance of income from credit credits sales which may take up to two years or more.

Our research highlighted a number of gender dimensions to the way in which the sector is financed:

- The **lack of financial incentive for project developers to invest** in the additional work required to integrate and monitor gender impacts. Ultimately, the achievement of a 'gender price premium', but this hasn't yet been established. The upfront coverage of additional costs is also seen as problematic and a disincentive to project developers.
- **Financial benefits of carbon credits are not getting down to communities, or women within those communities,** which are generating carbon credits. The way in which the market is structured with 'outsiders' acting as project developers, the large number of intermediaries 'taking their cut' and the lack of requirements by carbon crediting programmes for financial transparency and or benefit-sharing is highly problematic. However, there are examples of more equitable models for benefit sharing, such as the Fair Climate Fund. A shift in the rules of the game towards local communities would see more financial benefits going to women and their households, especially if accompanied by the promotion of inclusive decision-making processes and structures, and women's participation in leadership and decision making.
- **The lack of carbon finance flowing to women led businesses and women's organisations is a major barrier to women benefitting from the VCM.** A number of factors have been cited for this, including:
    - **The absence of women project developers** (local, national or international) and the current lack of access to carbon market knowledge and skills.
    - **Lending criteria that work against women entrepreneur's access,** particularly at the local level, for example requirements for land tenure which women are less likely to have.
    - **Lack of upfront financing** through credit pre-sales that could enable women's organizations and enterprises to measure carbon emissions reductions.
    - **Limited business development capacity and access to training and business support** services and general 'investability'.
    - The need for financial institutions to design funding windows that are based on a **better understanding of the needs and perspectives of women themselves,** for example loan size, lending mechanisms, and equity versus debt preferences

Figure 18: The W+ Standard as a tool for helping to facilitate finance to gender focused mitigation activities

The W+ Standard was cited as valuable tool for bringing additional finance to women 'on the ground' through the generation and sale of W+ Standard credits. It does this in a number of ways:

- A minimum of 20% of revenues must go to local women's organisations when credits are sold by project developers. Women are paid for their otherwise invisible work to protect and restore ecosystems.
- W+ Standard credits can bring additional finance to project developers to both fund the additional activities needed to generate and track impacts for women as well as create a surplus if the price is right. As we saw above, a market price has yet to be established.
- W+ Standard could be of particular interest to financing of women led businesses, with future W+ Standard credits providing security for upfront lending. There are precedents for this in the VCM (e.g. BIX capital).

The growing role of gender lens investing and 2X Collaborative

Due to increasing interest in gender lens investing, VCM projects and companies which verifiably improve gender equality could also tap into additional funding from gender lens investors, multiplying project investment, and impact.[lxxxii] Over the last few years, a Gender and Climate Investment Working Group facilitated by GenderSmart[22] has been bringing a gender lens to investments that target the climate crisis and applying a climate lens to gender smart investments to maximise impacts on both planet and people (women). As a global industry body that 'convenes the entire spectrum of investors to promote gender lens investing', the 2X Collaborative is also playing an important role in raising gender awareness in the climate finance space. Examples of products which raise awareness on gender within climate finance include the Gender-Smart Climate Finance Guide, and sector notes on sustainable agriculture, food and forestry, and sustainable energy, and an upcoming toolkit for gender smart and climate investors.[lxxxiii]

The 2X Collaborative can potentially play an important role in bringing their membership and investor networks and approaches into the VCM, joining the dots between investors, fund managers, and corporates at the frontier of gender lens investing and their roles and activities as purchasers of carbon credits and/or investors in businesses engaged in climate mitigation and adaptation. The 2X Challenge criteria[lxxxiv] also offers an established and increasingly used simple tool for helping businesses and investors to assess and push their potential on gender equality and women's empowerment. Integrated with climate investment indicators, it can serve to highlight possible gender lens investing 'markers' that investors recognise as an indicator of climate mitigation and adaptation activities that are also 'gender smart' investments.

22 GenderSmart is a global field-building initiative dedicated to unlocking the deployment of strategic, impactful gender-smart capital at scale. Launched in February 2020, its climate and gender working group brings together more than 80 investment pioneers with a diversity of perspectives from across the ecosystem. The aim is to intentionally integrate the climate and gender investment agendas to amplify both impacts and returns. https://www.gendersmartinvesting.com/climate-gender-working-group-about

7 Recommendations: The way forward

Drawing on the research, analysis, and stakeholder findings, we have set out our key recommendations to integrate gender into the VCM. We start with recommendations relevant to a wide range of key stakeholders in the climate and gender sector, and then set out specific and more detailed recommendations for IC-VCM and VCMI.

Recommendations are grouped into those relating to

- **Democratisation of the VCM**
- **Building market awareness, expertise and resources**
- **Building a stronger demand for carbon credits** with a gender equality and women's empowerment focus
- **Integration of gender into global VCM governance**
- **National level action**

Democratisation of the VCM

Recommendation 1: Increase access to the VCM for women	**To whom:** FCDO, development banks, and climate financiers
	Priority: High
	Timeframe: Medium (6-12 months)

A raft of recommendations fall into this highly important recommendation reflecting a strongly articulated message from research findings that the underlying cause of gender considerations being so under-played in the VCM is the lack of women's presence and voices at every level. Suggestions from stakeholder consultations and analysis of research findings include:

- Create a set of materials designed to simplify the VCM for non-technical and local organisations to help de-mystify the market and to begin to open up access to market opportunities for women farmers, women's organizations, custodians of forestry resources and implementers of other climate mitigation and adaptation activities
- Build capacity at the local level for women to be more active participants – as project owners and developers – and to allow them to benefit equitably from carbon markets through the development of gender-specific criteria for distribution of funds to community group.
- Initiate funds focused on gender and climate with investment criteria adjusted to be better suited to the situation and needs of women climate entrepreneurs and business collectives (e.g. 'ticket size') accompanied by technical assistance and other support to facilitate women's access to finance, markets and business expertise. Such funds should be designed with strong input from women themselves

- VCM capacity building of local organisations to support women entrepreneurs and organisations and collectives which at present is severely constrained
- Link women sellers with women buyers to build the market for women led mitigation activities
- Link women led mitigation activities to appropriate larger initiatives to benefit from the opportunities offered by scale without compromising on equity principles and returns.

As a first step, we recommend bringing together a range of potential partners with finance, interest, and technical expertise (VCM and gender) with representatives of women-led organisations to develop the thinking and strategy on how to put this recommendation into action.

Building market awareness, expertise and resources

Recommendation 2: **Form a cross market Gender Technical Advisory Group to guide and support market development**	**To whom:** IC-VCM, VCMI, standard setting agencies, financial intermediaries **Priority:** High **Timeframe:** Short-term (whilst finalising frameworks)

A suggestion emerging from interviews across the VCM ecosystem. A cross market Gender Technical Advisory Group would consist of an appointed group of gender experts with experience in the VCM, climate and climate finance fields and representing perspectives from across the ecosystem. The Gender Technical Advisory Group could play a valuable practical role in building the market's understanding and integration of gender equality and women's empowerment over the next 18 months to 2 years.

Recommendation 3: **Borrow from best practice on gender mainstreaming within the international development sector when designing VCM standards and principles.**	**To whom:** IC-VCM, VCMI, and standard setting agencies **Priority:** High **Timeframe:** Short-term (whilst finalising frameworks)

IC-VCM, VCMI, and standard setting agencies (carbon crediting programmes) should look to best practice from decades of experience and learning from the international development sector when designing VCM standards on gender and social inclusion. IC-VCM adoption of UN development principles, integration of the SDGs into definitions of high integrity and IFC Performance Standards and others as a baseline represents a major step forward. Considerable resources, methodologies, and expertise exist in this sector offering the VCM a rich resource to draw upon as IC-VCM and VCMI work with carbon crediting programmes and others to respond to higher integrity standards. For example, the Moser framework is often used in the international development sector to raise ambition for gender equality. See Appendix 3 of Volume III of this report for best practice gender frameworks and Appendix 4 for best practice gender processes.

Recommendation 4: **Build on best practice on gender lens investing and women focused standard setting to develop integrated carbon and gender standards/ product tagging for the VCM**	**To whom:** IC-VCM, VCMI, standard setting agencies, buyers
	Priority: High
	Timeframe: Short-term (whilst finalising frameworks)

IC-VCM and standard setting agencies/carbon crediting programmes should look in and beyond existing VCM practices for identifying best practice for assessing gender impacts and labelling that have made a meaningful contribution to women's empowerment. As an example and as a first step along the pathway to integrating gender indicators, 2X offers a simple tool for setting and rewarding the achievement of gender targets (in entrepreneurship, leadership, employment and product delivery) that could help buyers identify projects and credits that have proactively sought to support the empowerment of women. 2X is increasingly recognised in the corporate sector.

Similarly, to push the VCM further on rigorous and robust measurement of gender outcomes the W+ Standard is recognised by the World Bank[lxxxv] and many stakeholders interviewed, as an established, independently verified and accredited methodology. It also meets the emerging IC-VCM standard for robustly assessing Sustainable Development Impacts (SDG 5+). As such, we recommend IC-VCM play a leadership role in amplifying the methodology for labelling SDG 5 attributes. Alternatively, market actors who have applied the W+ Standard should be supported in marketing the benefits of using this standard and its applicability beyond VERRA (some market confusion that it is a VERRA owned standard whereas it is independently owned and operated by WOCAN).

Appendix 2 in Volume III of this report includes a selection of other best practice standards and frameworks that were reviewed and assessed for this research.

Recommendation 5: **Collate and tailor climate related gender resources to support capacity building in the VCM ecosystem to mainstream gender**	**To whom:** Donors and UK government departments (e.g. FCDO, Department for Business, Energy & Industrial Strategy (BEIS), Development Banks)
	Priority: Medium
	Timeframe: 12 months

A consistent message emerging from interviews is the importance of the need for technical support across the VCM eco-system to help embed a gender perspective. A package of recommendations includes: guidance and 'how to' notes, examples of good practice, training and technical advice. Rather than starting from scratch, considerable resources already exist in the gender and climate space that are relevant and could be collated and used or tailored for the VCM specifically (for example for asset types and/or adapted to link directly to SDG reporting requirements).

Primary research to help build the gender business case in the VCM could also usefully be resourced in order to build a more in-depth evidence base on the benefits of integrating gender into the VCM. This funding could be provided to sample VCM projects that are explicitly integrating gender to assess long term impacts and outcomes and capture lessons learnt. IC-VCM could play a valuable role in collating and hosting such a resource given its cross-market role.

Building a stronger demand for carbon credits with a gender equality and women's empowerment focus

Recommendation 6: **Create a communications campaign to raise awareness of the benefits of integrating gender into the VCM.**	**To whom:** IC-VCM and VCMI, FCDO, or other donors
	Priority: Medium
	Timeframe: 12 months

'Building a buzz' and educating the market around the benefits of investing in gender and women's empowerment in voluntary carbon markets—reaching project developers, intermediaries, and buyers needs to underpin efforts to build interest and demand for carbon credits that also deliver benefits for women and their communities. Two key recommendations have emerged from the research:

- a high-profile, high-quality communications campaign underpinned by evidence and examples and;
- formation of a very high level 'buyers' club' including one or a number of very high profile, consumer facing corporates.

VCMI could play an invaluable role here given its strategic position and role in building market demand for high quality carbon credits. A first step should involve talking to more intermediaries (such as Empower Co) and buyers directly to garner more insights into why gender is/isn't attractive and how to channel investments into those projects

Integration of gender into global VCM governance

Recommendation 7: **Build the governance and accountability structure for supply side integration of gender**	**To whom:** IC-VCM and standards/ crediting programmes
	Priority: Medium
	Timeframe: 12 –24 months

Crediting programmes across the VCM must include achievement of agreed minimum requirements on gender safeguarding and gender reporting as mandatory. Additionally, as the market shifts towards net positive SD impacts being mandatory, crediting programmes should promote SDG 5 by providing clear evidence to project developers on the cross SDG benefits of women's empowerment (SDG 5) and the link to higher carbon integrity. Embedding gender equality in IC-VCM's CCPs and Assessment Framework is a key opportunity to implementing this recommendation.

SDG 5 reporting requirements should be significantly improved across the market to provide buyers greater confidence that the gender positive credits that they are buying are meaningful and not just labelled or tagged as a 'tick box' or light touch exercise. This will require adoption of robust and rigorous quantification of SD impacts. Leading market players should demonstrate through adoption and promotion of best in market independent methodologies.

Recommendation 8: **Carbon credit rating agencies can strengthen their contribution to increasing VCM impacts for women by highlighting carbon credits that are delivering meaningful and significant impacts for women**	**To whom:** Leading Ratings Agencies (Sylvera, Be-zero, and Calyx) **Priority:** Medium **Timeframe:** 12 –24 months

The importance of carbon credit rating agencies to buyers, intermediaries, and advisers is growing and they can play an important role in helping buyers identify gender positive carbon credits. We recommend that leading ratings agencies also do more to draw attention to the integral nature of sustainable development impacts to high carbon integrity (and not just a nice to have co-benefit). As part of this they could/should include specific reference to the importance of gender sensitivity and positive impacts for women in their advice and both recognise and adopt robust and reliable methodologies for assessing gender impacts in their assessments/ ratings using best in market independent methodologies. Ratings agencies should consider forming a gender expert advisory group to help develop appropriate guidance and methodologies (or this could be incorporated into recommendation 1 above).

Recommendation 9: **Embed gender considerations into the scope of work of the Paris Agreement Article 6.4 Supervisory Body from the outset**	**To whom:** UNFCCC, donors **Priority:** High **Timeframe:** Immediate

The new Article 6.4 supervisory body replaces the previous Clean Development Mechanism (CDM) and its formation creates a significant opportunity to embed gender as part of the Article 6 principles on inclusion and integration of SDG positive impacts into the operation of carbon markets going forward (mandatory and voluntary). The new supervisory body and its panel of technical advisers should include gender expertise and input into the design of the supervisory body itself and its policies and procedures.

National level action

Recommendation 10: **Build national level recognition of the importance and value of integrating gender into the design and development of carbon market regulatory frameworks nationally**	**To whom:** VCMI, UNFCC, FCDO, other donors supporting national governments, governments **Priority:** Medium **Timeframe:** 12-24 months

Since COP26 and the finalisation of Article 6 of the Paris Agreement, governments globally are having to work through the implications of the agreement and the new rules. Many governments in the global south are starting from a low base. National governments and national decision-making processes will need to integrate gender into the design and development of their regulatory frameworks, supported by UN agencies and others providing funding and technical support to governments. A short piece of work to develop a strategy and road map for the most effective route to provide influencing support is recommended as a first step.

IC-VCM specific recommendations

For more detailed recommendations for IC-VCM and VCMI, see Section 7: Recommendations in Volume II of this report.

Recommendation 1:	**To whom:** IC-VCM
Include a new free-standing Criterion within Section 7.2 SD Net Positive Impact entitled "Ensuring Net Positive Gender Impacts" to intentionally integrate gender equality in terms of women's empowerment and/or transformational change across all mitigation activities.	**Priority:** High
	Timeframe: Immediate

- Separate out gender equality impacts from net positive SDG impacts and create a new criterion in its own right to signal more strongly the message that gender equality impacts (in terms of empowerment and/or transformational change) will be integral to high carbon credit integrity going forward.
- Include specific guidance and requirements, to help crediting programmes and project developers integrate gender equality, women's empowerment, and/or transformational change across mitigation activities.
- Deeply embed gender equality and women's empowerment in the Governance CCP and corresponding means of assessment (Assessment Framework). Include a requirement and target for significantly increasing women's participation in community/ local level leadership and decision-making structures/ processes. This would be one of the most significant steps to ensure that women's voices contribute to decision making which evidence suggests increases carbon/climate integrity, as well as enabling greater benefits for women.
- Include specific benefit sharing targets for women as an essential mechanism to ensure equitable benefit sharing at local level.
- Explicitly target women as leaders, decision makers, and beneficiaries of mitigation activities as integral to the sustainability and long-term success of mitigation activities, which is also a meaningful way to de-risk projects.
- Message hard on robust & rigorous assessment of gender equality impacts in light of the consistent feedback that current labelling is 'pink washing' and insufficiently robust to signal where projects have genuine positive impacts for women.
- Promote specific methodologies to identify, measure, and verify impact that do meet the IC-VCM's requirements on gender equality and women's empowerment for use in tagging credits in a meaningful way and as a vehicle for buyers.

Recommendation 2: **Further strengthen the draft CCPs and Assessment Framework to be more ambitious on sustainable development impacts, gender equality, and women's empowerment**	**To whom:** IC-VCM **Priority:** High **Timeframe:** Immediate

- Separate out sustainable development impacts from social and environmental safeguards and create a new CCP in its own right to signal more strongly the message that SD impacts will be integral to high carbon credit integrity going forward wherever appropriate.
- Embed gender equality and women's empowerment across the whole framework and not just in the safeguarding mechanisms, including an upfront and explicit statement on IC-VCM's position on gender equality and women's empowerment. Leaving gender equality 'buried' in a set of safeguards will not signal sufficient importance to the market.
- As well as including mandatory and specific minimum requirements on gender safeguards, include specific guidance and a requirement, wherever possible, to make meaningful contributions to gender equality and women's empowerment (SDG 5) as a cross-cutting SDG that is well recognised as under-pinning the SDG goals as a whole.[lxxxvi]

Recommendation 3: **IC-VCM should play a leading role in integrating gender equality and women's empowerment across the VCM by facilitating technical guidance, advice, and support to the sector**	**To whom:** IC-VCM and sponsors, FCDO or other interested donors and foundations **Priority:** High **Timeframe:** Medium – 12-24 months

- Develop a toolbox of guidance and technical support, including an evidence pack, how to guides (process and asset types), case studies, and other resource materials for use by crediting programmes and project owners/ developers. These materials should be clear and simple and designed for non-technical staff to use and draw on the many materials that have been developed in the climate space.
- Provide technical guidance and support to crediting programmes during Assessment Procedure to support quality adoption of the CCP gender equality and women's empowerment requirements.
- Embed gender equality into IC-VCM's IPLC strategy and approaches as they evolve in recognition of women's primary importance in forest management and their rights as equal partners in the VCM.
- Promote/facilitate the setting up of a cross market gender technical advisory body that IC-VCM and the wider VCM can draw upon for ongoing advice and guidance on gender mainstreaming in the market. The advisory body would ideally be made of gender specialists from across the ecosystem and include a majority participation from women in the global south (see also General Recommendation 2 above).
- In light of the SDG framework emerging as a market preference for capturing sustainable development impacts, develop specific guidance on SDG 5, with the aim of capitalizing on this market shift to deliver meaningful positive impacts for women and girls. Such guidance needs to be accessible to non-gender specialists and useful to project developers with varying levels of ambition in order to help everyone 'move the dial' whatever their starting point (see for example the Moser Framework).

- Develop specific guidance for those asset types with greatest potential for gender equality and women's empowerment impacts. Those identified in this report include: REDD+ / forestry, agriculture, cookstoves, renewable, water management, and other nature-based solutions (e.g. mangrove and wetlands management).
- Promote and/or facilitate training partnerships to build gender expert and gender aware levels of expertise to help unlock the knowledge and expertise gap in the VCM on gender and to start building a greater pool of trained professionals working in the VCM.
- IC-VCM and its partners could also play an important role in the promotion of market excellence on gender equality and women's empowerment to continue to signal significance its importance to carbon market integrity (e.g. measurement standards and certifications, project awards).

Recommendation 4: **Use IC-VCM's strategic position in the VCM to provide market governance and leadership on gender equality and women's empowerment**	**To whom:** FCDO, development banks and climate financiers **Priority:** High **Timeframe:** Medium (6-12 months)

- Appoint a Board level gender champion who is well known and highly regarded in the VCM.
- Develop a clearly articulated policy statement on why gender equality matters to VCM integrity and use IC-VCM platforms to communicate this message across the VCM ecosystem.
- Institutionalise a forum and mechanism to strengthen women's voices (especially from the global south) in market governance and IC-VCM's work in particular. Build on the individuals and groups who have participated in this consultation exercise who have expressed an ongoing interest in supporting IC-VCM and use their networks to widen the net.
- Establish and fund a working group of women who are involved in carbon projects at community level and/or in leadership roles to share best practices, issues they're encountering etc. to better leverage the power of resources and connections that women could be tapping into from those who are already involved in this space.
- Lead by example and share IC-VCM's own successes in strengthening gender equality in market governance, for example in its leadership team e.g. Chair, Board committee leadership and Board and Distinguished Advisory Group and Expert Group composition.
- Formally integrate gender equality objectives and targets into IC-VCM's own performance standards and consider seeking recognition and independent assessment using any widely used certification or gender index.
- Integrate a gender equality and women's empowerment lens into IC-VCM's DNA, going beyond the CCPs and Assessment Framework, for example into communications.
- Build on the 'End to End' messaging on the complementary supply and demand side roles of IC-VCM and VCMI by considering a dual and collaborative role in market governance leadership on gender equality and women's empowerment.

VCMI specific recommendations

NB These recommendations only relate to the Claims Code of Conduct as we are unsighted on other VCMI planned initiatives at this stage.

Recommendation 1: **Further strengthen the messaging on gender equality and women's empowerment in the Claims Code of Practice to more proactively promote market integration of gender equality and women's empowerment as central to higher quality carbon credits**	**To whom:** VCMI **Priority:** High **Timeframe:** Immediate

Whilst, rightly, VCMI does not have a supply side mandate, it could make more of its position to support the embedding of gender equality and women's empowerment into the supply side by:

- Be more assertive on the benchmark for high integrity carbon credits by aligning with IC-VCM, especially in the context of an 'end to end' high integrity position, including as a transitional aspirational benchmark pending full implementation.
- By encouraging buyers to seek out carbon credits from projects that are delivering meaningful benefits/ impacts for women and interrogating those projects to stress test their claims on impacts for women to help increase the supply of such credits.
- The Claims Code of Practice (or supporting documentation) needs to be clear on VCMI's own assessment framework, setting out how VCMI will verify that the carbon credits that buyers purchase are genuinely high quality and consistent with the principles set out in the document.
- Inclusion of 'Buyer Beware' and 'Buyer Opportunity' boxes on gender equality and women's empowerment. Possible wording is included below in Figure 19 and Figure 20 with suggestions emerging from two group consultations with women.

Figure 19: Buyer Beware: Avoid ‘pink washing’ and unverified claims by scratching the surface

Buyer Beware: Avoid ‘pink washing’ and unverified claims by scratching the surface

- **Ask questions – backed up by documentation – about the process** projects have gone through to protect women and girls. Many crediting programmes have only minimal safeguarding requirements to protect women.
- **Ask to see policies and procedures** designed to prevent gender-based violence, abuse, and harassment, as well as evidence of those policies being applied.
- **Ask to see the gender assessment,** particularly on projects that will inevitably have significant impacts for women and ask a gender expert to advise you on the sufficiency of the assessment and activities to manage risk (as designed in and implemented).
- Ask for information about the community level institutions and project decision making. **Are women well represented? Are women amongst the leadership and decision makers?** They should be. Poor representation of women in decision making is a good indication of their interests being poorly represented or ignored.
- **Where is the money flowing?** What evidence can projects provide to show that women are benefitting equitably from carbon credit revenues? This is not just about fairness but also about how money is used. There is plenty of evidence that women are much more likely to spend and invest their income in ways that benefit their households and communities, especially when going to women collectively.
- **Ask whether gender experts have been employed** by the project. And if so, at what stage? Look for early involvement of expertise inputting into the project design process. This is an indicator of project intentionality, their readiness to invest resources to get it right, and ultimately, better design.
- Where a project has a gender tag and you are wanting to assure yourself that the project is delivering meaningful benefits for women, ask for the monitoring and evaluation data and ask for information on impacts. The number of women employed or involved in a project is not enough – **what was the impact? What do women themselves think?**
- Are women well represented in the project team (project owners and developers), **especially at a senior and decision-making level?** This is a globally established indicator of the likelihood that women’s empowerment and gender equality will have been well considered by the project.

Figure 20: Buyer Opportunity

Buyer Opportunity

- Many carbon mitigation and adaptation activities provide a ready-made opportunity for **delivering positive impacts for women and girls at the same time as reducing or removing GHG emissions,** especially nature-based solutions, cookstoves, and energy projects.
- In fact, evidence suggests that direct inclusion of women and girls into carbon and climate projects more widely, **delivers better carbon and climate outcomes** and improves project sustainability.
- Use the opportunity when developing a strategy and plan for the purchase of carbon credits to **link to in-house ESG and gender equality goals and targets.**
- Ask whether there are **opportunities within your supply chain** to bring together corporate climate and social, gender equality and women's empowerment objectives.
- Seek out carbon credits that are generated by mitigation and adaptation projects which are **women led or where women have played a leadership role** in project design and are actively involved in ongoing decision making, including financial and non-financial benefit sharing.
- Many women led climate initiatives that could be generating carbon credits are seeking upfront finance and other forms of support to be able to capitalise on their potential. Consider whether you would like to **set a target (e.g. 15% of your carbon credit purchases) invested in women owned and led projects and enterprises.** Moreover, if such eligible projects don't yet exist, establish an "open RFP' for projects that do meet such criteria to create a market signal for project developers that these types of CO2 offsets with an integrated gender focus are desired by the demand side.
- Build the use of the **W+ Standard or Gold Standard's Gender Responsive certification** into your purchasing strategy. Requiring projects to use these standards gives you a robust, quantified and independently verified data on impacts for women. Additionally, W+ Standard creditation generates tradeable gender units that can provide returns to projects and local women's organisations.

Recommendation 2: VCMI could do more to leverage its position on the demand side of the VCM to promote gender equality and women's empowerment	
	To whom: VCMI
	Priority: High
	Timeframe: Medium

Specific recommendations include:

- Within the Claims Code of Practice, explicitly include an upfront statement on gender equality and women's empowerment to send a strong message to buyers –and therefore suppliers too- and signify its own position and level of ambition.
- Develop a clearly articulated policy statement on why gender equality matters to VCM integrity and use VCMI platforms to communicate this message across the VCM ecosystem (ideally with IC-VCM as part of building 'end to end' market integrity).
- Work with IC-VCM to institutionalize a forum and mechanism to strengthen women's voices (especially from the global south) in market governance and VCMI's work in particular. Build on the individuals and groups who have participated in this consultation exercise who have expressed an ongoing interest in supporting VCMI and using their own networks to widen the net
- Lead by example and share VCMI's own successes in strengthening gender equality in market governance, for example in its leadership team e.g. Co-Chairs and Steering Committee composition.
- Formally integrate gender equality objectives and targets into VCMI's own performance standards and consider seeking recognition and independent assessment using a widely used certification such as 2X certification.
- Integrate a gender and women's empowerment lens into VCMI's DNA, going beyond the Claims Code of Practice to other initiatives (for example Country Access Strategies) and communications.
- Build on the 'End to End' messaging on the complementary supply and demand side roles of VCMI and IC-VCM by considering a dual and collaborative role in market governance leadership on gender equality and women's empowerment.

Recommendation 3: VCMI should leverage its work with national governments to promote gender equality and women's empowerment	
	To whom: VCMI
	Priority: High
	Timeframe: Medium

VCMI should utilise its work on Country Access Strategies to provide a mechanism for beginning to engage with national level governments to bring gender equality and women's empowerment into emerging climate/carbon market policy and regulatory environments.

Annex 1: Full methodology

The process for putting this report together has included:

Step 1: Desk based research including:	— An extensive literature review of over 34 published research, reports, discussion papers, guides and frameworks on gender and carbon markets as well as the wider relevant gender and climate literature. — A comparative review of 17 established international standards (e.g. International Finance Corporation, United Nations Development Programme, European Investment Bank) and the wider climate finance field to draw on best practice of gender standards/ methodologies used in similar markets and feed into this report's recommendations for VCM standards. — An in-depth review of IC-VCM and VCMI consultation documents.
Step 2: 15 key stakeholder interviews convened in April- June 2022 with stakeholders from across the VCM ecosystem to:	— Establish a 'baseline' of current levels of awareness of gender and women's empowerment and perceptions of their relevance to the VCM. — Build up a picture of how gender and women's empowerment is currently being integrated into different market segments. Where gender is being considered what does current practice look like? Where not, what are the barriers? — Identify the key opportunities for deepening market engagement with gender and women's empowerment. — Understand the risks and build understanding of how those risks can be managed.
Step 3: Two structured group consultations convened in August 2022 with key women stakeholders across the VCM ecosystem specifically focusing on the IC-VCM and VCMI consultation documents.	The consultations were held with 13 key women stakeholders in the voluntary market space ranging from project developers, women's groups, buyers, brokers, amongst others, across 10 organisations. The stakeholder consultations aimed to: — Contribute towards the goal of seeing more women, especially poor women and their communities, benefit from the VCM by ensuring women's voices are contributing to the design of the emerging VCM governance frameworks developed under the VCMI and the IC-VCM.
Step 4: Peer review feedback on the draft report to validate the findings and recommendations from expert advisors with gender and VCM/ climate expertise	— Jeannette Gurung (Women Organizing for Change in Agriculture and Natural Resource Management (WOCAN)) — Marissa Santikarn (the World Bank Group) — Rachel Vestergaard (Empower Co.) — Sarah Leugers (Gold Standard) — Elizabeth Eggert (UNDP) — Amanda Bradley (FAO) — David Uzsoki (IISD)
Step 5: Produce actionable recommendations for integrating gender in the VCM including specific recommendations for IC-VCM and VCMI	Drawing on the research, analysis and stakeholder findings, produce recommendations to the key players in the voluntary carbon market, and specifically IC-VCM and VCMI on the additional work needed to address challenges and constraints identified to meaningfully integrate gender into VCMs.

Annex 2: List of key stakeholders interviewed

Standards

No.	Stakeholder Contact	Position	Organisation/Work Area
1	David Antonoli	CEO	Verified Carbon Standard (VERRA)
2	Sarah Leugers	Chief Strategy Officer	Gold Standard
3	Amanda Bradley	Gender at Food and Agriculture Organization (FAO)	Reducing emissions from deforestation and forest degradation (REDD+)
4	Elizabeth Eggerts	Gender and REDD+ Specialist at (UN Development Programme)	
5	Victoria Suarez	UN-REDD Safeguards Programme Officer (UN Environment Programme)	
6	Jeannette Gurung	Executive Director, and Founder, The W+ Standard	Women Organizing for Change in Agriculture and Natural Resource Management (WOCAN)

Cross market initiatives/ASEAN Market Place

No.	Stakeholder Contact	Position	Organisation/Work Area
7	Chris Leeds	Head of Carbon Markets Development	Standard Chartered
8	Mikkel Larsen	Chief Executive Officer	Climate Impact X
9	Priya Bellino	Financial Services Consulting Team	EY Singapore
10	Thomas McMahon	Co-founder/CEO	Air Carbon

Developers/Financiers/Gender specialists

No.	Stakeholder Contact	Position	Organisation/Work Area
11	Neera van der Geest	Director	Fair Climate Fund
12	Joyce Hu	Marketing Director	Wildlife Works
13	Mike Korchinsky	Founder and CEO	Wildlife Works
14	Jessica Espinoza	CEO	2X Collaborative
15	Suzanne Biegel	Co-founder	GenderSmart

Cross market initiatives

No.	Stakeholder Contact	Position	Organisation/Work Area
16	Daniel Ortega Pacheco	Expert Panel Co-Chair	IC-VCM (Board and Co-Chairs Expert Panel)
17	William McDonnell	Chief Operating Officer	IC-VCM
18	Mark Kenber	(Co-CEO)	VCMI (Board and CEO)

Annex 3: List of key stakeholders that participated in the group consultations

	Stakeholder Name	Position	Organisation
1	Jeannette Gurung	Executive Director, and Founder, W+ Standard	WOCAN
2	Allison Lewin	Director, Climate Partnerships	The Nature Conservancy
3	Wangu Mutua	Deputy Regional Director	Vi Agroforestry
4	Monica Nderitu	Regional Environment and Climate Change Advisor	Vi Agroforestry
5	Celina Butali	Regional Gender, Children & Youth Advisor for East Africa	Vi Agroforestry
6	Novita Kumala	Senior Climate Policy Analyst	Wildlife Works
7	Claire O'Neill	Chair, Managing Director for Climate and Energy (UK)	World Business Council for Sustainable Development
8	Anna Lehmann	Global Climate Policy Dir.	Wildlife Works
9	Sanchita Mitra	National Coordinator	Self-Employed Women's Association Bharat (SEWA Bharat)
10	Arti Dhar	Senior Client Relationship Manager	Climate Impact Partners
11	Tanushree Bagh Mukherjee	Director	Verra
12	Pauline Nantongo	Ex. Director	Ecotrust
13	Rachel Vestergaard	CEO & Founder	Empower Co.

IC-VCM and VCMI representatives

	Stakeholder Name	Position	Organisation
14	Daniel Ortega	Expert Panel Co-Chair	IC-VCM
15	Mark Kenber	Co-CEO	VCMI
16	Lydia Sheldrake	Manager	VCMI
17	Lidia Ruiz	Lead Standards Development Manager	British Standards Institution (BSI)
18	Katerina Busuttil	Senior Standards Manager	British Standards Institution (BSI)

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