ASEAN Low Carbon Energy Programme

Integrating a Gender Lens in Voluntary Carbon Markets

Volume I. *Executive Summary*

ASEAN LCEP Core Delivery Partners

Technical Partners

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Foreword

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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.

Integrating a gender lens in voluntary carbon markets

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 February - 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; inequitable benefit sharing arrangements; 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 for 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.**

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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).[i] 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 global GDP by 2025.[ii]

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 in 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[iii] 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.[iv] 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.[v] 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.[vi]

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 this 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.

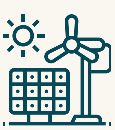
Women have proven to be effective leaders in achieving climate goals. Evidence from a number of sources[vii] support that claim. A critical mass of 30% women on a company's board improves climate governance, innovation, and a lower growth of emissions: 0.6% compared to 3.5% for companies with no women on their board.[viii] 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.[ix]

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 equal stakes 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,[x] 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 defining high integrity amongst both suppliers and buyers of carbon credits.

Also, 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%).[xi] 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 both 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 has been 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.[xii] 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.[xiii]

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 and 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,[xiv] projects addressing climate change and women's rights account for only 0.01% of all worldwide funding.[xv]

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.[xvi]

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.[xvii]

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 2. Other innovations and 'best in class' examples from the VCM showing leadership on gender equality and women's empowerment are given in Figure 1. This is not a comprehensive list of good practices, but rather the best examples emerging from the research.

Figure 1: '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.
W+ 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. W+ 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 W+ 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 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 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

Democratising the VCM

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

A raft of recommendations fall into this leading 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 demystify 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 groups.
- 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)

This was a suggestion that emerged 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 those 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 month 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, based on 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 and IFC and other globally recognised Performance Standards 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, from the gender lens investing space, 2X offers a simple tool for setting and rewarding the achievement of gender targets (in entrepreneurship, leadership, employment, and product delivery). 2X is increasingly recognised and used in the corporate sector to signify gender commitment.

Similarly, to push the VCM further on rigorous and robust measurement of gender outcomes, the W+ Standard is recognised by the World Bank[xviii] 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 could 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 include: 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 further build the gender business case in the VCM could also 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 learned. 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 the VCM, 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 role in building market demand for high quality carbon credits. A first step should involve talking to more intermediaries, such as Empower Co and others, 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 also being mandatory, crediting programmes should promote SDG 5 by providing clear evidence and guidance to project developers on the cross SDG benefits of women's empowerment (SDG 5) and the links 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 give 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 include specific reference to the importance of gender sensitivity and positive impacts for women in their advice. Recognition and adoption of robust and reliable methodologies for assessing gender impacts in their assessments/ratings using best in market independent methodologies would ripple through the market. 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 formation of the new Article 6.4 supervisory body 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 COP 26 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 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: **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.**	**To whom:** IC-VCM **Priority:** High **Timeframe:** Immediate

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

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

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)

VCMI specific recommendations

NB These recommendations only relate to the Claims Code of Conduct.

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

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

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

Endnotes

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