Reflections on CoP 26 and the opportunities for women in the voluntary carbon markets

Following COP26 Sue Phillips explores the opportunities for women in voluntary carbon markets, which allow individuals and companies to offset their carbon emissions by financing initiatives that reduce, avoid or sequester carbon dioxide or greenhouse gas emissions.

Carbon markets now represent a major flow of climate finance to the global south. 2021 saw a phenomenal growth in voluntary carbon markets – reaching an estimated $1 billion this year compared to $200m per annum in 2020 and a forecast growth to $100 billion per annum by 2030 (Task Force on Scaling Voluntary Carbon Emissions Phase 1 Report). This growth potentially presents a major opportunity for channelling funds towards initiatives that bring combined climate and gender equality benefits

CoP 26 finally saw agreement on the use of carbon markets (Article 6 of the Paris Agreement) and the finalisation of global governance arrangements for managing governmental level carbon markets. This agreement now consolidates the role of carbon markets in government's Nationally Determined Contributions (NDCs) going forward, making it even more important to consider how carbon markets can contribute to greater gender equality and social inclusion.

My own interest in carbon markets stems from a specific interest in women's engagement; how women are impacted by their operation; and; how the flow of finance through these channels might bring additional resources to women led projects and businesses and gender and climate organisations on the frontline of climate action.

Rightly, there are many objections and concerns about carbon markets. Firstly, their reputation for causing damaging social and environmental impacts; and secondly, as they are seen by many to encourage 'greenwashing' and to allow corporate polluters to continue to avoid acting on their CO2 emissions. The agreements made at COP26 are designed to prevent this. So too are a number of strategic initiatives in the voluntary carbon market (VCM) space, for example the Integrity Council for Scaling Voluntary Carbon Markets (IC-VCM, Voluntary Carbon Market Integrity Initiative (VCMI), the Alliance for Lowering Emissions by Accelerating Forest Finance (LEAF) and The Peoples Forests Partnership.

Earlier this year, Women Organizing for Change in Agriculture and Natural Resource Management (WOCAN) convened a workshop to discuss these themes and issue a **Call to Action for Gender Equality in Carbon Markets.** The following key learnings emerged**:**

- Too many VCM projects have **limited or no specific requirements that acknowledge the role of women in the green economy** despite a growing demand from buyers. In a 2021 survey by WOCAN, 67% respondents said they believed buyers would be willing to pay a premium price for credits with women's empowerment co-benefits

- A **limited number of VCM standards** (e.g. VERRA, Gold Standard) draw attention to the importance of considering the impacts of carbon offset projects specifically on women. But even these standards have received criticism for verification of projects that have failed to protect (and have had negative impacts) on local communities, Indigenous communities and women specifically. Even though there are beacons of good practice (see for example, Peoples Forests Partnership and Plan Vivo) sadly, these are few and not widespread.

- **Inadequate monitoring and reporting on women's empowerment and gender impacts** due to the limitations of current baseline measurement and impact assessment methodologies and limited gender and social development skills available to the VCM ecosystem. This is despite the growing body of such experience available in the wider development and climate sector

- Whilst some standards promote SDG co-benefits, combining carbon emissions reduction/avoidance with **meaningful consideration of gender equality co-benefits and assuring that women engage in and benefit from these projects is limited**. There is a long way to go to mainstream practice in the markets despite growing demand from buyers and investors for projects that combine the empowerment of women with climate action.

- **Ignoring transformational actions** such as compensating women for their knowledge and labour and global public goods and services to mitigate climate change. Such transformational approaches have gained traction in the wider development sector and a whole body of work exists on women's unpaid care work and the vast economic value that resides here.

- **Carbon markets provide an opportunity to direct critically needed funds** to women's groups engaged in climate mitigation, thus addressing a need well documented by the Gender Equality Forum and other global leaders in the gender movement.

- **Carbon markets lack credibility with many local stakeholders, especially women's organisations.** Without tackling some of the fundamental concerns raised by local stakeholders, voluntary carbon markets will fail to gain the credibility they seek. There is much to be done to build bridges and credibility with such organisations to participate in and benefit from VCMs.

These lessons provide a starting point for a much needed push on the integration of gender into both voluntary and statutory (covered by Article 6) carbon markets.
The time is now:

- Given the fast current and predicted growth of carbon markets and scale of funding into carbon reduction and mitigation projects in the global south

- The frameworks for both statutory and voluntary markets are under development in 2022. These will set the standards and incentive structures for the decades ahead. With an emphasis on integrity and southern voices (and some specific reference to women) there are hooks on which to advocate and influence: both to protect women and their communities against the harmful impacts of the markets, but, as importantly, to tap into this resource flow to bring benefits to women led projects, businesses, organisations and networks.

- The explosion of interest in gender and climate and growing recognition that action on climate and gender must go hand in hand, with gender being a presidential theme for the first time at CoP 26, the scale of commitments made, including in climate finance. Gender and climate is a much easier sell than in the past and there is a growing audience with resources and interest in support
- The growing recognition at CoP 26 that the voices of Indigenous Peoples and local communities (IPLC) and women must be at the centre of global climate action for their interests to be both protected and embraced in this climate emergency. **Women are at the forefront of IPLC movements presenting a major opportunity for their voices and influence to be increasingly impactful.**

If you are interested in joining a growing group of individuals interested in finding out more about gender and carbon markets and getting involved please contact:

- Sue Phillips sue@gendertech.co.uk, or my colleague
- Jeannette Gurung at WOCAN jeannettegurung@wocan.org.

Many of the above arguments are further articulated in a White Paper prepared by the W+ Advisory Council, *How the scaling of voluntary carbon markets can amplify gender equality impacts*. The W+ Standard was designed in 2015 as a tool to measure and monetise women's empowerment within climate projects and thus scale up action on climate and women's empowerment, receiving a UNFCCC Momentum for Change award in 2016. The W+ Standard can be used as a label for a project registered with the VCS, or stacked onto a CER or Gold Standard credit; it is also approved as the methodology for measuring SDG 5 impacts under VERRA's SDVISTA.

***Sue Phillips** was a co-founder and previously Managing Director of SDDirect. Since 2020 she has been undertaking informal research into gender and voluntary carbon markets, including participating in the TSVCM Working group on Carbon Credit Integrity and the VCMI consultation group. She attended CoP 26 as a member of the WOCAN delegation as*

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