



Empowering Women Through Climate Action: How the Subnational Climate Fund Advances SDG 5

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Prioritizing Women from the Start

Women, particularly in developing countries, are disproportionately affected by climate impacts due to existing socio-economic inequalities. Yet, women are also powerful agents for change. Ensuring women's participation in climate solutions is not just about equality, it is critical for sustainable climate action.

The Subnational Climate Fund (SCF) was designed to mobilise blended finance for climate-resilient infrastructure, regenerative agriculture, and nature-based solutions at the local level. But beyond its environmental objectives, the **SCF is committed to gender-responsive investing, aligning with Sustainable Development Goal 5 (SDG 5): Gender Equality.**

By embedding gender-sensitive considerations into project design, implementation, and impact assessment, measurement & reporting, the SCF ensures that women not only benefit from climate investments but also play a leading role in shaping them. **When assessing projects for technical assistance (TA) or investment, we pay close attention to how it may empower women, through means such training, employment, improved working conditions, professional growth, access to essential resources & services, stakeholder participation, and health and safety.**

For instance, research shows that women and girls would benefit the most from access to improved energy services in developing countries. In many developing countries, much of women's time is taken up by difficult and time-consuming chores relating to producing and processing food without mechanical or electrical equipment, and in cooking with dirty fuels.

A 2015 World Bank Study, which focuses primarily on rural electrification, states that **access to electricity can also reduce gender-based violence**. For example, increased lighting increases women's sense of security and grants women increased mobility at night, which could help female-led small businesses to operate in the evenings. Television could also help reduce violence, particularly at the household level, by changing women's and men's perceptions of gender roles and relations and giving women a greater understanding of their legal rights. In short, reduced drudgery for women and increased access to non-polluting power for lighting, cooking, household and productive purposes can have dramatic effects on women's levels of empowerment, education, literacy, nutrition, health, economic opportunities, and involvement in community activities.



Gender-lens investing

When it comes to investment, every SCF project must implement, at minimum, a gender sensitivity framework including a project specific Gender Action Plan (GAP) which considers the situational baseline and potential for impact under SGD5. The main objective of the SCF Gender Policy is to strengthen the project's responsiveness to the multiple, culturally derived principles of gender equality



and women’s empowerment, and to address and account for the links between gender equality, natural resources management and environmental sustainability. The framework also incorporates many elements from The Committee on the Elimination of Discrimination against Women (CEDAW). SCF gender policy is additionally aligned with 2X criteria.

The 2X Criteria

The 2X Criteria is a set of guidelines designed to evaluate investments that promote gender equality and women’s empowerment.

The criteria are centered around six key areas, including:

1. **Leadership:** ensuring women hold leadership positions within the company or project;
2. **Employment:** promoting equal employment opportunities for women, including in non-traditional roles;
3. **Entrepreneurship:** supporting women entrepreneurs or businesses that directly benefit women;
4. **Products & Services:** providing products or services that empower women or address their specific needs.
5. **Supply Chain:** committing to women in the supply chain

These criteria help ensure that investments not only generate financial returns but also contribute to advancing gender equality.

The SCF has also implemented a range of capacity building initiatives under guidance of the International Union for the Conservation of Nature (IUCN), including training on agribusiness project development and sustainable investment in 2024. The training included gender mainstreaming in development and ESG risk/impact management, including discussions on the 2X Challenge criteria which SCF Gender Policy complies with.

Projects That Can Make a Difference

In 2023, Luxun, a Mexican renewable energy company and SCF investee, reported that 32% of its workforce and 42% of its senior management were women. These positions Luxun in alignment with the 2X Challenge criteria, meeting the two key criteria in Employment and Leadership.

The company also launched a dedicated women empowerment initiative, and, in 2023, its leadership signed a manifesto to promote actions that empower women and ensure equitable conditions. As part of its efforts, Luxun developed a gender action plan with clear objectives and allocated resources. To further its commitment, Luxun engaged with REDMUJERES, an NGO focused on the transition to sustainable energy and gender equality, to adopt best practices.



The same year, the SCF also provided TA to an organic olive, date, and almond farm in the East of Morocco, which demonstrated potential to significantly enhance women's economic empowerment by supporting their participation in agricultural value chains. **By fostering the inclusion of women in local cooperatives (GIEs) and management positions, the initiative not only promoted gender equality but may also strengthen community resilience.** With targeted interventions, such as improving access to resources and financial opportunities for female farmers, the project could contribute to reducing the gender wage gap and enhance economic independence for women in rural Morocco.

Another project that received TA with potential to benefit women’s rights is a renewable energy project in Nigeria. The project aims to develop a significant amount of solar mini grids to reach nearly 64 communities in rural northern areas, including household consumers, commercial users, and public users (schools, hospitals, etc.). It is expected that the project will create economic opportunities for women, employment (the CEO herself is a woman and project has set a policy to allocate at least 40% of the new



positions to women) and facilitate health benefits (decreased indoor pollution due to new cooking stoves).

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Despite these successes, women remain vastly underrepresented in climate finance as decision-makers, entrepreneurs, and investors.

Achieving SDG 5 requires more than policy commitments - it demands financial innovation that prioritises gender equality.

The SCF is proving that blended finance can be a tool for social transformation, one that uplifts women as leaders in the fight against climate change. **As we mark International Women's Day, we must ensure that climate investments do not reinforce existing inequalities but instead serve as a catalyst for women's empowerment.**

Because when we invest in women, we invest in a more sustainable future.

