WOMEN’S ACCESS TO GREEN FINANCE IN AFRICA
ADVOCACY MESSAGES

1. Only a small portion of global volumes of green finance reaches Africa...

Green finance amounted to **USD 720 billion** in 2021 and has expanded from 0.1% of the total global financial market in 2012 to 4% in 2021.¹

Only 2% of global investments in clean energy technology was in Africa between 2015 and 2022.²

Total annual climate finance flows to Africa in 2021 were **USD 29.5 billion**, which is only 11% of total need.³

2. There are large gender gaps in climate aid globally....

Climate Official Development Aid (ODA) is just a small proportion of global climate finance flows, but this is one of the few sources for which data on access by gender exists....

Out of the USD 2.4 billion of climate ODA channeled via civil society, only **USD 43 million** went to “feminist, women-led and women’s rights organizations and movements and institutions” the majority of them, from the global North.⁶

Only 3% of climate ODA had gender as a principal focus.⁴

**Green finance** is any structured financial activity – a product or service – that’s been created to ensure a better environmental outcome. It includes an array of loans, debt mechanisms and investments that are used to encourage the development of green projects or minimize the impact on the climate of more regular projects. Or a combination of both (World Economic Forum).⁷
3. We don’t know the exact extent to which women access green finance in Africa, but based on existing data, we’re not very optimistic...

The gender gap in access to finance in Africa is estimated at USD 42 billion. This gap has widened in recent years.\textsuperscript{vii}

Only 37% of women in sub-Saharan Africa have a bank account, compared with 48% of men.\textsuperscript{viii}

You do the math... the combination of large gender gaps in access to finance in Africa and low volumes of climate finance reaching the region, results in limited access to green finance by African women.

Some reasons behind gender gaps in green (private) finance...

Green finance is channeled via commercial banks and investment vehicles that are not well adapted to small businesses, where a large proportion of women-led entrepreneurial activity lies. Because of this, women experience the same problems and obstacles that have led to a 42 billion gender gap in Africa - from lack of collateral to financial products not adapted to their needs and economic activities. In addition to this, complexity and costs associated with green certification processes, makes green finance unattainable for smaller businesses and organizations.

Photo: UN Women Senegal
Why does it matter?

- **Climate ambitions cannot be fulfilled if we waste the potential of half of the population.** The challenge posed by the climate emergency is daunting as it is. If anything, we need to accelerate action. But because women organizations and women-led businesses do not access climate finance, the role that they can play in the fight against climate change is thwarted. Without addressing gender gaps in green finance, climate change will not be tackled.

- **Because gender gaps in green finance are a very ‘unjust’ dimension of the so-called ‘Just Transition’.** Women work for free on behalf of the planet but have no access to green finance mechanisms designed to compensate for such work.

  - **Grassroots women** are at the forefront of climate action. They **do critical adaptation and mitigation work** in forests, mangroves and many different ecosystems with important carbon sequestration functions. Most of the time, **this work is unpaid**. But the complexities of climate finance make it almost **impossible for women** to access the financial mechanisms that are meant to **compensate** for this work (e.g. carbon credit markets).

What can you do about it?

- **Better data.** We need better data to measure the extent of the gap and more studies to understand the reasons behind it. You can design tools, collect data, conduct studies to make the gender gaps in green finance more visible to those in decision making positions.

- **Better financial products.** If you are a financial institution, we need your leadership and innovation in the development of green financial products and solutions adapted to SMEs and grassroots organizations.

- **Better green finance architecture.** If you are a civil society organization, a government or a development institution, we need your help changing how Climate Funds work. We need simplified procedures for smaller organizations and grassroots groups to access global green finance mechanisms.

- **Better enablers.** If you are a policymaker, you can help by creating incentives to support women-led businesses in the green economy and women green-preneurs grow their businesses and upgrade into scalable and financially sustainable businesses.

- **Better decisions via more women at the table.** You can ask for higher participation of women in decision making processes around green finance at the national, regional and global level.

What is UN Women doing?

UN Women plays a convening role between women, experts, private and public sector institutions to foster dialogue and the development of solutions to put women voices and needs at the center of green transition policies and programmes. We support innovation, advocacy and technical assistance to governments and civil society on the gender dimensions of the green economy, with a strong focus on women’s access to green jobs, green entrepreneurship, and green finance. Find out more [here](#).
Endnotes


ii UNECA, 2023, Issues paper, Financing the transition to inclusive green economies in Africa: imperatives, opportunities and policy options.

iii Idem

iv World Economic Forum, 2020, What is green finance and why is it important?

v Development initiatives, 2023, When the data doesn’t tell the full story: improving gender-responsive climate finance. Source: OECD DAC CRS, percent of all Rio-marked ODA from DAC countries with a principal gender marker.


viii IMF, 2020, Access to Finance: Why Aren’t Women Leaning In?