

# AIIB, Energy & Climate – the missing gender dimension

The Asian Infrastructure Investment Bank (AIIB), the world's newest multilateral development bank (MDB), launched operations in early 2016, just a few months after the United Nations [Sustainable Development Goals](#) (SDGs) were adopted in September 2015 and only weeks after the Paris Agreement on climate change was approved in December 2015. In its 2020 [Corporate Strategy](#), AIIB committed to support efforts to achieve the SDGs, including SDG 5 on gender equality, SDG 7 on energy access and SDG 13 on climate action.

The energy sector is the [largest contributor to global greenhouse gas emissions](#), and therefore holds an important key for combatting climate change. Women and girls are often particularly adversely affected by lack of access to clean renewable modern energy. For example, access to energy can lessen the time and effort women spend on tasks, such as fuelwood and water collection. This in turn leaves more time for productive activities, such as education and income generation. Women also have the knowledge and skills to play a critical role in facilitating the shift to renewables, in particular in leading and supporting the delivery of off-grid renewable energy solutions. They should therefore be meaningfully included in determining project plans and development models, as well as have access to gender-sensitive and responsive grievance mechanisms.

In the Corporate Strategy, AIIB commits to “enhance its contribution to gender equality in Asia by increasingly incorporating gender considerations into projects, which can be mapped against SDG 5”. However, in its recently released [Sustainable Development Bonds Impact Report 2021](#), AIIB admits that “gender is not currently the primary driver for AIIB’s investment decisions.” While AIIB enhanced the gender language in its updated [Environmental and Social Framework](#), approved in 2021, its 2017 [Energy Sector Strategy](#) is weak on gender and the results are telling.

**New research by BRICS Feminist Watch and Recourse shows that almost half of all of AIIB’s approved energy sector projects since 2016 lacks any mention of gender commitments in its project documentation. This pattern is repeated in the list of energy projects AIIB is proposing over coming years, the project ‘pipeline’.**

The roots of this gender-blindness may lie in the fact that, in contrast to other MDBs, AIIB has to date [not developed a gender policy](#), strategy or action plan. It is high time that AIIB takes the next step to make this happen, to enable accountability for its action (or inaction) on meeting important SDGs, such as SDG5 and SDG 7. In the meanwhile, it is fundamental that all AIIB’s policies and strategies fill this considerable gap. The Energy Sector Strategy is currently under review with a new version up for approval very soon. The initial draft was not encouraging, committing to “taking gender into account”, but without including any targets, indicators or other measures to allow monitoring and accountability. Learning from the concerning results of our analysis, it is essential that the final version is improved to put gender front and centre.

## Why gender matters for climate change



Climate change impacts everyone, but differently and unequally. Gender inequalities exacerbate women’s vulnerability to the impacts of climate change and their ability to adapt, as they can limit women’s political voice, economic opportunities, and access to resources and services, such as health, education, and information. On the other hand, women hold important knowledge for both mitigating and adapting to climate change. Women are often at the frontline of the impacts, for example, being responsible for managing water and energy needs at the household level, and their voices, knowledge, perspectives, expertise and needs should be taken into account. Addressing climate change and aligning with the Paris Agreement’s 1.5C goal must therefore go hand in hand with efforts to address gender equality and empower women and girls.

## AIIB's Energy Portfolio – A Gender Analysis

BRICS Feminist Watch and Recourse analysed all 40 approved projects in [AIIB's energy portfolio](#) (as of end of October 2022), totalling almost \$6.7 billion in investment, measured against a list of ten gender indicators developed by BRICS Feminist Watch (see next page). The 40 projects included seven completed projects and seven financial intermediary (FI) projects. An FI investment effectively 'outsources' funding decisions to a third party, such as an infrastructure fund or private equity fund, which in turn invests the capital in sub-projects or sub-clients. We also analysed ten energy projects in the pipeline of proposed projects for AIIB funding.

**Out of these 40 projects, almost half – 17 projects worth almost \$2.4 billion – did not match against any of our gender indicators.** By matching, we mean that AIIB's own project document or summary included language on gender or women. We then categorised these mentions against our ten gender indicators. Out of the 23 projects that did match, none did so against all indicators. In fact the highest scoring project met only seven of the ten indicators, with most approved projects meeting no more than two to three indicators. Based on this analysis, we draw the conclusion that **none of the approved energy projects can be deemed to contribute to SDG 5 in a meaningful way.**

It is important to note that our analysis is drawn from desk-based research. Field based research of these projects might show a very different reality and lower the number of projects matching our indicators further. For example, field research by BRICS Feminist Watch of an AIIB-funded rural roads project in India found that women and girls were not benefitting equally to men, and hence the project was actually contributing towards increased gender inequalities. The research revealed that project due diligence documentation had missed serious gender related issues, including violence against women, unequal pay and other forms of discrimination. It is therefore plausible that even where gender concerns are listed in the project documentation, the reality on the ground is very different, and can be to the detriment of women and girls.

There is no clear pattern of how projects delivered against the indicators, depending on when they were approved. Pipeline projects did also not match differently, with AIIB's project documentation lacking gender language for half of the projects. Nor is there a particular trend in terms of projects in specific countries matching considerably better than others against the indicators. It is noticeable, however, that only one out of seven FI projects included gender references in the publicly available project documentation.

Of the different indicators, it is concerning that none of the projects included specific language on energy access for women, **we therefore conclude that the projects do not contribute meaningfully to SDG 7 on energy access for all either.** Also, only four of all the projects studied – both approved and proposed – referred to women's specific energy needs. The most common reference to women was related to participation, such as in consultations. References to Gender Action Plans were available only for seven of the projects that scored against the gender indicators, and less than a fifth of total approved projects, but this is wholly inadequate. All projects should have Gender Action Plans as standard and these should be made public.

### SDG 5 on Gender Equality

[Sustainable Development Goal \(SDG\) 5](#) aims to achieve gender equality and empower all women and girls. It has nine targets and 14 indicators. Several of these are directly relevant for MDBs, including:



**Target 5.1** End all forms of discrimination against all women and girls everywhere.



**Target 5.4** Recognise and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.



**Target 5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.



## Approved AIIB energy projects meeting our gender indicators (%)



1. Women recognised as *economic agents* – as producers, workers, farmers as land and environment defenders (18%)



2. Gender Action Plan for the project (18%)



3. Women's energy needs integrated, including for cooking, livelihoods and entrepreneurship (8%)



4. Women's full and effective participation prioritised at all levels of decision-making, including engaged participation in community consultations (33%)



5. Women recognised as *beneficiaries* in different aspects of the project, including for employment opportunities at all levels (30%)



6. Women have access to modern energy (0%)



7. Women have control, management and ownership of modern energy (3%)



8. Recognises *impact* of the project on women and girls from the local communities, and on women working on the project (15%)



9. Women have access to *information and communication* about the project (8%)



10. Mandates a *Grievance Redress Mechanism* addressing grievances and injustices, including gender-based violence (25%)

## Indonesia power distribution project – gender-neutral assumptions risk undermining benefits for women

AIIB approved \$310 million towards the PLN East Java & Bali Power Distribution Strengthening Project in January 2021. The project aims to support the implementation of Indonesia's 10-year Electricity Business Plan to increase access and improve the quality of power distribution through infrastructure development in Java and Bali. The AIIB estimates that approximately 13 million residents would benefit from the project in the form of a reliable stable power supply, including 920,000 new customers.

AIIB's project document includes a reference to 'Gender Aspects', concluding that improved electricity supply "will contribute to reducing the drudgery of domestic work and alleviate the time-poverty of women who are responsible for these tasks." The project's Environmental and Social Management Planning Framework (ESMPF) also mentions gender issues in a few places, but mainly *ad hoc* without commitments, apart from one to improve the project's complaints system to accommodate women and vulnerable groups better. There are no processes or indicators listed in available project documentation for ensuring that women benefit from this project in any other way.

Without clear processes, targets and monitoring, it is impossible to assess how women will benefit. The project seems to apply gender-neutral assumptions that everyone will have equal access to all benefits. But men and women do not necessarily have the same energy needs, and circumstances – such as lack of property ownership can undermine access. Women are also presumed to have equal access to any job and entrepreneurial opportunities arising from the project, since there are no related targets. AIIB and its project developers need to take proactive steps to assess gender gaps and remove barriers to ensure equal access and benefits.



## India solar project – no gender considerations

AiIB and the World Bank's private sector lending arm, the International Finance Corporation (IFC), are jointly supporting the Enel Green 300 MW Solar Project in Rajasthan. AiIB approved a \$50 million loan towards the project in July 2021. The financing will contribute to the development, construction and maintenance of the solar power project. AiIB will measure results by solar energy capacity installed, GHG emissions avoided and additional electricity generation. As a co-financed project, project developers will apply IFC's Performance Standards, rather than AiIB's Environmental and Social Framework.

Despite a primary focus on increasing electricity generation, there is no information in available project documentation on who will benefit from this energy and how, nor are there targets for energy access, nor any gender gaps. As with the Indonesia project (see overleaf), there again seem to be underlying assumptions that both men and women have equal access to energy and energy-related employment. Unless these weaknesses are addressed, this project risks contributing to gender inequality rather than working towards women's empowerment and gender justice.

## Three reasons why women must be front and centre for energy projects



**Energy is a woman's issue** – only by putting women at the heart of energy policies and projects can we start addressing deep-rooted gender stereotypes, avoid harm and empower women.



**Energy is an opportunity** – access to sustainable and clean energy can contribute to women and girls' access to education, sustainable and profitable livelihoods, health and safety.



**Energy is an asset** – for women to benefit it is essential that they have access, control, and ownership and management over energy resources.

## RECOMMENDATIONS

To help address gender inequalities in the energy sector the AiIB must :



Develop an institutional **Gender Policy**, employ a full-time senior gender expert, and consult publicly on its forthcoming Gender Action Plan.



Enhance gender commitments by strengthening the gender language in the updated **Energy Sector Strategy** and include clear targets and milestones, linked to meaningful and accountable gender indicators in the Results Management Framework linked to SDGs 5 and 7.



Ensure AiIB's new **Paris alignment methodology** is gender sensitive and promotes gender justice, including support for scaling up clean sustainable renewable energy, with women at the heart of access, decision-making and delivery.



Introduce compulsory gender indicators and gender action plans for **all projects**.



Actively engage women in **project development**, including ensuring proportional representation in project-affected community consultations, as well as separate women only consultations.

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