



European  
Commission



## Women and Sustainable Energy Stakeholder consultation

Brussels, 7 and 8 December 2016

### GENDER AND ENERGY

Reliable and affordable access to sustainable energy is critical to economic and social development; as well as in reducing poverty it plays a significant role in increasing well-being, due to its linkages to other sectors such as health, water, productive sectors etc. While many people over the world suffer from energy poverty, the divide in energy access is also gendered: women represent a disproportionately large fraction of the unserved and underserved in terms of access to energy, and even more so with regard to clean energy.<sup>1</sup> An estimated 2.8 billion people worldwide rely primarily on open fires and traditional biomass for cooking, with long term impacts on health from inhaling CO, CO<sup>2</sup> and fine particulates. In many countries, women are responsible for both cooking, and for collecting fuel, a time-consuming and physically demanding activity preventing them from opportunities for educational and income-generating activities. Access to energy is thus an important contribution to poverty reduction, and can help to close the gender equality gap.

### *Gender mainstreaming is important*

Men and women are affected differently by energy policies wherever their home, work and community roles differ. Such differentiated roles between men and women must be acknowledged and projects or policies that are promoted must not result in new gender inequalities or reinforce existing ones. Mainstreaming gender in the design and implementation of projects is critical to attaining gender equality and improving the positive impact of projects. Energy and climate policies and projects relating to fuel choices, electricity generating capacity, promoting sustainable energy access, and addressing climate change should therefore reflect this importance and play their critical role in addressing inequality.

### *More actions targeted at women are also required*

It is crucial to consider gender equality and impacts in all energy projects and programmes, and to address the specific needs and constraints which affect women's social and economic development through concrete actions targeted at empowering women. Women not only tend to lack ready access to energy, they often lack the opportunities

which can contribute to their empowerment.

Gender equality and women's economic empowerment are not just matters of social justice, human rights and better governance, but also critical elements of "smart economics", social and financial inclusion. Active participation and integration of women in a country's economic and entrepreneurial ecosystems, in formal business or informal subsistence activities, boosts the country's inclusive and sustainable development.

Entrepreneurship and small, medium businesses are important sources of employment and income generation for women, in particular in agrarian and urbanising economies where paid employment opportunities are insufficiently available.<sup>2</sup> However, women entrepreneurs face significant barriers, such as poor enabling legal and policy frameworks, lack of access to financing, lack of mobility, capacity and technical skills, as well as social and cultural discriminatory practices. Access to a diversified and contextually suitable set of both financial (credit, savings or insurance) and non-financial capacity building services (basic literacy/numeracy, micro-entrepreneurship, digital

<sup>1</sup> World Energy Outlook 2015

<sup>2</sup> Buvinic et al. 2013: p. 24. See also DAC 2011.



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financial services, technical/vocational skills, health and family planning etc.) are vital for reaching women's economic empowerment. Understanding complexity of the political economy and social frameworks, for example issues like property ownership and inheritance norms, to ensure effective proposed solutions is essential.

### **THE EC INITIATIVE ON WOMEN & SUSTAINABLE ENERGY**

Gender equality is at the core of EU values and enshrined in its legal and policy framework, particularly through the comprehensive, results-oriented EU Gender Action Plan 2016-2020. Within the 2030 Agenda, there is a dedicated Sustainable Development Goal (SDG), SDG5, to achieve gender equality and empower all women and girls as well as a sustainable development goal devoted to access to affordable, reliable, sustainable and modern energy for all (SDG7). Gender equality features across the whole 2030 Agenda and it is vital for achieving the SDGs. The Paris Agreement on climate change calls also for a "gender-responsive" and participatory approach for any adaptation and capacity-building action.

As part of the Electrification Financing Initiative, *ElectriFI*, the European Commission has designed a specific gender window targeting at women and sustainable energy, with the objectives of facilitating access to affordable finance and to reliable sustainable energy services in order to empower women in the

energy value chain, enhance their active role and boost women's entrepreneurship. The €20M initiative aims at facilitating access to finance and to sustainable energy & services, increasing women's technical and business skills with vocational training, as well as improve the general environment for women's entrepreneurship through political advocacy and awareness campaigns. Recognising the importance of a multi-layered approach, the initiative emphasizes the importance of collaborating partnerships.

### **OBJECTIVES OF THE STAKEHOLDERS' CONSULTATION MEETING**

This event aims to inform all stakeholders about the above mentioned initiative, whilst stimulating synergies, setting the foundation for collaboration, identifying opportunities and encouraging exchanges of best practices.

Through the panels and working groups' sessions, the meeting aims to generate and gather innovative ideas and exchange views on how best to address women's needs, constraints and opportunities in the field of sustainable energy, in particular with the goal to boost women's active role, mainly as entrepreneurs, in and through the sustainable energy value chain.

The three working group sessions (WG) and one plenary session will engage on the following topics:

#### **WG 1: Women's entrepreneurship and access to finance**

#### **WG 2: Women and sustainable energy technologies, innovation, business models & opportunities in the value chain**

#### **WG 3: Enabling environment for women's empowerment & entrepreneurship**

#### **PLENARY SESSION: Stakeholders & Partnerships**

#### **WORKING GROUP 1: Women's entrepreneurship and access to finance**

##### *State of play*

Among the barriers and constraints to women's entrepreneurship,<sup>3</sup> the lack of access to finance is regularly highlighted as a central constraint, as well as the lack of business skills. Several reasons can be suggested: women are currently more likely to run smaller companies, often in the informal sector, offering lower returns to creditors meaning financial institutions might be reluctant to lend money because of the risks involved, often arising from a lack of assets and collateral, which are required by formal bank sector.

In the current context, where women are often more involved in micro-enterprises, availability of micro-finance can be vital to women's economic empowerment, generating cash and thereby supporting gender equality. Women are reported as reliable when it comes to loans and loan-repayments, including positive group engagement, a key feature for microfinance; Grameen bank with 97% of

<sup>3</sup> e.g. lack of capacity and technical/business/leadership skills, lack of access to financing, lack of enabling legal and policy framework, lack of mobility, lack of information, lack of access to markets, social and cultural norms



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borrowers being women reports a loan repayment rate of c96%.<sup>4</sup> Beyond improving their incomes, women with access to suitable micro-finance services, supported with financial and social skills training, advocacy and opportunities for networking, have a significantly bigger window of opportunity which could lead to economic and social empowerment.

Over the last few years, innovative financial instruments and blending has allowed investment of public and private sector funds to be catalysed in areas such as sustainable energy development. Investment grants, credit enhancement, risk capital, and guarantees are among the modalities adopted, together with technical assistance to address capacity building needs. At the same time, the potential of micro-finance operations, amplified by digital technologies and mobile telecommunications can still play an essential role for women's economic empowerment.

#### **Questions:**

1. What are or should be specific features of financing mechanisms addressing women's needs/challenges?
2. What could encourage private sector investment and the bankability of projects?
3. What support is believed to be needed for women entrepreneurs to launch and run their business activities and how might such support be delivered?

### **WORKING GROUP 2: Women and sustainable energy technologies, innovation, business models & opportunities in the value chain**

#### **State of play**

The energy sector can be an important opportunity to promote women's employment and entrepreneurship, through increasing income-generating activities based on energy, or through involvement in the value chain itself. Women can be instrumental in the development of sustainable energy: in many parts of the world, women are the primary users of sustainable energy (for instance for cooking or lighting) and are best placed to promote the advantages of sustainable energy and also to understand and address the specific needs of women as energy consumers. This makes them a key driver in developing markets for products such as improved cookstoves, briquettes and solar lighting, small domestic machines such as washing machine, mill, small electric tricycles, etc.

Moreover, in many cultures female entrepreneurs are more able to reach out to female consumers, as they have the necessary formal and informal networks. As owners or participants in sustainable energy businesses, women can be active at all levels of the value chain: at the level of product design, product manufacturing, marketing, distribution, sales, maintenance and services and related enterprises. The current context of rapidly falling costs for renewable energy technologies

along with availability of climate finance and new and promising business models also provides possibilities for women's empowerment in the energy sector.

#### **Questions:**

1. Which technologies are particularly accessible for women?
2. Which business models can boost women's entrepreneurship and how to monitor the implementation?
3. What are the priority energy needs of women which could be covered by affordable modern technologies?

### **WORKING GROUP 3: Enabling environment for women's empowerment & entrepreneurship**

#### **State of play**

A lack of technical knowledge and awareness of sustainable energy solutions underlines the need for adequate and appropriate vocational training and awareness raising for the different categories of entrepreneurs and Sustainable Energy users. Awareness campaigns will ensure communities' understanding of the advantages to use sustainable energy solutions, of the opportunities offered to women through energy, as well as their role in community involvement. There is also a need for awareness campaigns and training for finance providers so they may be better able to understand and respond to women's needs.

<sup>4</sup> Grameen Bank 2011-10 Monthly Report



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In many regions women's lack of access to formal education reduces their possibilities of learning business and technical skills. Thus, it is necessary to provide basic literacy/numeracy courses. Moreover, the lack of a gender-friendly environment to foster women's role in promoting Sustainable Energy demonstrates the need for gender advocacy. Advocacy campaigns at national, regional or local level are essential to ensure a favourable and supportive social, legal and regulatory environment for women as entrepreneurs and decision-makers.

#### **Questions:**

1. What do you see as the main social/cultural constraints for boosting women's active role in the sustainable energy value chain?
2. Who can tackle these constraints and how to address them?
3. What could be the side effects of women's empowerment?

## **PLENARY SESSION (WG 4): STAKEHOLDERS AND PARTNERSHIPS**

### **State of play**

Partnerships are increasingly encouraged across different sectors, providing important synergies. Private and public partnerships enable the mobilisation of relevant public and private resources, and can be crucial in addressing challenges and reducing the financing gaps which affect women in particular. Partnerships in the sustainable energy sector can contribute to attract the necessary investments while developing models where costs can be shared. Such partnerships also allow different complementary companies (e.g. service providers, equipment suppliers and distributors...) to work together. Civil society (CSO), Community based organisations (CBO), NGOs, etc., on the other hand, can play a role in several ways, as service providers and developers, but also through their understanding and knowledge of the local context and presence in local settings. In the Sustainable Energy sector, understanding the local context can play an important role in the selection and adoption of sustainable energy technologies and to prevent problems and overcome social and cultural barriers. With regard to women's entrepreneurship, partnering with women's groups has been shown to be fruitful for instance for marketing/outreach activities, or, in finance, to leverage financial risks through group lending. Furthermore, public authorities as well as international organisations'

engagement are essential in order to create the required enabling environment, where women entrepreneurs can be boosted.

#### **Questions:**

1. What characterises successful partnerships and what are the synergies and complementarities between partners?
2. What can be the role of the private sector in women's economic empowerment? How can the private sector be encouraged to respond to women's specific needs?
3. How do you see the role of public authorities?



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