

**ENERGY
CATALYST**

Theme Guide: Gender & Social Inclusion

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Theme guide: Gender and social inclusion

Gender and social inequalities present a host of challenges for energy access businesses operating in Africa and Asia. Female-headed households and rural African households make up a significant share of the 650 million people that are likely to be left without energy access by 2030.

Gender inequalities can negatively affect women's abilities to generate income, reduce their time available for productive and household endeavors, and further limit their mobility. Yet women and vulnerable groups are often overlooked in the development of energy access business models. African and Asian women in particular stand to disproportionately benefit from energy access since they tend to be the ones that are tasked with collecting fuel and cooking with firewood or coal. Hence, women and vulnerable groups can also be key drivers of positive business and social outcomes in energy access companies.

Energy access businesses operating in Africa and Asia are increasingly seeing the application of a gender and social inclusion (GESI) lens in their business model as a competitive advantage. Investors operating in both regions are also increasingly developing gender lens for investing funds, finance vehicles and technical assistance facilities to support women-led businesses and businesses that are redressing gender inequalities in the energy access space.

The objective of this guide is to provide a brief overview of the GESI issues, challenges, and opportunities for energy access businesses.

Detailing the topic

This guide focuses on understanding the opportunities and potential entry points for GESI that companies and investors can consider when making strategic and operational decisions. The next section summarises the key concepts, challenges and opportunities at the intersection of GESI and energy access.

Key Definitions

Below we outline some of the key GESI-related definitions.

Gender and social inclusion (GESI) is the process of ensuring individuals and groups take part in society and institutions, improving the abilities, opportunities, and dignity of those disadvantaged on the basis of their identity and gender. For ECAP-supported businesses this means identifying the challenges and opportunities for energy access innovation that result from gender dynamics and social exclusion in Africa and Asia.

Value for Women defines **gender lens investing** as investing in businesses, initiatives, and programmes that fulfill at least one of the following criteria: (1) are led by women; (2) provide products and services that intentionally seek to close gender gaps or are designed to meet the specific and/or strategic needs of women or girls; (3) have internal policies and practices promoting gender diversity within the workforce; and (4) provide specific support and opportunities for women and women-led businesses in their value chain. The process of investing with a gender lens requires investment firms to look internally, at their capacity to invest with a gender lens and to promote gender diversity within their own workforce, as well as externally, at how they can apply a gender lens to their investment decision making.

Value for Women defines a "**gender forward business**" as a business that goes beyond quantitative measures of women's representation in leadership and aligns with the gender lenses described above. A gender forward business, therefore, is one that intentionally seeks to redress gender inequalities by providing products and

services that close gender gaps or that are designed to meet the specific needs of women or girls; and/or supports workplace equity through internal policies and practices that promote gender diversity within the workforce; and/or strengthens the business's inclusion and diversity across operations and the value chain.

Why are gender equality and social inclusion important?

Closing gender gaps can lead to significant economic growth in Africa and Asia. In Africa, GDP could increase by 10% by 2025 if country improvements in gender parity matched the advances of the best-performing country in the region. Similarly, in the Asia Pacific region, gender parity matching the advances of the best-performing regional country would lead to a GDP increase of 12% by 2025.

Businesses with gender diversity in leadership show higher returns. Global evidence shows how gender diversity in the workplace across all levels and departments improves business performance across a range of metrics, including: increased productivity and innovation, better decision-making, and higher employee satisfaction and retention. Gender-balanced teams (defined as having a male-to-female ratio of between 40% and 60%) can improve business metrics like employee engagement, brand awareness, and client retention.

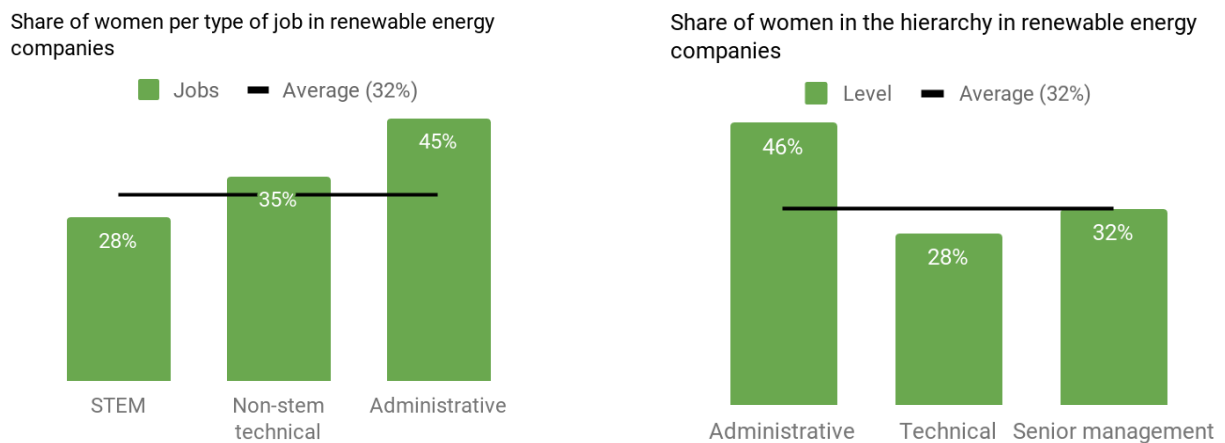


Figure 1 Participation of women in renewable energy companies (Note: STEM refers to careers or jobs within one of the following disciplines: Science, Technology, Economics, and Mathematics)

Yet globally, energy companies lack gender diversity at different levels of the workforce. Within renewable energy businesses, women represent a majority of administrative roles but only around a third of technical jobs.

However, the business case for gender and social inclusion goes beyond the financial benefits obtained through gender diversity in the leadership of energy access companies. **Applying a GESI lens in the workforce, products and services, and value chains of energy access companies can lead to a host of positive business outcomes.** Further, actions focused on GESI can lead to accelerated adoption of clean energy technologies by women and vulnerable groups, and positive social and environmental impact.

Challenges and opportunities

This section outlines the GESI-related challenges and opportunities facing energy access businesses operating in Africa and Asia. Table 1 summarises the GESI challenges as they pertain to energy access businesses as well as the potential actions that businesses can take to improve business, social, and energy access outcomes.

Table 1 Energy Access and GESI in Africa and Asia - Challenges and Opportunities

Energy Access Issues	GESI Challenges	GESI Business Opportunities
Access to Electricity	<p>For poor households, cooking often involves lengthy and exhausting fuel collection</p> <p>Lack of electricity and labour-saving appliances limit women's time for personal, work and entrepreneurship activities</p> <p>Poor lightning leads to less security, particularly for women</p>	<p>Women as users</p> <p>Engaging women in the design of energy access solutions can improve product take-up</p> <p>Taking into account women as users of energy access solutions even when they are not the buyers may lead to efficiencies in customer care.</p> <p>Women as suppliers/distributors</p> <p>Women can be effective sales agents for energy solutions when interacting with women end-users, especially in situations where women are primary users or in areas where cultural and social norms inhibit public engagement with women.</p> <p>Women entrepreneurs can help diversify the distributor/supplier base and move it closer to the communities where clients live.</p> <p>Women as workers</p> <p>Gender diversity in the workforce can lead to increased productivity and innovation; better decision-making; and higher employee satisfaction and retention.</p>
Access to Improved Cooking Stoves/Cooking Fuels	<p>Poor air quality and related health impacts disproportionately affect women who do most of the cooking</p> <p>More drudgery and time required for the collection/use of fuels limit women's income generation activities</p> <p>For the poorest households, cooking represents the largest share of energy use and often involves time-consuming and exhausting fuel</p>	
Access to Mechanical Power	<p>Women and girls are disproportionately tasked with fetching water when running water, wells or pumps are not available</p>	
Energy Access Workforce	<p>Few women lead and work in energy access enterprises across Africa and Asia</p>	

Table 2 Value for Women & ECAP GESI Business Framework

Business areas	GESI & Business Challenges	GESI Actions	<input type="checkbox"/> Business outcomes <input checked="" type="checkbox"/> Social and environmental outcomes
Business strategy	<ul style="list-style-type: none"> Lack of commitment to promoting GESI in the workforce, the market, and the value chain Business models, policies, and practices without consideration of GESI issues 	<p>Show an explicit company-wide commitment to addressing GESI within company structures and in its relationships with its customers and commercial partners</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Improved company reputation <input checked="" type="checkbox"/> Improved employment and business opportunities for women and vulnerable groups
Workforce and Leadership	<ul style="list-style-type: none"> Few women leading energy access businesses Few women in STEM and technical roles Work/life balance pressures due to disproportionate domestic and care burdens on women Unconscious and gender bias in recruitment and promotion Gender, racial, or ethnic wage gaps Gender gaps in access to education, training, and networking opportunities for women and vulnerable groups 	<ul style="list-style-type: none"> Redress gender biases in recruitment and promotion policies and practices, enabling women and vulnerable groups to perform non-traditional roles, join higher-paying jobs, and advance their careers Implement and enforce policies and practices on non-traditional skills building to grow the talent pool, mentorship programmes for leadership development, maternal and paternal leave, flexible work schedules, and prevention of sexual harassment Conduct internal assessments to identify any other opportunities to address barriers for gender and social inclusion Monitor sex-disaggregated data on upward mobility, turnover, pay gaps, and any other metrics related to talent management. 	<ul style="list-style-type: none"> <input type="checkbox"/> Potential for above industry average performance on profits and innovation <input type="checkbox"/> Increased talent pool to fill emerging gaps for accelerated growth <input type="checkbox"/> Improved employee retention, productivity, morale, and loyalty <input checked="" type="checkbox"/> Better work opportunities and conditions for women and vulnerable groups <input checked="" type="checkbox"/> Increased upward mobility and leadership opportunities for women and vulnerable groups
Market	<ul style="list-style-type: none"> Cultural and social norms affecting access to education, market information, and networks to women and vulnerable groups Lack of understanding of differentiated needs and interests of women and vulnerable groups Inequity in ownership of assets Limited access to financing schemes for innovative energy technologies 	<ul style="list-style-type: none"> Marketing: Collect and analyse sex-disaggregated data from the different market segments targeted for better decisions on distribution, education approaches, product and service design, and messaging Sales: Tailor sales strategies, train teams, and develop tailored messages, and value propositions to fit the needs and interests of, and meet the challenges of, women and vulnerable groups Customer service: Ensure that customer education and service provision reaches end-users by understanding gender dynamics involved in purchasing decisions and product or service use Finance: Design financing mechanisms that enable women and vulnerable groups to access the company's products and services. Design: Consider feedback from women and vulnerable groups in the design of products and services. 	<ul style="list-style-type: none"> <input type="checkbox"/> Accelerated adoption and market penetration <input type="checkbox"/> Increased brand recognition <input type="checkbox"/> Increased sales revenue <input type="checkbox"/> Increased client satisfaction, retention, and referrals <input checked="" type="checkbox"/> Access to clean energy products and services by women's and vulnerable groups' customer segments <input checked="" type="checkbox"/> Additional time available for other activities, such as studies, income generation, or leisure, especially for women and children

Value chain	<ul style="list-style-type: none"> Lack of gender/ethnic diversity in the supplier base. Women’s lack of working capital and assets limits distributor sales Gender gaps in access to finance limit the ability of women and other vulnerable groups to supply/distribute Gender inequalities in the knowledge of energy or climate-smart technologies Gendered mobility barriers and time constraints limit women distributors’ potential 	<p>Identify the specific barriers that women and vulnerable groups face throughout the business value chain, to unleash their economic and social transformation potential</p> <p>Design inclusive business models to diversify your supply and distribution networks. Establishing a set of requirements, startup kits, financing, and technical support for distributors/suppliers with women and vulnerable groups at the center</p> <p>Develop distribution networks that become community-based distribution partners</p> <p>Create feedback loops to better understand your end-users, particularly the differentiated needs of women and vulnerable groups</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Improved corporate reputation and relationships with the community <input type="checkbox"/> Decreased costs and improved quality through increased competition <input type="checkbox"/> More innovation and diversity of products and services <input type="checkbox"/> Increased proximity to markets, clients, and end-users ★ Increased opportunities for social impact by providing women and vulnerable groups entrepreneurs with income-generating opportunities ★ Women entrepreneurs may be more effective in getting other women to adopt new energy solutions
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Brief case studies

This section provides three examples of companies in Africa and Asia that have applied a gender lens across their operations leading to improved business outcomes.

Women as end-users of renewable energy products

Women might not be directly in contact with the company during the sales process but might be the primary user of renewable energy products. Being able to deliver customer care services that respond to their specific needs and priorities can contribute to better customer experience and reduce customer care service costs.

A Pay-As-You-Go Solar company in Kenya with a strong remote customer support structure found that 32% of technical support calls answered questions already covered during the initial client product education calls, wasting an enormous amount of time and money. With the support of Value for Women, the company underwent an analysis and found that the education calls were placed to the “primary contact”, who was normally a man that had made the purchase but did not necessarily use the product.

In order to reach the real end-user, the company adjusted the call center script for their product education calls so that the service agents would seek to talk with the main user instead of the primary contact. The company also recorded data on the sex of the end-user to be able to perform a gender analysis of the results.

These seemingly small changes led to a 33% reduction in contacted/educated end-users compared to the control group. Further, the company found that only 41% of the primary customer contacts were the end-users of their products and 83% of their end-users were women, even though they initially thought a majority of their users were men.

Women as entrepreneurs in the value chain

In India, 400 million people do not use grid electricity as their main source of lighting, an issue that disproportionately affects women by increasing the time burden spent on domestic and care work. However, market penetration of energy solutions is estimated to be as little as 5% to 7% due to the difficulties in reaching last-mile customers with energy access solutions. In order to address these challenges, Lighting Asia/India, which is part of the International Finance Corporation’s Lighting Global programme, partnered with Frontier Markets, a clean-energy products

company, to develop a network of women sales agents known as Solar Sahelis. The benefits of hiring these women, who were recruited from local self-help groups, were:

- Engaging women as agents allows them to better relate with the women who are key decision-makers in energy purchases
- Last-mile distribution was made feasible through the use of a flexible network of independently employed women that was also deeply connected to local communities, while at the same time generating additional income for these women through a part-time engagement
- Consumer awareness increased from 25% to 60% in target areas, thanks to coordinated campaigns and the active network of women entrepreneurs

Women in the workforce

SolTuna, a tuna-processing facility in the Solomon Islands, was experiencing high rates of absenteeism and turnover, leading to high labour costs. A sex-disaggregated analysis allowed the company to identify challenges that were affecting women disproportionately, including the following:

- Challenges with cash flow to meet daily household needs led to women seeking additional jobs or income sources
- Poor worker and family health, including suspected cases of gender-based violence, and the associated care burdens on women resulted in 15% of absenteeism associated with caring for family members, and 44% of the resignation letters cited this as a reason for leaving the company.
- Limited career prospects and low paying roles primarily held by women contributed to low morale and absenteeism.

After the initial gender analysis, the company took the following actions:

- Financial literacy training to improve cash flow management at the household level increased workers reporting having funds to cover household needs prior to the next payday, from 14% to 31%
- The board approved a general wage bill increase of 5%, including focused raises on the lowest-earning positions which were primarily held by women
- Recruitment of women in non-traditional but better-paying roles, such as forklift drivers, and upskilling training for women employees that allowed the company to fill skill-gaps internally

The impacts on the business included a 17% reduction in absenteeism, increased income of \$1.58 million, and savings of \$166,000 a year, primarily due to reduced staffing needs, reduced overtime, and increased productivity.

Table 3 Organisations active in GESI

Institution	Role
Alphamundi	AlphaMundi Group Ltd is a commercial entity based in Switzerland and exclusively dedicated to Impact Investing: profitable investments that generate substantial net benefits to society. It is a leading gender-lens investor globally.
Aspen Network of Development Entrepreneurs (ANDE)	The Aspen Network of Development Entrepreneurs (ANDE) is a global network of organisations that propel entrepreneurship in emerging markets. Promoting gender equality and women-led businesses is one of its core pillars.
Clean Cooking Alliance	The Clean Cooking Alliance works with a global network of partners to build an inclusive industry that makes clean cooking accessible to the three billion people who live each day without it.
Engineers Without Borders International	Engineers Without Borders International (EWB-I) is an international association of national EWB/ISF groups. EWB-I helps the member groups develop their capacity to assist developing communities in their respective countries.
Patamar Capital	Patamar Capital (formerly Unitus Impact) is an early-stage venture capital firm investing in companies serving the “mass market” in South and Southeast Asia, and has recently launched a women-led SME fund.
Shell Foundation	The Shell Foundation supports pioneering social enterprises and institutions that serve low-income communities across Africa and Asia lacking access to affordable energy and transport services.
UN Women - WeEmpowerAsia	This is a joint programme by the European Union and UN Women aimed at increasing the number of women who lead and participate in private-sector businesses.
Value for Women	A specialised advisory firm helping organisations advance gender inclusion.

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Useful contacts

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