ENERGY CATALYST

Theme Guide: Gender Equality & Social Inclusion



Innovate



This guide focuses on understanding opportunities and potential entry points for Gender Equality and Social Inclusion (GESI) for clean energy businesses to consider when making strategic and operational decisions. Energy businesses can use this guide as a reference or starting point when determining how best to apply a GESI lens to their operations.

Background

Gender and social inequalities (based on gender identity, income, ethnicity, disability, and geographic location, amongst others) present a host of challenges and opportunities for clean energy businesses operating in Africa and Asia. Women-headed households and rural African households make up a significant share of the 650 million people that are without energy access and are likely to still be left without energy access by 2030.1



Approximately 1 billion people live with disabilities globally, and 80% of those live in developing countries.² As disability

is often correlated with lower educational attainment and challenges finding employment, these factors can also hinder energy access for persons with disabilities (PWDs).³ Low-income households, rural communities, and slum dwellers may also suffer from reduced access to energy, either through inability to pay or lack of available options.⁴

Energy access businesses operating in Africa and Asia are increasingly seeing addressing gender and social inclusion (GESI) in their business model as a competitive advantage. There is established evidence that greater gender diversity — particularly on boards and in other leadership positions, including in the energy sector — benefits business through improved profitability and innovation capacity. Investors operating in both regions are increasingly applying a gender lens to investment decisions, finance vehicles and technical assistance facilities to support women-led businesses and businesses that are redressing gender inequalities in the energy access space; an

⁴ Maximiliane Sievert and Jevgenijs Steinbuks. "Willingness to Pay for Electricity Access in Extreme Poverty: Evidence from Sub-Saharan Africa." World Bank. 2019. https://documents.worldbank.org/en/publication/documents-

 $\frac{reports/document detail/968291561033778961/willingness-to-pay-for-electricity-access-in-extreme-poverty-evidence-from-sub-saharan-africa$

¹ The Rockefeller Foundation. "Making Opportunity Universal and Sustainable Through Clean Energy." Rockefeller Foundation. Accessed Jan 9, 2023. https://www.rockefellerfoundation.org/commitment/clean-energy/

² World Bank. "Challenges Facing People with Disabilities in Sub-Saharan Africa - in 5 Charts." World Bank. Accessed January 9, 2023. https://www.worldbank.org/en/topic/poverty/brief/challenges-facing-people-with-disabilities-in-sub-saharan-africa-in-5-charts

³ Ibid.

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estimated \$24 billion USD is available for gender lens investment globally. Businesses applying GESI to their operations can therefore stand to attract more investment from gender lens and other impact focused investors.

The objective of this guide is to support clean energy businesses understand and identify how to apply a GESI lens to their business models, to:



This overview provides a foundation for applying that lens and addressing members of marginalised identities not only as consumers of energy products but also as participants in energy value chains, as employees, entrepreneurs, leaders, and agents of change.

Detailing the Topic

The next section summarises the key concepts, challenges and opportunities at the intersection of GESI and energy access.

What is GESI?

Gender equality and social inclusion (GESI) ensures that everyone contributes to and benefits from markets and institutions, regardless of:



⁵ Ann J. Miles et al. "Leveraging Gender Lens Investments for Women's Financial Needs." *CGAP*. August 12, 2021. https://www.cgap.org/blog/leveraging-gender-lens-investments-for-womens-financial-needs

For ECAP-supported businesses, this means identifying the challenges and opportunities for energy access resulting from gender dynamics and social exclusion, ensuring that everyone can fully engage with innovations in the energy sector in various roles and capacities as entrepreneurs, employees, consumers, and decision-makers.



Figure 1. Equality vs equity

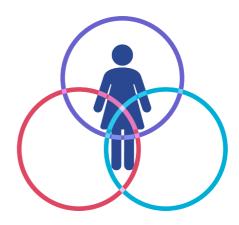
As shown in Figure 1, equal treatment does not lead to equality as an outcome. In order to achieve equality, it is imperative to treat people *equitably* - that is, addressing their particular needs and preferences to level the playing field.

Business can intentionally seek to rectify gender and social inequalities by:



Why are gender equality and social inclusion important for clean energy businesses in Africa and Asia?

Marginalisation and exclusion on the basis of people's identities are highly contextual, nuanced, and intersect in myriad ways. For example, a young, childless, unmarried woman with a disability living in an urban slum experiences life differently to a grandmother with limited education, from a marginalised ethnic group, living in a rural area. It is therefore important for projects and



businesses to understand the GESI issues in the locations where they operate, and how intersectionalities impact on each other, in order to ensure marginalised groups are able to access, use and benefit from products and services equitably, and also have equitable opportunities to participate in meaningful employment and in the value chain.

Marginalised groups as customers

Gender inequalities can negatively affect women's abilities to generate income, reduce their time available for productive and household endeavours, and further limit their mobility. Yet women and vulnerable groups are often overlooked in the design of energy access business models. Women and girls in Africa and Asia in particular stand to disproportionately benefit from energy access since they tend to be the ones that are tasked with collecting fuel for cooking and for lighting their homes, and cooking with firewood or coal. Thus, targeting women as customers of energy access and clean energy businesses can both create a positive impact for women and unlock an under-served market for businesses. For people living in remote communities, mini-grid and off-grid systems are often a more cost-effective avenue than grid extension due to high connection costs. Targeting these populations can both ensure progress toward universal energy access goals and unlock an underserved market for renewable energy companies. Hence, women and vulnerable groups can also be key drivers of positive business and social outcomes in energy access companies.

As people with disabilities constitute a sizeable percentage of any given population, they also represent a large customer segment⁷. However, products and services are rarely designed for or marketed to

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⁶ Rebecca Pearl-Martinez et al. "Levers of Change: How Global Trends Impact Gender Equality and Social Inclusion in Access to Sustainable Energy." Sustainable Energy for All. 2018.

 $https://www.seforall.org/sites/default/files/18_SEforALL_SETrendsReport_o.pdf$

⁷ Holly Krueger. "The Business Case for Disability Inclusion in Market Systems Development." The Canopy Lab. 2020. https://thecanopylab.com/wp-content/uploads/2020/05/Business-case-for-disability-inclusion FINAL-KS-with-links.pdf

people with disabilities. Not considering how a product or service might be accessed or used by a person with a disability can necessarily exclude them from benefiting from that product or service. However, intentionally designing with disability in mind does not exclude non-disabled people from accessing or using a product/service. Therefore, taking a GESI approach to research, design, sales, marketing and customer service can improve applicability and appeal more broadly, and increase market reach.

Brand reputation and reach

Featuring people with disabilities, and reflecting diversity and inclusion in advertising and marketing is viewed positively by non-disabled people, who are also more likely to buy from those companies⁹.

Example: OXO Good Grips Vegetable Peeler⁸

OXO founder Sam Farber was cooking with his wife when he realised her arthritis made it difficult for her to use a traditional metal peeler. Together they created the Good Grips OXO handle, with an ergonomic design and non-slip grip – thus making it more comfortable and easier to use for all users.



Renewable energy and energy access technologies have unlocked underserved customer bases in Africa such as people living in remote rural communities, urban slum dwellers, and refugee settlements, growing sales for renewable energy companies and spurring further innovation in the sector. ¹⁰ Further, actions focused on GESI can lead to accelerated adoption of clean energy technologies by women and vulnerable groups, which may bring about positive social and environmental impact.

Finally, taking a GESI-blind approach, and **failing to consider women and other marginalised** groups, could lead energy companies to not only overlook underserved markets but also inadvertently worsen inequalities in energy access.

The business case for workforce diversity

Global evidence shows how diversity in the workplace across all levels and departments improves business performance across a range of metrics, including: increased productivity and innovation,

⁸ https://www.oxouk.com/about-us/

⁹ ILO, "Guide For Business On The Rights Of Persons With Disabilities: How business can respect and support the rights of persons with disabilities and benefit from inclusion", (2017)

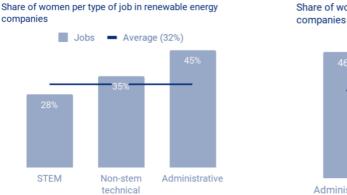
https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---

ifp_skills/documents/publication/wcms_633424.pdf

¹⁰ Africa Clean Energy Technical Assistance Facility (ACE-TAF). "Gender and Social Inclusion in Off-Grid Sector: A Handbook for Sub-Saharan Africa." ACE-TAF. 2020. https://www.ace-taf.org/wp-content/uploads/2020/04/GESI-Handbook-2020041001.pdf

better decision-making, and higher employee satisfaction and retention¹¹. Contrary to common assumptions, employees with disabilities have "better retention and low absenteeism rates and are loyal, reliable and highly motivated... and many companies find that employing people with disabilities increases their understanding and ability to serve their customers with disabilities" (Krueger, ibid), thus spurring marketing and innovation.

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.¹² **Yet globally, energy companies lack gender diversity at different levels of the workforce.** According to IRENA, women represent only 32% of the renewable energy workforce, with the majority of them being employed in administrative positions.¹³



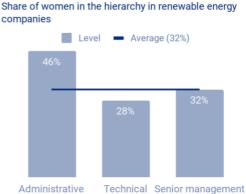


Figure 2. Participation of women in renewable energy companies (Note: STEM refers to careers or jobs within one the following disciplines: Science, Technology, Economics, and Mathematics).

Source: IRENA 2019.

Clean energy companies can therefore adopt GESI recruitment and employment practices, as growth strategies.

100, (2017)

¹¹ ILO, (2017)

Stephen Turban et al. "Research: When Gender Diversity Makes Firms More Productive." Harvard Business Review. 2019. https://hbr.org/2019/02/research-when-gender-diversity-makes-firms-more-productive
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Challenges and opportunities

This section outlines the GESI-related challenges and opportunities facing clean energy businesses. Table 1 summarises some GESI challenges as they pertain to energy businesses as well as the potential actions that can be taken to improve business, social, and energy access outcomes.

When deciding how to integrate GESI, businesses should consider the following guiding questions:

- What aspects of GESI are most relevant to the context within which we operate?
- What are the issues or challenges that marginalised groups might have in accessing, using or benefiting from our product or service?
- How does our workforce reflect the demographic of the location(s) within which we operate?

As a starting point, businesses should undertake mapping/ research of the populations where they are located, and/or of their own workforce, to establish a baseline and identify priority areas for action.

Once a baseline has been identified, businesses can use the GESI Roadmap Canvas (available exclusively to Energy Catalyst Accelerator Programme participants) or other tools to build out some of the more practical considerations in order to understand how GESI aligns with current business operations/model/plans, and where it makes most sense to apply a GESI lens, e.g.: product/service design and delivery; workforce and leadership; value chain and suppliers. Key questions to consider include:

- What is the objective of the GESI action you are considering? What potential impact could it have?
- What stakeholders will you need to engage with? Who will you need to influence to act?
- How much do you expect the action will cost? How much time will it take? Do you have the human and financial resources to implement the action?

A full suite of tools including the GESI Roadmap Canvas and GESI Action Plan (and accompanying guidance videos) have been developed exclusively for Energy Catalyst Accelerator Programme participant companies.

Table 1 Energy Access and GESI - EXAMPLE Challenges and Opportunities ¹⁴		
Business Challenge	Potential GESI Action To Take	Potential Impact
Low sales among women and/or PWDs	Engage women and/or PWDs in the design of energy access solutions	Increased sales More effective distribution Increased innovation Increased energy access and/or use Improved livelihoods
Low product uptake in remote communities	Employ or contract women and members of minority ethnic groups as sales agents	Increased sales More effective distribution Improved livelihoods
Customer service inefficiencies resulting from differences in buyer/registered customer (man) & end user (woman)	Include buyers AND end-users in customer education and installation visits and calls	Increased sales Improved customer service Decreased costs Increased energy access and/or use
Unsegmented marketing strategies can unintentionally exclude marginalised groups	Develop marketing strategies and collateral containing value propositions of products and services for marginalised groups, in a range of formats (e.g. visual, audio), and messages in multiple languages, (including languages used by minority ethnicities) to improve reach and accessibility.	Increased sales Increased energy access and/or use Improved livelihoods
Difficulty attracting and retaining diverse talent	Implement inclusive recruitment and human resources policies and practices to improve workplace diversity	Improved decision-making Increased innovation Increased employee satisfaction Increased investment
Lack of funding to scale up business	Demonstrate commitment to and implement GESI-inclusive practices, in order to meet gender or other social impact investment criteria ¹⁵	Increased employee satisfaction Increased investment

 $^{^{\}rm 14}$ The challenges and opportunities listed below are examples; this is not an exhaustive list.

 $^{^{15}}$ Standards for qualifying for gender lens or GESI lens investment are set forth in the Appendix

Case studies

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

Customer Segments: Solar home systems for remote communities

42% of Cameroon's population live in rural areas, and only one in five rural households has access to the national electricity grid.
As extending the national grid into remote, rural areas is both costly and time-consuming, access to power remains a major hurdle for households, businesses and essential services, which affects the achievement of national sustainable development goals.



Photo Credit: ESI Africa

To solve this challenge, upOwa, a distributor of solar home systems (SHS), obtained investment from Camco Clean Energy to undertake a campaign to sell and distribute SHS throughout rural Cameroon. To date, upOwa has installed over 24,000 SHS in two regions of central Cameroon, providing 117,455 people with access to electricity for the first time.

Through this initiative, 758 micro businesses and 211 essential services, including schools and water-pumping stations, also gained access to electricity. Increased electric capacity at rural health centres allowed vaccines to be stored and supported medical machines essential to treat patients in respiratory distress due to the COVID-19 virus.

¹⁶ Alliance for Rural Electrification. "Camco Clean Energy: Solar Home Systems to Boost Local Rural Economies (Cameroon)." Alliance for Rural Electrification. Accessed February 10, 2023. https://www.ruralelec.org/project-case-studies/camco-clean-energy-solar-home-systems-boost-local-rural-economies-cameroon

Key relationships: Women entrepreneurs as distributors



Photo Credit: IFC/Yogendra Kumar

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. 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 allowed 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 who were 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.

Cross-sector collaboration to build disability inclusive workplaces in Bangladesh¹⁷

A collaboration between the governments of Bangladesh and Germany, local disability organisations and the ready-made garments, textile and leather industry manufacturers and associations BGMEA and BKMEA supported over 180 factories to become disability-accessible workspaces. This has led to more than 2500 people with disabilities (mostly women), to enter into employment across a range of roles including production, administration and HR. Local disability organisations provide



Photo Credit: GIZ BD/Sabrina Asche

technical support and advice to the businesses, and other employers are recognising the benefits and potential of employing people with disabilities.

These case studies show how applying a GESI lens can produce positive business and social outcomes.

Conclusion

Taking a GESI approach can help businesses improve products and services and thus business and social impacts. There are numerous entry points to GESI, and it is important businesses understand and address the contexts and nuances that are most relevant to them in order to unlock the potential associated with reaching underserved customers, attracting and retaining marginalised talent, and improving brand reputation.

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¹⁷ Lukkien, A., "A Social Business Case for Disability Inclusion in Development: Why disability inclusion is not only morally right, but also makes economic sense", (2018) https://www.dcdd.nl/wp-content/uploads/2019/07/DCDD-Article-Disability-Inclusion-in-Development.pdf

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Value for Women (2022) Gender-Smart Green Financing Toolkit https://www.v4w.org/resources/gender-smart-green-financing-toolkit

Useful Contacts

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Avenue du Bouchet 17 1209 Genève Switzerland https://www.alphamundi.ch/

Aspen Network of Development Entrepreneurs (ANDE)

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Please contact your Client Relationship Manager if you want help with introductions to specific individuals within these institutions.

Appendix: GESI Standards for Compliance and Investment

2X Challenge

The "2X Challenge" calls for the G7 and other development finance institutions (DFIs) and private sector investors globally to join together to collectively mobilise \$15 billion to invest in businesses that comply with the below requirements for gender inclusion.

To qualify as 2X Compliant and become eligible for gender lens investment from member DFIs, companies must meet **one** of the following <u>criteria</u>:

- Entrepreneurship
 - o 51% women owned, **or**
 - o Having a woman founder or co-founder
- Leadership
 - o 30% women in senior leadership **or**
 - o 30% women on the Board or the Investment Committee
- Employment
 - o 30-50% share of women in the workforce (depending on sector) and
 - One "Quality" indicator that goes beyond compliance with national regulations
- Consumption
 - o Products or services that specifically or disproportionately benefit women
- Investments through financial intermediaries
 - o 30% or more of investments or portfolio companies meet the 2X criteria

Note: While complying with the 2X Challenge criteria makes companies eligible for gender lens investment from participating DFIs, compliance does not guarantee investment.

Women's Empowerment Principles (WEPs)

The <u>Women's Empowerment Principles (WEPs)</u> are a set of principles offering guidance to businesses on how to promote gender equality and women's empowerment in the workplace, marketplace and community. Established by UN Global Compact and UN Women, the WEPs are informed by international labour and human rights standards and grounded in the recognition that businesses have a stake in, and a responsibility for, gender equality and women's empowerment.

By becoming a WEPs signatory, companies signal their commitment to gender inclusion and to work collaboratively in multi-stakeholder networks to foster business practices that empower women. The principles are:

- Leadership Promotes Gender Equality.
- Equal Opportunity, Inclusion, and Nondiscrimination.
- Health, Safety and Freedom from Violence.
- Education and Training.

- Enterprise Development, Supply Chain and Marketing Practices.
- Community Leadership and Engagement.
- Transparency, Measuring and Reporting

Requirements for becoming a WEPS signatory include:

- A commitment to equal pay for work of equal value
- Gender-responsive supply chain practices
- Zero tolerance against sexual harassment in the workplace
- CEO's signature of the Statement of Support for the WEPs

UN Convention on the Rights of Persons with Disabilities (CPRD)

The purpose of the <u>CRPD</u> is to: promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities and to promote respect for their inherent dignity.

Its principles include:

- Respect for the inherent dignity and individual autonomy of persons with disabilities
- Non-discrimination against persons with disabilities
- Full and effective participation and inclusion of persons with disabilities in society
- Respect for difference; disability as part of human diversity
- Equality of opportunity for persons with disabilities
- Accessibility of buildings, information and communications, public transport, and other public facilities and services

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- Equality between men and women
- Respect for evolving capacity of children with disabilities
- Reasonable accommodation for persons with disabilities¹⁸
- Universal design: Design to ensure that everything can be used by everyone, without need for adaptation

Article 27 of the CPRD states that persons with disabilities have the right to work on an equal basis with others in work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible to persons with disabilities.

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¹⁸ Reasonable accommodation is defined as: "Necessary and appropriate modification and adjustments not imposing a disproportionate or undue burden, where needed in a particular case, to ensure to persons with disabilities the enjoyment or exercise on an equal basis with others of all human rights and fundamental freedoms" (CRPD Art. 2,5,14...)