Women Bridging the Clean Energy Financing Gap

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Role of women

Direct
- Women in the supply chain - Decision makers/influencers, employees and entrepreneurs
- Women as consumers - Energy access Issues

Indirect
- Education
- Influencing the social context
Where is the ambition?

Women as drivers
• Women bridging the financing gap to get access to (clean) energy - SHGs
• Women leaders in the finance sector providing gender-sensitive policies and mechanisms - rather limiting in terms of impact and societal transformation
• Women leaders in clean energy space - industry or Government - creating/facilitating job opportunities/gender sensitive approaches

Women as actors
• Role of finance policies and strategies to empower women as decision makers so as to drive clean energy access
• Women using levers of finance to drive the clean energy transition? At home? As Entrepreneurs? As facilitators/solution providers (Business plan development, Strategy development...)

Entrepreneurship
INNOVATION AND ENTREPRENEURSHIP IN CLEAN ENERGY

• Invention Based Enterprises (IBE) and Service Companies
  • IBE - Type 1 (Off grid solutions) Type 2 (Appliances)

• The pathways for achieving scale and impact are different for IBEs and service companies, as the former face longer development timelines.

Challenges
• Customer acquisition
• Access to finance
• Talent - managers
• Government policy - regulations

Recommendations
• Increase the alignment of goals between investors and entrepreneurs to make the most of existing opportunities.
• Enhance early-stage support and funding opportunities for IBEs.
• Tailor support programs to the needs of the clean energy sector.
• Elevate the influence of older companies to assist upcoming firms, especially through local mentorship.
• Provide an enabling environment for founders that facilitates entrepreneurship
Broad Patterns

• Based on available data from more than 230 founders,
  • 62 percent have a master’s degree or PhD, and 70 percent have a degree in science, technology, engineering, or mathematics (STEM).
  • Their prior experience often includes large energy companies or government agencies that deal with energy or utilities, with 65 percent of founders having C-level or management experience.
  • However, only 5 percent had previously founded a company. These patterns hold across innovation types.

• Odds are stacked against Women entrepreneurs?
COMPARISON OF CLEAN ENERGY COMPANIES BY AGE AND SCALE

Note: Based on available data about clean energy companies identified for this study. The sample excludes companies that have closed. Scale is defined as having 50 or more employees.

Source: Endeavor Insight interviews and analysis. Sample size: 138 companies.
COMPARISON OF CLEAN ENERGY FOUNDERS’ WORK EXPERIENCE BY COMPANY SCALE

The founding teams of the top 20 percent of companies, in terms of employee size, possessed specialized professional experience prior to founding their firms.

**BOTTOM 80 PERCENT**
- Global Top 1,000 Firm Experience: 16% IBEs, 36% Service Companies
- Finance or Accounting Experience: 28% IBEs, 13% Service Companies
- STEM or Product Design Experience: 25% IBEs, 75% Service Companies

**TOP 20 PERCENT**
- Global Top 1,000 Firm Experience: 27% IBEs, 40% Service Companies
- Finance or Accounting Experience: 33% IBEs, 80% Service Companies
- STEM or Product Design Experience: 30% IBEs, 80% Service Companies

Note: Figures represent the percentage of clean energy firms that had at least one co-founder who possessed each type of work experience prior to the founding of the company. Global Top 1,000 Experience refers to previous employment at one of the largest 1,000 public companies in the world based on Forbes’ methodology. Finance or Accounting Experience encompasses work in finance or accounting roles. STEM or Product Design Experience encompasses work in scientific, technological, engineering, mathematical, and product design roles. Categories are not mutually exclusive.

Sources: Endeavor Insight interviews and analysis; LinkedIn, PitchBook, Crunchbase, Forbes. Sample sizes: 127 companies for Global Top 1,000 experience, 127 companies for STEM/Product Design and Finance/Accounting experience. The sample sizes were dependent on available founder data.
Type 2 Companies

- Given their focus on individuals, many of whom are poor or in remote areas, affordability and customer access are greater problems for Type 2 companies.
  - Require more corporate or government partnerships, as well as public subsidies.
  - Companies selling expensive appliances and vehicles are often dependent on banks to provide customers with financing options in order to successfully sell to customers.
Access
• Hope to address the elephant in the room through the rest -scientific evidence would help?
• Need enough employment opportunities to minimise competition with men?
- Mix of entry barriers and growth barriers
- First bullet - Design and finance both need sensitivity

**Figure ES.4** Measures to improve women’s engagement in deploying renewables for energy access

<table>
<thead>
<tr>
<th>Measure</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Access to training and skills development programmes</td>
<td>71%</td>
</tr>
<tr>
<td>Integrating gender perspective in energy access programmes</td>
<td>62%</td>
</tr>
<tr>
<td>Enhancing access to financing for women</td>
<td>56%</td>
</tr>
<tr>
<td>Mainstreaming gender in energy policies</td>
<td>54%</td>
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<tr>
<td>Awareness raising</td>
<td>38%</td>
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Source: IRENA online gender survey, 2018.

Note: The respondents were asked to select three key measures to improve women’s engagement in deploying renewables for energy access. The percentages represent the share of respondents who selected a specific measure as one of their top three.
Wider Society related
• Level of education/skills, Socio-cultural barriers
Work related
• Targets, Enabling environment - child care facilities

Figure ES.2 Barriers to entry for women in the renewable energy sector

Perception of gender roles
Cultural and social norms
Prevailing hiring practices

Lack of gender targets
Lack of non-STEM background
Discouraging workplace policies
Limited mobility
Lack of awareness of opportunities
Lack of STEM background
Self-perception

Source: IRENA online gender survey, 2018.
Note: STEM = science, technology, engineering and mathematics.
Figure ES.1  Shares of women in STEM, non-STEM and administrative jobs in renewable energy

Source: IRENA online gender survey, 2018.

Note: The vertical line indicates the average share of women in renewable energy jobs among survey respondents.

STEM = science, technology, engineering and mathematics.
Cautions

- Are we creating a perception of life-time challenges in hiring women?
  - Flexibility - Mobility not performance
  - Terminology -
    - “Lack of...” “Discouraging...” ???
    - Or,
    - “Adequacy” “Design” “Ability to”
  - Gender targets at entry level;
- Multi-track career progression path
- Tailored capacity building program
Box 1.2  Gender equality and gender equity

**Gender equality.** Gender equality is achieved when men and women have equal rights, freedom, conditions, and access to endowments and social and economic opportunities for realising their capabilities and for contributing to and benefiting from economic, social, cultural and political development.

**Gender equity.** Related to gender equality, gender equity is the process of being fair to women and men. To ensure equity, measures must often be taken to compensate (or reduce disparity) for historical and social disadvantages that prevent women and men from otherwise operating on an equitable basis.