Gender Equality in Financing Energy for All

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The paper is developed by Norad’s gender team in cooperation with ETC/ENERGIA & Nord/Sør-konsulentene consortium

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GENDER EQUALITY IN FINANCING ENERGY FOR ALL

Summary

In financing energy for all, Norway will work through its foreign policy and its development cooperation to empower women in the energy sector. Norway is seeking partners who have adopted global commitments on gender equality and women’s human rights and who see the benefits of a gender-responsive approach to financing energy access for all. Gender-responsive energy financing can contribute to basic human rights and economic efficiency, and create gains for private investors. Budgetary allocations in the energy sector have the power to transform gender inequalities and ensure more efficient and sustainable solutions. This transformation can come about through targeting increases in energy access that aim to create more time and physical energy that can be used to enhance quality of life and productive work, to improve health and education and to provide both women and men with opportunities for income earning, participation and decision-making. The planning and governance of energy and climate change policies and programmes by government institutions, civil society and the private sector are important in promoting gender-responsive energy financing.

Sections 1-4 in this paper provide an overview of global and Norwegian commitments to gender equality. Sections 5-8 outline how gender is important in financing energy for all. The paper argues that gender equality in energy access is crucial for meeting the MDGs, global human rights commitments and economic efficiency. It provides the logic that explains how gender equality in energy access can contribute to economic efficiency and what private investors can gain from financing gender-responsive energy access. It acknowledges the links between gaps in gender equality and a lack of energy access. Finally, it provides examples of how one can achieve gender benefits through energy interventions.
1. Financing energy access is a gender issue because:

- In planning and implementing energy access, the ultimate objective is human development: the ability to live the life of one’s own choosing, and be spared from absolute deprivation, is **a basic human right** and should apply to everyone, both women and men. In 2001, Norway and 188 other UN Member States endorsed the Millennium Development Goals and committed themselves to eliminating poverty. Energy access for all is crucial for meeting these global commitments.
- The evidence is overwhelming that, in planning and implementing energy access, greater gender equality is “smart economics” and contributes to **economic efficiency** (WDR 2012). Developers and implementers of energy policies and programmes need to understand how both women and men are important productive actors in the economic development of a society.
- **Private investors gain** from financing gender-responsive energy access for all and their involvement increases the benefits of financing energy access for the whole population.

2. Global gender equality and women’s human rights commitments

Far-reaching commitments to gender equality and women’s human rights have been encapsulated in core international human rights instruments and offer a road map for strengthening action, investment and accountability that will advance gender equality and women’s rights worldwide. These instruments include:

- 1951 The ILO Conventions on working women’s rights
- 1979 The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)
- 1995 The Beijing Platform for Action (BPfA)
- 2000 the Millennium Development Goals (MDGs)
- 2000 UN Security Council Resolutions 1325, 1820, 1888 and 1889
- The 2005 World Summit reaffirmed the United Nations Millennium Declaration
- 2008 The Human Rights Council resolution on “human rights and climate change”

3. Gender equality in Norway’s economic development

Norway’s economic and social development is not only due to its wealth of natural resources, it is also built on the **long term commitment of the Norwegian government to gender equality within the political framework of a “welfare state” in which gender equality is a core goal in itself**. Norway is considered to be one of the most gender equal countries in the world. Norway's main strategy has been to strengthen women’s economic independence through increasing their **labour market participation**. A number of steps have been taken to ensure men and women have equal access to higher education and equal opportunities to participate in the labour force and an equal choice of occupation. Today, women’s participation in the labour market in Norway is among the highest in Europe. Forty per cent of **board members** in public limited companies are women.
There are now more women starting and completing higher education than men. Sixty-one per cent of students were female in 2008. However in tertiary education, the majority of women study “soft” subjects and the number studying natural sciences/mathematics and technology remains constant and low since 1998. In 2008, thirty-seven percent of students in natural sciences/mathematics and only twenty-one percent in technology were female. Gender-specific measures are employed not only in relation to work and education, but in almost all areas of Norwegian society. For instance, Norway has introduced a father’s quota within parental leave for the exclusive use of the male parent. Another measure is full day-care for children. Norway has for many years developed policies to improve conditions for families with small children and has one of the highest birth rates in Europe. There is a continuing public discussion on how to promote gender equality in Norway – in the media, in political debates, in research, in workplaces and in NGOs.

4. How Norway is gender-mainstreaming development cooperation in the energy sector

Norway places a strong emphasis on women and gender equality in its foreign policy and development cooperation, as seen in:


Norway is committed to being at the forefront of efforts in which both women and men:

- participate at all levels in the management of natural resources in partner countries;
- contribute to the creation of jobs and livelihoods for both women and men;
- support sustainable, safe energy solutions that ease women’s burden of work and improve their access to health services and education;
- support the development and use of clean energy solutions, such as solar energy; and
- promote the active participation of women in decision-making and implementation processes (Action Plan for Women’s Rights and Gender Equality in Development Cooperation).

Norway gives gender-mainstreaming a high political priority in two energy initiatives - Oil for Development and Clean Energy for Development. Norway is currently systematically working to mainstream gender in both these areas by developing the capacity to mainstream gender in Norad’s advisory services to the sector. This includes assisting Norwegian embassies in gender-mainstreaming programmes in their respective countries. Currently, assistance is provided in the form of energy and petroleum cooperation in Timor-Leste, Mozambique and Uganda. For more information about what Norway is doing, see Norad’s web pages on Oil for Development (OfD) and Clean Energy for Development: www.norad.no.

In financing energy for all, Norway works through its foreign policy and its development cooperation to empower women in the energy sector. Norway is seeking partners who have adopted global commitments on gender equality and women’s human rights and who see the benefits of a gender-responsive approach to financing energy access for all.
5. **How gender equality in energy access can contribute to economic efficiency**

Gender equality is smart economics. Men and women have different needs and they use and benefit from services differently. Budget allocations may not reflect these differences when seeing energy access as gender-neutral. *Budgetary allocations have the power to transform gender inequalities.* One approach for ensuring that the needs of women as well as men are met is for government budgets to be gender-disaggregated. Gender budgeting is a tool that can be used to break down and identify the differentiated impacts of public revenue allocations and expenditures on men and on women.

Access to modern forms of energy for lighting, cooking, heating and cooling, refrigeration, pumping, transportation, communications and productive uses give both women and men *more time and physical energy for productive work* with less time needing to be spent on basic subsistence activities. Women are often associated with household activities and with productive activities associated with the household. Less time spent on basic subsistence activities coupled with access to modern energy services is crucial for more efficient and productive agriculture and for other income-generating activities both within and beyond the household.

More efficient productive work and savings in both energy and health expenditures can *improve household economies*, which again can lead to improved access to education and the empowerment of both young girls and boys.

Educated and empowered women and men are better equipped to *take an active part in society*, to be efficient and productive actors and to influence decision-making processes in households and society that can improve economic efficiency and the wellbeing of all.

Gender-aware public institutions, NGOs and private sector organisations are more able to attract and *make use of the competences of both men and women* and through this they will enlarge their human resource base.

Public institutions, NGOs and private sector organisations that undertake participatory stakeholder consultations with empowered men and women in communities affected by energy developments are in a better position to *ensure efficient and sustainable solutions*.

6. **How private investors can gain from financing gender-responsive energy access**

Private investors in the energy sector are always seeking new markets and access to new natural resources as an element in making a profit. Private investors gain from the gender-responsive financing of energy access by attracting new markets, a broader competent workforce, an improved base for developing sustainable solutions and a productive and engaged, safer and healthier, environment in which to work.

The Global Reporting Initiative/International Finance Corporation 2009 report shows that many investors believe that *women’s empowerment is a key characteristic of well-managed, forward-thinking companies* that are capable of creating sustainable shareholder value over the long term. In addition, there seems to be a positive *correlation between gender equality practices and stock performance*: there is evidence that having women in executive positions and on the board can contribute to stronger financial performance and that the better a company is at promoting women, the better it tends to rank in terms of profitability.
Private investors risk missing out on an important market if female consumers are not specifically targeted. In Botswana, for example, a Department of Energy survey showed that the number of female-headed households in ten villages connected to the grid was only half the rate of male-headed households. Due to women’s lower access to credit and lower literacy than men, targeting women may require specific promotional strategies. Further, women have been shown to be more creditworthy than men, repaying loans more reliably.

Women are key buyers of solar lighting systems, representing up to half of this vast and growing market. In 2010 alone, Lighting Africa, an IFC/World Bank initiative working to catalyze a market that will supply 250 million people with modern lighting by 2030, helped sell 134,500 products and educated 10.4 million consumers on the benefits of switching from the costlier and more dangerous status quo of candles and kerosene lamps to solar-powered lighting devices. Without considering women’s specific needs, obstacles and resources, the marketing strategy would fail - and the creation of this new market with it. Manufacturers of lighting products are thus beginning to consider the strong business case for adopting a women-targeted approach to designing, financing and marketing their new off-grid lighting products for Africa.

In many developing countries, women are known as effective entrepreneurs, but may need support to overcome barriers to energy access. For example, an IFC study of World Enterprise Survey data in five African countries showed that women-owned businesses had greater difficulty in obtaining an electricity connection than men-owned businesses. Female employees and entrepreneurs in the energy sector could be more effective at reaching out to female consumers. A recent study in Kenya showed that both male and female energy entrepreneurs tend to target their own genders and their traditional industries, and may need assistance in targeting both men and women and entering new areas.

7. Challenges that need to be acknowledged when it comes to energy access

The world has made significant progress in narrowing gender gaps in education, health and labour markets over the past fifty years. Remaining gaps include the lower school enrolment rates of disadvantaged girls; the poorer access for women to economic opportunities and incomes, whether in the labour market, agriculture or entrepreneurship; and large differences in the voice of women and men both in households and in the wider society. These gaps are closely linked to a lack of energy access. A major finding in the background paper “Energy, Gender and Development” prepared for WDR 2012 is that energy interventions can have significant gender benefits.

Energy access is not an end in itself. Both large- and small-scale energy projects aim to supply energy services that will meet end-users needs. Large-scale energy projects can be beneficial not only for large-scale industrial development but also for energy access in remote areas. End-users in poor and remote areas are often overlooked as stakeholders in large-scale energy projects. End-users are both male and female with different needs and priorities. If end-user perspectives are ignored when financing energy access then only the needs and priorities of powerful groups may be met, and the eventual end uses might not be effective in meeting poverty reduction goals and the MDGs.

Women and men have different energy roles, needs and priorities. Access to energy services generally favours men’s rather than women’s roles, needs and priorities. For example, only a small proportion of energy sector investment addresses cooking energy needs. A World Bank report on its investments in energy access over the period 2000-2008 found that while physical
investment in electricity access accounted for nearly half of energy access-related assistance, the
support for promoting the transition to modern cooking fuels was quite small - less than five per
cent of total lending. Only a small proportion of fossil-fuel subsidies go to households for
cooking: in 2009, according to the IEA, only fifteen per cent in countries with low levels of
modern energy access. Gender bias in traditional land rights, women’s difficulty in accessing
credit and men’s greater participation in public decision-making all limit women’s ability to
acquire modern energy assets.

Women are significant environmental actors as well as victims of the management of energy
resources and development. Local effects and impacts of energy development include population
displacement and forced resettlement, disruptions to natural ecosystems, plus health, safety and
livelihood issues related to economic changes. When a population is displaced or resettled due to
a large-scale energy project, women are usually at greater risk due to their lack of assets such as
savings, property or land. Conflicts may occur within local populations due to the increased
number of people dependent on the same land. Women in fuel-scarce regions, especially areas
subject to civil conflict, are at risk of assault when collecting firewood. Any disruption of natural
ecosystems may increase the unpaid work burden of women because of the increased food
insecurity, longer walking distances to collect water and fuelwood plus additional care for the
sick and elderly. These tasks are likely to be carried out at the expense of education or income-
generating activities.

Responsibility for carbon emissions resides primarily with industrial countries, through fossil fuel
use and industrial processes. Nevertheless, poverty and agriculture contribute to emissions of
carbon dioxide that stem from deforestation and land-use change. Poor rural women and men
generally lack access to energy-efficient services that avoid degrading the ecosystem or
contributing to environmental change. Rural households typically rely on biomass for cooking
and heating. Given that women usually prepare food, their decisions regarding cooking fuels and
efficiency can alter carbon emissions. Low educational levels and lack of resources result in
household members having limited awareness of options for using energy-efficient devices.
Women’s active involvement in agriculture and their dependence on biomass energy make them
key stakeholders in effective environmental management and sustainable energy development. As
such, energy policies and interventions that recognise women’s roles in the energy sector and
build on their expertise and influence will be much more effective in promoting sustainable
economic and social progress.

Forty per cent of the world’s population rely on traditional biomass fuels for cooking, resulting in
1.5 million premature deaths due to air pollution, and long-term physical damage from the
exhausting task of collecting fuel, mainly to women and children due to their traditional roles.

Poor women and men often cannot afford commercial forms of energy, such as electricity and
gas, even if they are available. Instead, they use traditional biomass (typically wood or charcoal)
as their main energy sources. Women’s related heavy workload has been called “the real rural
energy crisis.” Women in developing countries are already facing critical challenges, especially
those living in poverty and/or dependent on small-scale agriculture and the collection of water
and fuel from their local environment to meet their daily needs. In many cases, they lack basic
energy equipment such as lights, stoves, grinders and pumps that could ease their daily household
burdens or provide opportunities for sustainable livelihoods.

Lifeline tariffs or specific tariffs for different areas could be used to influence access for different
population groups, particularly since women are over-represented amongst the poor. Tariffs and
connection fees can affect women and men differently because women have less access to and
control over household income. *Not only the technology, but also non-technical aspects such as affordability can be key issues for women* whose assets are usually less than men’s.

*Energy investments in post-conflict areas can help rebuild precious social capital after conflict, with women playing a key role.* Many post-conflict countries have greater female than male populations, creating an opportunity for females to fill positions previously held by men and to take part in political processes. Post-conflict reconstruction often involves clarifying property ownership and drafting property laws, and this can affect women’s land rights. Demobilized male soldiers, accustomed to a military sub-culture, may abuse women’s human rights. Women often bear the brunt of painful structural adjustment programmes, including rising energy prices.

8. **Requirements for ensuring gender-responsive financing of energy access that benefits the whole population**

In order to lift the income levels of poor families and communities, the financing of energy access must be targeted so that it reaches those most in need. Reduced drudgery for women and their increased access to non-polluting power for lighting, cooking and other household and productive purposes can have dramatic effects on women’s levels of empowerment, education, literacy, nutrition, health, economic opportunities and involvement in community activities. These improvements in women’s lives can, in turn, have significant beneficial consequences for their families and communities.

To achieve gender benefits in energy interventions, high level policies and programmes must therefore have a gender-responsive approach. This means:

**Considering the concerns of both women and men in energy policies and programmes,** to be achieved through using gender audits and needs assessments, gender action plans, sex-disaggregated data and gender budgeting to identify how to increase the benefits for women and to avoid the negative impacts of their activities.

**Engaging both women and men in energy planning and decision-making** at all levels. Decision-making bodies, management boards, expert panels and advisory groups should include gender-inclusive consultations and gender-balanced representation in energy policy and planning activities at international, regional, national and local levels.

**Boosting gender awareness and gender-mainstreaming capacity in energy institutions and staff.** Most energy institutions are already engaging with gender issues, but they lack a systematic framework for analysis, action and monitoring. Building energy and gender awareness in development partners and staff can encourage cross-sectoral cooperation and solutions for financing energy access for all, both women and men.

**Creating a “critical mass” of qualified women able to have an impact on the gender balance in energy institutions through supporting women’s professional development,** technical education and higher education. Indeed, this has been identified as a gender objective for the Norwegian Water Resources and Energy Directorate (NVE). In a Gender and Energy Seminar held in Oslo from 12-15 September 2011, fifteen professional women working within NVE energy partner institutions from government agencies and energy utilities in Ghana, Nepal, Ethiopia, Timor-Leste, Tanzania, Liberia and Bhutan identified the following actions as critical in addressing gaps in their organizations’ capacity to meet national objectives for gender equality and women’s empowerment:
Commitment from management to gender equality objectives within energy institutions.

Implementation of a conscious policy to recruit female professional staff.

Support in career development and promotion of women professionals using training and conversion courses.

Strengthening the mandate and capacity of Gender Focal Points that report directly to top management.

Systematic use of gender-responsive institutional practices including gender disaggregated data for planning and monitoring, gender organizational audits and gender budgeting.

Implementation of mentorship programmes by women professional role models and the organization of support networks.

Promotion of technical education for female students, such as through scholarships for university and technical education.

Working with primary and secondary schools, such as in the organization of special workshops and science days for female students.

Taking account of gender aspects in energy infrastructure solutions, including in legal frameworks and environmental management for energy development programmes. Resettlement and livelihoods restoration programmes resulting from the consequences of extractive mining and large hydropower flooding have differential gender impacts. Women have less formal control over resources, and are more vulnerable when losing access to key resources and networks.

Developing the capacity of civil society to work on gender issues in energy can help hold the government accountable for any negative impacts on benefits, such as on incomes. Women affected by oil operations in South Sudan recently identified environmental pollution, the lack of transparency in the oil sector and the lack of participation by women in decision-making over oil extraction, production and transport as areas of concern, and recommended an independent audit with a gendered impact assessment.

Gender-equitable financing to meet both women’s and men’s energy needs. Investments need to be increased for improved cooking options and other needs that correspond to women’s energy consumption and productive activities. Discussions are needed on how this should be financed - through international climate funds, national energy budgets, public-private partnerships, bank finance on multilateral, bilateral and local levels, microfinance, loans, targeted subsidies and innovative financing mechanisms.

Unblocking climate-related funds and mechanisms since these have a great potential to support new investments in low-carbon, renewable and energy-efficient technologies that will benefit women while at the same time reducing greenhouse gas emissions. Climate change is likely to make the lives of women in developing countries even more difficult. Targeted actions that will benefit women are therefore needed. To date, transaction costs have been too high for most small-scale CDM projects and they have also not been very effective in expanding energy access.

There are some programmes in countries such as Nigeria, Laos, Cambodia and Nepal that have successfully applied for CDM financing and generated emission reductions while meeting women’s energy needs through highly efficient woodstoves, biogas plants, micro-hydro units and improved kilns.

Implementing gender-targeted promotion and marketing strategies as well as women-friendly technology solutions to ensure energy access for all. Gender-sensitive outreach materials and campaigns, the earmarking of subsidies for single-parent households and social infrastructure,
NGO intermediation to negotiate reduced prices for mass purchases, and the “small packaging” of energy services through prepaid electricity cards, ready boxes and small LPG cylinders are all examples of successful solutions for making energy access more accessible to all.

Setting targets for women to become clean energy employees and entrepreneurs in the modern energy sector, and then providing support to overcome gender-based constraints on their participation. Modern energy technology businesses have been viewed as “men's work”, while women operate more traditional, and less profitable, biomass-based micro-enterprises. Opportunities for women to establish modern energy businesses will provide important means to correct gender disparities. New approaches that include training and microcredit, and partnering with formal and informal women’s organizations, can help overcome the traditional constraints on women’s participation and take advantage of their strengths.

For example, Solar Sisters in East Africa uses a “micro-consignment” model and partners with formal and informal women’s organizations to market off-grid lighting, and combines sales with promoting mobile phone charging as a women’s business, and using mobile banking and text messaging to communicate with the entrepreneurs and to streamline funds. In Bangladesh, an energy microfinance NGO has bundled projects that involve training women and employing them as engineers to install solar panels for CDM financing. Traditional biomass can also be modernized and provide employment opportunities. In Senegal, improved stoves production in two regions provides employment for 43 male metalworkers, 50 female potters and 27 male and female re-sellers. More efficient production and sale of charcoal and minor forest products in the same project resulted in the employment of 214 women and 237 men through enterprise groups. In Bangladesh, an energy microfinance NGO has bundled projects that involve training women and employing them as engineers to install solar panels for CDM financing. Traditional biomass can also be modernized and provide employment opportunities. In Senegal, improved stoves production in two regions provides employment for 43 male metalworkers, 50 female potters and 27 male and female re-sellers. More efficient production and sale of charcoal and minor forest products in the same project resulted in the employment of 214 women and 237 men through enterprise groups. In Nepal, women are encouraged to participate in technical training as micro-hydro operators, bio-digester masons and solar technicians, with incentives given to women for childcare plus a fifty per cent quota to encourage women to participate in technical training.

Including “productive use” components in energy access programmes so as to develop income earning opportunities to generate revenues to pay for energy services. The role of women as energy providers can be transformed into appropriate micro-enterprises if they are enabled to manage fuelwood or oil seed plantations, dispense kerosene or LPG, assemble solar panels, build cookstoves and brick kilns, and manage electricity distribution and bill collection. In Senegal, an energy access project is working with women's organizations in electrified villages to finance productive uses such as grain mills that can provide a valuable community service, save women’s time, and earn income.

Carrying out research to evaluate interventions and the impacts of key design elements on gender-sensitive project design. The background paper “Energy, Gender and Development” for the WDR 2012 (Policy Research Working Paper 5800) states that gendered benefits of energy interventions can be realized through careful design and the targeting of interventions based on a context-specific understanding of energy scarcity and household decision-making, in particular on how women's preferences, the opportunity cost of their time, and their welfare are reflected in household energy decisions. The report finds that evidence on many energy-gender linkages is often limited. There is thus a clear need for studies to evaluate interventions.
9. In conclusion

Gender-responsive energy financing can contribute to basic human rights, economic efficiency and gains for private investors. Budgetary allocations in the energy sector have the power to transform gender inequalities and ensure more efficient and sustainable solutions. This transformation can come about through targeting energy access that creates more time and physical energy that can then be devoted to boosting quality of life and productive work, improving health and education, and providing both women and men with opportunities for income earning, participation and decision-making. Government institutions, civil society and the private sector all have critical roles to play in the planning and governance of energy and climate change policies and programmes by promoting gender-responsive energy financing.

*Norway will work through its foreign policy and its development cooperation to empower women in the energy sector. Norway is seeking partners who have adopted global commitments on gender equality and women’s human rights and who see the benefits of a gender-responsive approach to financing energy access for all.*
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