

# MULTI-STAKEHOLDER GENDER AND ENERGY COMPACT

Catalyzing Action towards Gender Equality and Women's Empowerment to accelerate a Just, Inclusive and Sustainable Energy Transition

# Version 1/6/2022

#### Our Joint Initiative

We present a **multi-stakeholder Gender and Energy Compact** engaging government, private sector, finance, academia, civil society, youth, intergovernmental organizations and media. Together and individually, we support a just and inclusive energy transition that is gender responsive, youth-inclusive, locally led and globally connected.

Within the decade of action towards 2030, we will annually review our energy compact through an open dialogue that fosters the scale up of our commitments, adding new stakeholders, tracking success stories, sharing best-practices and responding to challenges.

This multi-stakeholder Gender and Energy Compact is a living document, which means the ambitions and targets will be validated, further defined and revisited continuously, and stakeholders will individually as well as jointly work on commitments to bring this energy compact to life.

#### Background

Achieving SDG7 is essential for achieving other SDGs, including those related to gender equality, poverty reduction, health, job creation, climate and environment. Vice-versa, gender equality and women's empowerment are fundamental to achieving sustainable energy for all.

Billions of women around the world still lack basic access to affordable, reliable, sustainable and modern energy, negatively impacting their enjoyment of all their fundamental human rights, including their health, well-being, livelihoods and local environment. Achieving SDG7 is critical to the achievement of several women's human rights. At the same time, women have a critical role to play in achieving SDG7, but barriers in access to education, finance, career advancement, and insufficient involvement in decision making processes prevent them from leading, innovating, participating in, and benefitting from the clean energy transition on a level playing field with men. Ensuring access to clean, modern and sustainable energy solutions for women is a fundamental element of a just and inclusive energy transition.

The COVID-19 pandemic has caused disruption to the SDGs achievement progress--disproportionally affecting women and the most vulnerable people around the world. Additionally, climate change poses tremendous risks to achieving the SDGs, and is affecting those most at-risk and with the least resources to adapt to it, creating yet another pressure point for vulnerable communities across the world, and disproportionately affecting women. In the face of all these challenges, we must ensure that COVID-19 recovery plans are green, inclusive and gender-responsive, shaping collective resilience to climate impacts that contribute to achieving the SDGs. Access to sustainable and just energy is key to our collective efforts to accelerate the pace of implementation and delivery of the SDGs and the Paris Agreement, and of the achievement of net zero emissions by 2050.

A <u>Call to Action</u> was launched during the Vienna Energy Forum (VEF) Virtual Series in January 2021 to prompt organizations, governments, private sector, academia and civil society to take urgent action to build adequate skills and develop a conducive environment that fosters the full utilization of the potential of women to contribute to a just and inclusive energy transition – as leaders, employees, entrepreneurs and consumers. This Energy Compact emanates from our experiences, research and evidence and the VEF Call to Action and transforms these into concrete ambitions.

Gender equality is a human right. It is also smart economics and the right thing to do. As noted by the **High-level Dialogue Ministerial Thematic Forum Theme Reports** on **Energy Access** and on **Enabling SDGs through Inclusive**, **Just Energy Transitions**, accelerating the integration of gender-transformative approaches into all energy access and transition pathways is required to close gender gaps and empower women by, among other things, ensuring gender parity in employment, policy-, and decision-making processes. Investing in the economic empowerment of women to realize their economic rights and gender equality must be a major priority in all energy access and transition strategies: this will include enhancing the education of women and their ability to participate in existing markets, gaining access to decent work, and enabling meaningful participation for them in economic decision-making at all levels actively and effectively. It also includes recognizing and acknowledging women as leaders in innovation in the energy sector. Additional systems of support and resources need to be dedicated to women facing particular challenges, such as young women, women with disabilities and indigenous women. As sustainable energy employment opportunities are expected to grow significantly within the next decades, regulatory frameworks need to ensure that women can fully participate in and benefit from them.

The Theory of Change (ToC)<sup>1</sup> developed for this Energy Compact summarizes the root barriers that hinder gender equality in the energy sphere. In addition, it shows which areas need to be addressed to catalyze action towards gender equality and women's empowerment to accelerate a just and inclusive energy transition — contributing to SDG5 and SDG7, and multiple other SDGs. The ToC shows that joint action at multiple levels and by a wide range of stakeholders is required to address barriers that limit gender equality and hinder the empowerment of women, and to reach transformative change.

<sup>&</sup>lt;sup>1</sup> A Theory of Change is a method that explains how a set of interventions is expected to lead to a change. It helps to identify solutions to effectively address the causes of problems that hinder progress. It takes into consideration underlying assumptions and risks. Moreover, it explains which outputs are necessary to reach certain outcomes, which will eventually lead to the desired impact. For more information on how to develop a Theory of Change, see for example UN SDG.

# **Guiding principles**

The undersigning partners commit to the following guiding **principles** to support acceleration of and ambition to enhance gender equality and women's empowerment to accelerate a just and inclusive energy transition.

We, the undersigned parties, commit to

- 1. Recognize the importance of **SDG 5 to achieve SDG 7**, and vice versa.
- Enhance gender equality and women's empowerment, and challenge the discrimination faced by women and girls — regardless of background and identity — to facilitate the transformation of social norms and gendered power relations.
- 3. Foster **enabling policies and an inclusive and safe institutional and working environment**, that enables women to enter, retain and advance in the energy workforce, to take on leadership roles, and receive due recognition for their contributions.
- Combat gender blind planning, financing, execution and implementation of projects, increase
  investment and implement programmes that integrate gender mainstreaming in a crosscutting manner.
- 5. Recognize that **women and girls in both rural and urban areas** are significantly and often disproportionately affected by energy poverty and that targeted actions are required to strengthen women and girls' own agency and meet their household, productive and social energy needs.
- 6. Address gender inequalities, barriers and challenges within the energy sector and harness women's full potential as economic agents of change and leaders, both in energy production and consumption, thereby transforming economies and generating inclusive green growth.
- 7. **Engage and sensitize men as gender champions** to advance SDG 7 and a just and inclusive energy transition.
- 8. Recognize the Clean Cooking Principles presented to the HLDE by the Global Champions on energy access; the Clean Cooking SDG7 Multi-Stakeholder Energy Compact and the People-Centered Accelerator Joint Statement for the HLDE.
- 9. Build and expand transformative local and global partnerships and initiatives that foster impact-oriented business and investment practice, private sector engagement, strong political will, as well as , as well as private sector engagement, and individual and collaborative actions for closing gender gaps in the energy sector.
- 10. Seize opportunities for, and improve the positioning of women as leaders, innovators, investors and drivers of change toward the achievement of the SDGs.

# Joint commitments

The undersigning parties commit to supporting and accelerating action for the following goals and ambitions:

Goal 1: Women have equal opportunity to lead, participate in and benefit from a just, sustainable and inclusive energy transition

Goal 2: Women have equal access to and control over sustainable energy products and services

Reaching these goals requires actions at multiple levels from a wide range of stakeholders. The coalition aims to achieve the following **5 Outcomes** to contribute to SDG 5, SDG 7, and other SDGs:

# 1. Energy Poverty

Outcome 1: Energy and time poverty, as well as drudgery of women are eliminated by increasing women's access to and control over sustainable energy products and services.

#### Ambitions (exemplary)

- Per year at least 10% additional projects receive funding that benefit women and reduce energy poverty through gender-responsive financing mechanisms and grants/subsidies that are aligned to the needs of women and their different realities (e.g. young women, rural women), this includes by 2025 applying a gender-lens to 100% of private and public sector investment aimed at reducing energy poverty a well as developing new and innovative financing schemes, such as setting up an SDG Enabling Fund<sup>2</sup>.
- Increase by at least 10% per year the investment in energy efficient appliances and end-uses that directly meet women's energy demands and reduce their unpaid care work, in order to have a significant positive impact on women's practical needs, family welfare and development.

### 2. Gender-responsive sustainable energy policies

Outcome 2: Countries and regions (re)formulate and adopt more inclusive and gender-responsive energy access and transition pathways, strategies and policies and adopt them.

#### Ambitions (exemplary)

- Instigate the inclusion of a gender and social inclusion perspective in (all) new energy access and transition pathways<sup>3</sup>, policies, strategies and compacts, e.g. through enhancing the effective participation of women with different race, age, and social backgrounds in local energy policy making, planning, implementation and monitoring.

- Enhance the share of gender-responsive budgeting and procurement used to implement energy policies and strategies to reach 100% by 2030.

<sup>&</sup>lt;sup>2</sup> SDG Enabling Fund – an international fund for energy access which is a blended pool of finance – a combination of Grants, soft loans, patient capital etc. that would guarantee funds and security to the poor women workers; which is accessible for the nano, tiny and micro enterprises of the women in the informal sector. Such a fund will enable building of energy enterprises owned and managed by the women workers. It will also enhance inclusion when the capital is expensive and repayment becomes difficult. It would enable unlocking financing for the poor, rural and vulnerable community. One of the products of this fund can also be SDG enhancements loans. Such a fund can also be used for South-South capacity building and handholding, as we all know that capacity building is a long process and needs a lot of handholding.

<sup>&</sup>lt;sup>3</sup> Recommendation 4, https://www.un.org/sites/un2.un.org/files/2021-twg\_3-b-062321.pdf

- Develop, validate, implement and monitor a joint energy compact on gender equality and women's empowerment that is measurable, actionable and ambitious.

# 3. Women Entrepreneurship

Outcome 3: Women-owned and -led businesses have increased access to resources, such as finance, sustainable energy, entrepreneurial capacity and business development services.

#### Ambitions (exemplary)

- The share of women entrepreneurs, women-led and women-owned businesses in the sustainable energy value chains increased by at least of 7% per year, reaches at least 50% by 2030<sup>4</sup>.
- At least 80% increase in the productivity of women farmers and women-owned/led businesses, as a result of productive uses of sustainable electricity and thermal energy by 2030<sup>5</sup>, with an increase of at least 10% per year.
- Enhance targeted public and private investment in women-led and women-owned businesses in the sustainable energy value chain, with a fair share of investment dedicated to businesses owned or led by young women entrepreneurs, and productive use of energy activities by at least 10% per year, reaching at least 80% by 2030.

### 4. Women in the workforce and their involvement in decision-making

**Outcome 4: Career entry and advancement** avenues for women working on energy access and sustainable energy are created: women enjoy decent and productive **employment**; workplace policies and practices support recruitment, retainment and advancement of women, as well as women are equally involved in policy- and decision-making fora and discussions. Women's leadership opportunities are increased.

#### Ambitions (exemplary)

- Provide job, skills, education and career opportunities to all women in the sustainable energy transition, including rural women and informal women workers that depend on energy for their subsistence or productive activities.
- Incentivize all private and public sector initiatives and service providers to enhance their gender strategies<sup>6</sup> and create enabling ecosystems, to support career entry, retention and advancement for women and invest in training and skills development, particularly for women and youth in the energy sector and to adopt gender responsive policies and strategies.
- Ensure gender parity/balance and increase women's participation in decision making at all levels
  of energy conversations and decisions; and enhance gender parity in national energy agencies and
  programs by increasing women's representation in (executive) leadership roles reaching gender
  parity/balance by 2030.

<sup>&</sup>lt;sup>4</sup> HLDE Theme Report on Energy Access

<sup>&</sup>lt;sup>5</sup> HLDE Theme Report on Energy Access

<sup>&</sup>lt;sup>6</sup> This includes ensuring zero tolerance for sex-and gender-based discrimination, bias and harassment at all levels and in all energy institutions.

### 5. Gender-responsive knowledge, availability of sex-disaggregated data and M&E

**Outcome 5: Knowledge, mechanisms, tools, and sex-disaggregated data** are more available and of higher-quality. This supports gender-responsive Monitoring and Evaluation processes and policy formulation, as well as gender mainstreaming of private and public sector initiatives, projects, programmes and policies.

#### Ambitions (exemplary)

- Mainstream gender and sex disaggregated data collection efforts to systematically report, analyse and use sex-disaggregated data and evidence to ensure accountability of all SDG 7 actions and assess their performance on gender equality and women's empowerment (including sustainable energy planning, implementation and investments), as well as to elucidate the gendered nature of energy poverty and identify how gender empowerment is critical to supporting SDG 7.
- Collect gender-disaggregated data, and analyze and publish knowledge products, case studies, toolkits and success stories to enhance knowledge, increase the visibility of women and improve the availability of data on the gender-energy nexus.
- Build local, national, regional and international partnerships and platforms, to elevate gender equality and women's empowerment as a priority to advance SDG 7. Promote dialogues that include the voices of women/gender equality organizations, by an additional 10% per year, reaching at least 80% in 2030.