

Women Entrepreneurs to Catalyze Climate Action



WEBINAR SUMMARY



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CONTEXT

A just transition to a greener global economy will require innovation, disruption, and the creation of new green markets as well as policy changes and collective action. Women-led businesses represent a powerful force to accelerate progress towards an inclusive, net-zero world through the innovative businesses that they develop to reduce waste and emissions, improve energy efficiency, and enhance sustainability. Yet, women-led businesses receive only **6.9%** of venture dollars in climate tech.¹ Additionally, while an estimated 65 million green jobs are expected to be created, women are projected to hold only **25%** of those positions.² Women entrepreneurs remain seriously under-represented in growing sectors such as zero-impact and climate-resilient agriculture, renewable energy, and zero-emissions transport.

In this context, the We-Fi webinar brought together successful climate entrepreneurs, program designers, and funders to discuss the challenges of women entrepreneurs in the climate sector and explore examples of innovative approaches to climate financing and program design. **Basima Abdulrahman**, Founder and CEO of KESK, Iraq's first GreenTech company, provided her perspective on the opportunities and barriers for women climate entrepreneurs. **Delila Khaled**, Principal at ImpaXus, shared an overview of the untapped potential of women entrepreneurs to tackle the global waste crisis and drive circular innovation. **Heidi Hafes**, Director of Solutions for Women and Marginalised Groups at Shell Foundation, presented the foundation's approach to catalyzing business innovation using a gender lens to ensure equitable access to energy, while **Samuel Jovan Okullo**, Climate Specialist at the World Bank's Compact with Africa Green Business Fund, explained how results-based instruments can be used to incentivize climate action, create carbon markets, and stimulate innovation.

HIGHLIGHTS

Only about **11%** of energy sector founders are women³

Basima Abdulrahman: *"For the majority of climate businesses in Iraq operational costs are a severe obstacle. They often struggle to measure and achieve sustainability goals due to a shortage of verifiable carbon credit markets to monetize carbon offsets."*

KESK is a green tech platform that helps businesses transition to sustainable energy. It combines hardware and software to provide real-time monitoring of solar energy assets and creates a carbon credit facility to help clients monetize the carbon offset.

Huge opportunities for women entrepreneurs remain untapped in the waste sector

Delila Khaled: *"Waste has traditionally been left out of discussions in the climate dialogue, which has led to further marginalization of women's role in the sector. A lot of the focus on women in the waste sector has been at the informal sector level, at the base of the value chain, focusing on recycling and prevention of ocean plastic pollution."*

It is critical to address the issue of waste in every sector of society, including food waste, e-waste, fashion waste and more to bring about the broader notion of a circular economy. Women, who make 80% of consumption decisions and drive behavior change at community levels, play a crucial role in waste management and are well positioned to develop new commercial solutions.

Blended finance instruments can catalyze financing to women entrepreneurs

Heidi Hafes: *“What we learned in mobilizing capital to women entrepreneurs is that a one-size-fits-all approach doesn’t work. We had to take a tailored approach based on the type of organization we work with, and the outcome we are driving for.”*

Different types of blended finance mechanisms and incentives like reduced interest rates, extended loan term periods, or repayable and non-repayable elements can be used to incentivize banks, funds, asset managers, and foundations to deliver on pre-agreed gender targets. Examples include a digital end-to-end carbon trading platform ([cavex](#)) where concessional financing is leveraged to incentivize the bundling of carbon credits with gender impact, or a clean energy fund that issues incentive payments to portfolio companies that achieve annual gender KPIs.

Verification frameworks are needed to monitor and report emission reductions for SMEs

Samuel Jovan Okullo: *“We set up a results-based climate financing facility with the goal that certain emission reductions that are achieved will make payments, but one of the key challenges we identified for example in agriculture, is that there are no monitoring and reporting verification frameworks for SMEs.”*

Piloting and testing new climate financial products are critical to scale climate finance for SMEs in Africa. These include results-based climate finance products as well as risk-sharing facilities, the effectiveness of which depend upon the sector and local entrepreneurial ecosystem. Moreover, combining innovative financial products with technical assistance and policy activities can help overcome barriers that inhibit SMEs access climate financing.

SUMMARY OF KEY POINTS

- **Risk aversion:** In climate tech, there is usually no quick return on investment. Climate tech startups, particularly those led by women, struggle to attract investors, as green tech companies tend to be perceived as high-risk with uncertain returns. There is a need to educate investors and bring them together with climate actors and gender experts to fill knowledge gaps and overcome risk aversion.
- **Gender lens in climate finance:** Despite progress, climate actors and investors are still failing to incorporate a gender lens into financing mechanisms, highlighting the need for collaboration to integrate gender considerations into investment criteria. Moreover, the lack of investor targets and accountability poses a significant challenge in mobilizing funding for women entrepreneurs, emphasizing the need for setting and meeting specific metrics.
- **Radical collaboration to address systemic barriers:** Overcoming systemic barriers faced by women entrepreneurs requires radical collaboration and breaking down knowledge silos to unlock risk capital necessary for innovation in male-dominated spaces.
- **Breaking into male-dominated sectors:** The waste and energy sectors are male-dominated. Men control access to waste streams and other assets like equipment and transportation, while women are often relegated to the lower end of the value chain. Breaking into sectors like waste and energy requires male allies and policy changes at multiple levels.
- **Ripple effects:** Investing in women entrepreneurs not only leads to the employment of more women but also results in products and services that serve more women (e.g., energy access for more women), creating a ripple effect that empowers women economically.
- **Visibility and network building:** Women entrepreneurs lack visibility among investors and peers, highlighting the importance of early-stage capital programs and strategic initiatives to increase visibility and establish supportive networks.
- **Building an evidence base:** Leveraging data and building an evidence base are essential for demonstrating the market potential of women-led ventures, attracting investor interest, and driving growth through targeted pilot programs and evidence-driven strategies.

We need to create inclusive entrepreneurial ecosystems that enable women to build the businesses that can lead the way to a sustainable future. Without investing in their businesses now, we risk an economy devoid of women’s leadership and the innovative solutions they bring. It is critical to build the pipeline of innovative women-led climate businesses today so they can reach their potential as a driving force of the future economy.

1 Crunchbase 2023

2 UN News 2018 and BCG 2021

3 IEA 2020

WE-FI CLIMATE PROJECTS HIGHLIGHTS

↶ **SheWins Climate:** We-Fi funded and IFC-led program that aims to strengthen the entrepreneurial ecosystem to mobilize access to finance for women-led businesses in green sectors. The five-year SheWins Climate program, launched at COP28, seeks to improve the capacity of accelerators, private equity and venture capital funds to better reach women-led startups and enterprises working on climate solutions.

↶ **WISE Project:** We-Fi funded and IsDB-led project in Bangladesh that aims to support WSMEs within the WASH economy. The project provides grants for 250 women-led MSMEs and capacity development to 500 WSMEs, including business training, digital finance, networking and skills development. The project builds on existing efforts to align with national initiatives being implemented within the country supporting entrepreneurship in the sanitation sector and will be implemented in collaboration with the government, Department of Health and Engineering, and Bangladesh Bank.

FOR MORE INFORMATION



[KESK – A Green Solutions Company](#)

[WB: Compact with Africa Green Business Fund](#)



[ImpaXus](#)

[We-Fi Blog: It’s Time to Unlock the Power of Women Entrepreneurs to Achieve Climate Goals](#)



[Shell Foundation – Gender](#)

[SheWins Climate](#)

