

# STRATEGIES FOR INCUBATORS AND ACCELERATORS

Strengthening Ecosystems for Women  
Climate Entrepreneurs in Sub-Saharan Africa

Canada



# **Strategies for Incubators and Accelerators: Strengthening Ecosystems for Women Climate Entrepreneurs in Sub-Saharan Africa**

This research was conducted by World University Services of Canada (2021) in the context of the Accelerating Women Climate Entrepreneurs (AWCE) project funded by Global Affairs Canada.

AWCE is being implemented in partnership with Aga Khan Foundation Canada and the Aspen Network for Development Entrepreneurs.

Report authors, researchers and contributors: Linda Jones, David Boyer, Katie Turner, Irene Akite, Simon Gathecah, Beatrice Mateyo.

The researchers would like to thank all the individuals who were consulted for this knowledge product, including over forty women climate entrepreneurs across Ghana, Nigeria, Kenya, Uganda, Tanzania, South Africa and Malawi, as well as incubators, accelerators, investment funds, ecosystem actors and other organizations working at the nexus of gender and climate.



# Introduction

Women entrepreneurs are critical to a thriving and inclusive economy, and yet they face numerous challenges in growing their businesses. These challenges are compounded for women climate entrepreneurs (WCEs), given limited research that assesses the issues or presents actionable recommendations to the wider ecosystem. This knowledge product identifies challenges and opportunities for WCEs with a focus on Sub-Saharan Africa - specifically, Ghana, Nigeria, Kenya, Uganda, Tanzania, South Africa and Malawi.<sup>1</sup>

Following a presentation of key findings, a series of recommendations are provided.

The recommendations primarily target incubators and accelerators, given their vital role in advancing the capacity of WCEs to innovate and scale. Additional recommendations for other stakeholders are also included, although they are not exhaustive as this was not the focus of the research.

## Who are Women Climate Entrepreneurs?

This research defines WCEs as those whose locally available, contextually appropriate goods and services prioritize or significantly contribute to mitigation of and/or adaptation to climate change. WCEs support green growth directly (e.g., selling solar panels), indirectly (e.g., using renewable energy to power operations), or through a supporting role (e.g., offering training related to climate change). The term WCE is aligned with the Small and Growing Business (SGB) definition in that they have 5-250 employees and are seeking growth capital of USD 20,000 – USD 2 million.

## Empowering Women Climate Entrepreneurs in Sub-Saharan Africa

Fundamental to this knowledge product is elevating the voices of WCEs – critical innovators and catalysts in the response to climate change – to highlight their experiences and develop solutions that can contribute to the implementation of the Paris Agreement and the achievement of the Sustainable Development Goals (SDGs).

The following knowledge framework (Figure 1) illustrates the research process that led to the recommendations on how to best support WCEs, shared at the end of this paper. As illustrated, the recommendations focus on four key areas: capacity building (both in gender equality and climate related

**Figure 1: Knowledge Framework**



<sup>1</sup> This research is part of the Accelerating Women Climate Entrepreneurs (AWCE) project, a two-year initiative funded by Global Affairs Canada (GAC) and led by Aga Khan Foundation Canada (AKFC) in consortium with World University Service of Canada (WUSC) and the Aspen Network for Development Entrepreneurs (ANDE).

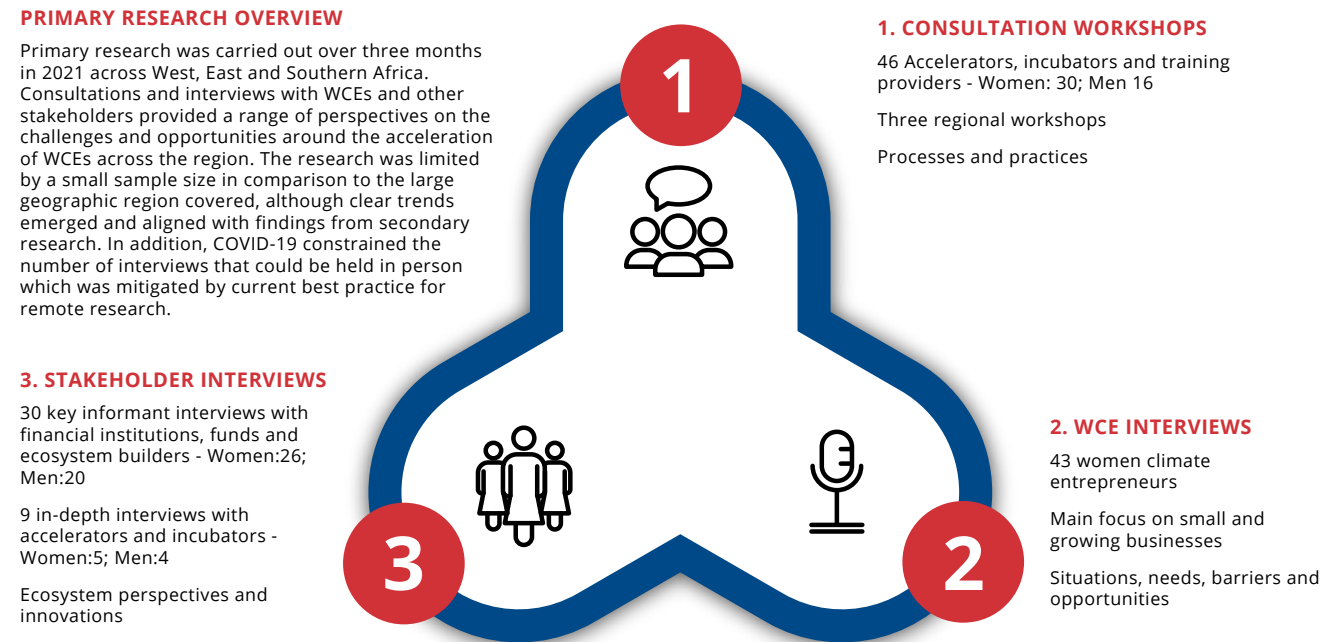
areas), mentoring/networking, financial models and partner engagement. These were derived following the analysis of a range of underlying factors relevant for WCEs, incubators and accelerator and other climate finance stakeholders. It is clear that while incubators and accelerators are key actors in the climate finance ecosystem and have an important contribution to make to the inclusion of WCEs, a variety of additional stakeholders – including but not limited to financial institutions (FIs) / investment funds, donors and government – also have a critical role to play in strengthening the entrepreneurial ecosystems for WCEs in Sub-Saharan Africa.

## Research Methodology

Secondary and primary research was carried out between June and September 2021 by the research team, which is comprised of three international experts, regional staff and local experts. Secondary research consisted of extensive desk review of the climate finance ecosystems in Sub-Saharan Africa, exploring women's involvement as climate entrepreneurs and the potential for acceleration through the support of incubators and accelerators.

Primary research targeted multiple stakeholders across regions with an emphasis on WCEs, incubators and accelerators, while also including FIs, investment funds and ecosystem builders.

**Figure 2: Primary Research**



Incubators and accelerators were identified through the projects and networks of the implementing partners, which provided a strong base for outreach to WCEs and other stakeholders.

Participating WCEs were identified through referrals from stakeholders who participated in the consultation workshops, as well as the networks of the research team. This approach achieved broad reach, ensuring both struggling and successful WCEs were represented. See Annex 1 for a breakdown of WCEs interviewed, organized by climate sub-sector, and Annex 2 for programs in which WCEs took part.

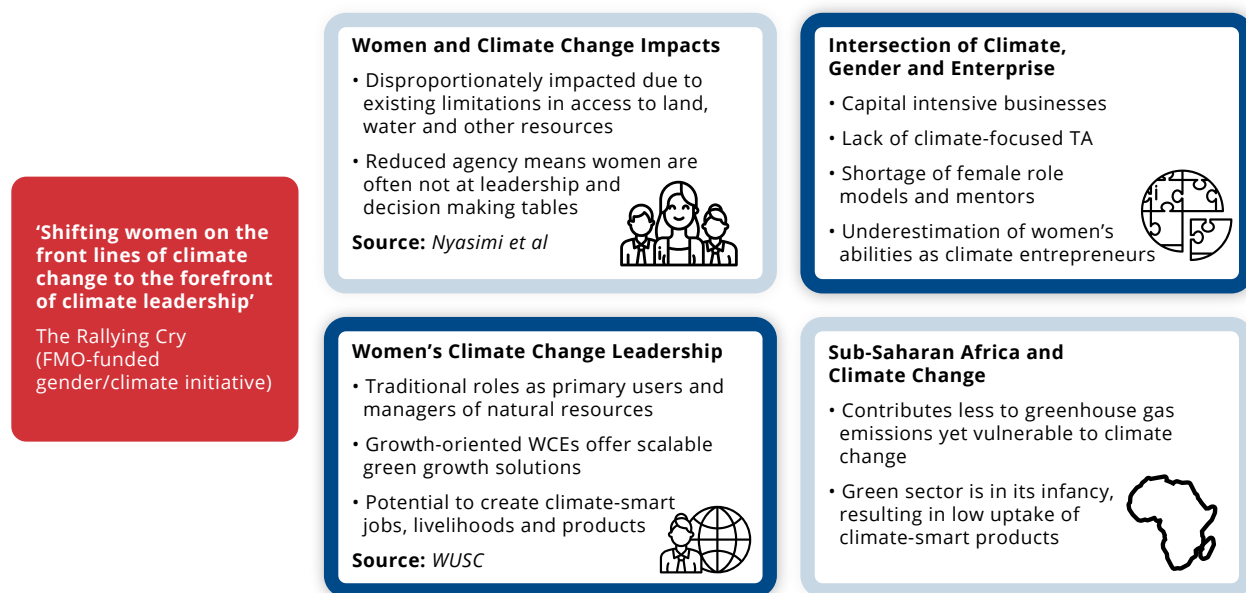
Other selected stakeholders, such as FIs, funds, and ecosystem builders, were those who i) are currently working at the nexus of gender and climate, ii) have plans to expand into this area, and/or iii) are focused on the SGB segment. Organizations based in Africa were prioritized, with a small number based internationally (Europe or North America).

## Rationale: Why focus on WCEs?

Whether through an SDG or business lens, gender equality is imperative for achieving development outcomes and growing economies at local, national and global levels. In Sub-Saharan Africa, which has the highest rate of female entrepreneurship worldwide, women-owned businesses are typically smaller in size and report lower volumes of sales and earnings in comparison to men-owned businesses.<sup>2,3</sup> Furthermore, women-owned businesses face significantly greater barriers than men-owned businesses in securing financing and investment. For example, current estimates of annual unmet financial needs of women entrepreneurs worldwide are between USD260 billion and USD 320 billion.<sup>4</sup> Within Africa, only 5.3% of venture capital went to companies with women founders in 2017.<sup>5</sup> The underlying reasons for this are complex and are tied to gendered norms and expectations for women, resulting in issues such as a limited understanding on the part of banks and other lenders of the barriers faced by women-owned businesses.

While the above issues are shared by women entrepreneurs across sectors, the following figure summarizes considerations specifically related to the climate space. In general, the gendered impacts of climate change are well documented, and women's climate leadership, purchasing power and experience as primary users and managers of natural resources are being increasingly recognized. And yet, significant challenges for WCEs remain – related to finance, technical assistance, mentorship and underlying social norms (described in more detail in Table 1 below). Moreover, in the African context there is high vulnerability to climate change and the green sector is nascent, which compound the challenges faced by WCEs as they strive to develop and promote their products and services.

**Figure 3: Key Gender and Climate Considerations**



The past several years have seen more attention paid to the gender/climate nexus across investors, SGBs, incubators, accelerators and ecosystem builders. As noted in the Convergence Data Brief on Blended Finance and the Gender-Climate Nexus, "The OECD's Development Assistance Committee increased official development assistance for climate change targeting gender equality at a faster rate (16%) than their aid for climate change overall (3%). By 2014, 31% (~USD 8 billion) of these donors' climate portfolios supported gender equality.

Initiatives such as GenderSmart's Gender & Climate Investment Working Group are important catalysts to this emerging field. However, more is required to address the access to knowledge, capacity and financial needs of WCEs in the SGB segment and their pathways to growth. For success at the nexus of gender and climate, it is not just about moving capital to climate funds with a gender lens or gender funds with a climate lens; it is also about supporting the ecosystem so that WCEs can grow and thrive.

These and other issues are explored in the Findings and Recommendation sections below.

2 InfoMineo (2017). Rise of Female Entrepreneurship in Sub-Saharan Africa. [Rise of Female Entrepreneurship in Sub-Saharan Africa | Infomineo](#)  
3 ICRW (June, 2019). Women Entrepreneurs Need More than Capital. [Women-Entrepreneurship-Beyond-Capital\\_final.pdf](#)  
4 InfoMineo (2017). Rise of Female Entrepreneurship in Sub-Saharan Africa. [Rise of Female Entrepreneurship in Sub-Saharan Africa | Infomineo](#)  
5 AppsAfrica (2018). The Underserved Market in Venture Capital: Women. [The Underserved Market in Venture Capital: Women \(appsafrica.com\)](#)

# Findings – Underlying Factors

The Findings section assesses the capacities, resources and needs of i) WCEs, ii) incubators and accelerators (including training providers), and iii) climate finance stakeholders (including investment funds and other FIs). Building on these findings, recommendations are provided in the final section.

## Findings – Women Climate Entrepreneurs

While many of the gender-specific challenges facing WCEs are shared by women entrepreneurs across a variety of sectors, this report highlights those specific to the climate space.

### What motivates women to start their climate businesses?

WCEs interviewed provided a variety of reasons for starting their enterprises. Some saw a business opportunity in the lack of climate-friendly products in the market, such as organic produce, bamboo, or renewable energy products. Others have witnessed the harmful impacts of climate change, mostly on women and children – e.g., indoor pollution, unreliable water supplies, lengthy search for firewood, etc. – and were motivated to protect community members and the environment through the promotion of climate-smart technologies and processes. Still, others started their business out of a passion (e.g., textile production) and later realized it aligned with a climate change trend, such as eco-fashion. A few WCEs became aware of climate issues through their studies, motivating them to start a social enterprise – such as the distribution of clean cookstoves – to address climate adaptation or mitigation.

**SPOTLIGHT ON WCEs** – Figure 4 below is a snapshot of some of the inspiring WCEs interviewed for this report. These women are innovative, driven and resilient, but are constrained by systemic barriers that hinder the growth of their climate businesses. For example, while 37 out of 43 WCEs (86%) have received support from an incubator or accelerator, only 12 (28%) have received financing from either an FI or investor – which would be even lower for the many that have not received intermediary support. Loans were very small and typically from a microfinance institution (MFI) or Savings and Credit Cooperative (SACCO). This, in addition to other barriers has the potential to force WCEs out of the climate space and into sectors with lower capital requirements.

**Figure 4: Illustrative Examples of Successful WCEs**

*'I have been very proactive in presenting our ideas and taking part in competitions. We received support locally from the Ghana Climate Innovation Centre and internationally from Climate Launchpad, as well as from the Asilafia Farmers Market in the Volta Region for a soil restoration project.'*

**Name:** Audrey Darco  
**Company:** Sabon Sake  
**Country:** Ghana

Sabon Sake uses negative emission technology to convert agriculture waste into premium soil amendments that sequester carbon, consequently reducing CO<sub>2</sub> emissions.

*'Pine Kazi won the first African Fashionomics contest organized by AfDB, UNEP and fashion designers in the US. The business has also had support from The Hult Prize, Pursuit Incubator and KCIC amongst others.'*

**Name:** Olivia Awuor  
**Company:** Pine Kazi  
**Country:** Kenya

Pine Kazi recycles pineapple leaves into textile material from which they make fashion apparel for female fashion consumers.

*'Prime Green received support from Renewable Energy Business Incubation (REBI) who offered training on production of cook stoves, entrepreneurship, marketing among others. REBI also supplied machinery for production. Their services greatly improved our business and move it to another level.'*

**Name:** Patience Karugi  
**Company:** Prime Green  
**Country:** Uganda

Prime Green produces and sells energy saving cookstoves to households, schools, restaurants and hotels in Uganda.

*'At the start up stage, we didn't receive any outside support, only from friends and family. Since then we have had support from GLZ and in 2019 I did the Graca Machel Trust entrepreneurship training. Networking has been critical in exposing me to different funding opportunities.'*

**Name:** Victoria Msowoya  
**Company:** Homes Industries  
**Country:** Malawi

Homes Industries trains small farmers on climate smart agriculture and promotes moringa tree planting as a climate friendly income source.

**WCEs' main sectors of focus** are climate adaptation in agriculture and renewable energy - a mix of mitigation and/or adaptation focused -, with a small number of WCEs focused on recycling and eco-fashion. The majority produce products and services for local markets. Average size of business is 8 employees. Fewer than 10% are aware of their country's National Determined Contributions (NDCs) or National Adaptation Plans (NAPS) on climate change but nevertheless align with these priorities.

**Table 1:** Underlying Factors Influencing WCE Success

UNDERLYING FACTORS	CHALLENGES	DISCUSSION	VOICES OF WCES AND OTHER STAKEHOLDERS
<b>ACCESS TO FINANCE</b> Limited access to finance is particularly constraining for capital-intensive climate businesses with high upfront costs. <sup>6</sup>	Requirement for collateral	Collateral is often required in the form of a land title, which is usually held by men, thereby preventing women from accessing finance.  Other forms of collateral might also be accepted – houses and other buildings, farm machinery, factory equipment, etc. – but again, such large-ticket items tend to be in men's names.  Leases, replacing collateral, are a challenge for women to secure.	<i>'I needed collateral to access financial support and the bank's lack of awareness about briquettes as a product worsened the situation. Besides, their interest rates for loans were very high with lengthy procedures that waste a lot of time.'</i> <b>WCE, Uganda</b>  <i>'The rate of growth of male peers has been faster where they have also been able to guarantee loan facilities with assets that I don't have.'</i> <b>WCE, Kenya</b>
	No targeted products or services	Given low awareness of the impacts of and responses to climate change, most financial institutions and investors are not familiar with products and services that could address climate change and therefore view supporting new products and services as too risky and lacking in incentives.	<i>'Women entrepreneurs aren't weak. They are disadvantaged by the capital structure that exists. Where do you expect them to get a title deed that they can present to a bank? Instead, look at the entrepreneurs on their own merit and structure the facility based on the weaknesses in the system. There is no lack of capital, the problem is the way capital is allocated.'</i> <b>Climate finance fund manager, Kenya</b>
	Gender and social bias	The size of loans, terms for repayment, interest rates, and the specific purpose of loans may not meet the needs of WCE borrowers. Loans are generally too big for women SGB owners, who often prefer several smaller tranches aligned with business growth.  WCEs repeatedly referenced inefficient procedures by banks, including unresponsiveness, which take away time from other responsibilities at home and their businesses.  Several WCEs mentioned that local firms are only supported with finance if they have a North American or European connection. Many WCEs found that their peers succeeded more quickly when they had a white man featured in their teams.	<i>'I was denied a loan because I didn't bring my husband to give his consent.'</i> <b>WCE, Uganda</b>  <i>'Billions of dollars are allocated for Africa entrepreneurs, but the award is more significantly (made) to foreign owned businesses than those founded by Africans/Kenyans.'</i> <b>WCE, Kenya</b>

6 ANDE (2021). Climate Entrepreneurship in Developing Economies: Supporting Entrepreneurs Tackling Climate Change. Pg 30. <https://www.andeglobal.org/?action=tracking&file=2021/03/Climate-Entrepreneurship-in-Developing-Economies.pdf>

<b>CAPACITY BUILDING PROGRAMS</b> There is a marked gap in addressing women's needs through programming.	Unsuccessful in accessing programs	WCEs feel that although they have a solid business case, they fail to present it in a way that resonates with accelerators and investors and need more pre-investment support to develop proposals, pitch presentations and hone their negotiation skills. Several WCEs interviewed have even gone through multiple programs and still do not meet investor requirements, who may view climate businesses as too risky or do not fully understand the business opportunities within the climate sector.	<i>'Support given is piece meal, some will just give materials with no additional support, while others will give technical support and no funding, it would be better if support was provided as a full package.'</i> <b>WCE, Uganda</b> <i>'There are far more accelerator training programs than there are funding opportunities. The knowledge imparted is invaluable, but changes are required after capacity building to access investment. An accelerator program should also include investment readiness... for climate/energy sectors'.</i> <b>WCE, Kenya</b> <i>'The support that is out there only supports established women entrepreneurs, as such most companies end in the infant stage due to insufficient capital. The issue of wanting 3 years audited reports to support WCEs sometimes bars others from getting the much-needed support and as such they fail to grow.'</i> <b>WCE, Malawi</b> <i>'There are limited programs to help women climate entrepreneurs access funding and only the same people are benefitting from existing initiatives.'</i> <b>CEO of incubator, Malawi</b> <i>'Although women entrepreneurs are passionate about starting and growing climate-driven enterprises, they lack access to the technical expertise to scale their businesses to meet market and global demand.'</i> <b>CEO of climate incubator, Ghana</b>
	Absence of responding to women-specific needs	WCEs typically have a longer growth path (given competing responsibilities), but program content is not adjusted to the size of their businesses, years of operation, financial needs, etc.  The timing and length of training often conflicts with household responsibilities, resulting in missed opportunities. Some programs have attracted more women by simply holding training sessions in the morning instead of the evening.	
	Climate experts not available	Climate entrepreneurship is an emerging area, and very few programs have climate experts who can provide guidance on business growth, particularly with a gender lens. Most programs focus on general business development without reference to climate adaptation or mitigation. And, while comprehensive climate resources for SGBs are available – several interviewees referenced SME Climate Hub – they are complex to source and largely inaccessible to start-ups.	
	Lack of linkages to finance providers	Many accelerators provide a small amount of grant funding, which is helpful to a certain point – e.g., to purchase technology, build a website, or upgrade business essentials such as bookkeeping – but the majority do not have connections with longer term financing from commercial financial institutions and investment funds. Many WCEs go from one incubator/accelerator program to the next, as they are unable to access more sizeable funds to scale their businesses.	

<b>MENTORING</b> Mentoring, success stories and knowledge networks	Male-dominated industry	Climate entrepreneurship, particularly clean tech in both developed and developing markets, is largely dominated by men. This means there is a shortage of female role models, mentors and coaches.	<i>'Women entrepreneurs are not being encouraged and mentored...This makes it difficult to make a case for aspiring entrepreneurs to venture into the climate field because there is no demonstration of 'success' or wealth creation.'</i> <b>WCE, Ghana</b> <i>'There should be more mentorship programs and grooming for young women, in order to direct their focus and influence their decision-making in relation to climate entrepreneurship.'</i> <b>WCE, Nigeria</b> <i>'There are WCEs in the country, however, most of them operate on a "low-key" and are not fully visible.'</i> <b>WCE, Ghana</b> <i>'Overall, there is a lack of knowledge on climate change. Someone might be running a business but doesn't know their business is harming the environment or doesn't realize the opportunities to take advantage of climate. More education is needed.'</i> <b>Head of incubator, Malawi</b> <i>'Most women are not aware that their ventures/businesses directly/indirectly support the fight against climate change.'</i> <b>WCE, Ghana</b> <i>'Some women entrepreneurs are not aware that their business practices could be innovatively converted into a climate-oriented venture.'</i> <b>WCE, Malawi</b>
	Success stories not available	Given limited access to success stories of women business leaders with whom they can identify – i.e., those who have faced and overcome similar challenges <sup>7</sup> – even WCEs with highly innovative ideas may lack confidence and be risk-averse. <sup>8</sup>	
	Limited networking	Lack of connections to successful women shrinks WCEs' networks and reduces their social capital. <sup>9</sup> Because of limited networks, particularly in rural areas, many WCEs miss opportunities for technical assistance or investment.	
	Not identifying as a climate entrepreneur	WCEs often don't identify their businesses as climate enterprises and miss opportunities for support including technical assistance, finance, networking and promotion. Since there is low awareness on country NDCs/NAPs and how their businesses contribute to them, WCEs do not seek out opportunities for support from climate finance stakeholders.	
	Lack of knowledge of commercialization	Climate change is an emerging topic in many Sub-Saharan countries, with limited efforts to promote it as a business opportunity. WCEs may know they are doing climate work – e.g., in climate-smart agriculture or renewable energy – but don't regard it as a business opportunity.	

7 The Globe and Mail (June 18, 2018). Where are all the female cleantech entrepreneurs? [Where are all the female cleantech entrepreneurs? - The Globe and Mail](#)

8 Brookings Africa Growth Initiative (February, 2019). Empowering women entrepreneurs in developing countries: Why current programs fall short. [Empowering-women-entrepreneurs-in-developing-countries-190215.pdf \(brookings.edu\)](#)

9 Industrial Analytics Platform (April, 2021). Women in cleantech are key levers for an inclusive recovery. [Women in cleantech are key levers for an inclusive recovery | Industrial Analytics Platform \(unido.org\)](#)

<b>GENDER BIAS</b> Unsupportive social norms at the household/ community levels and within formal institutions were emphasized by stakeholders as substantial barriers to WCEs' success.	Attitudes and behaviours towards women in business	<p>Many WCEs reported a lack of adequate social support and that their skills are underestimated. This means their climate business ideas are not taken seriously, particularly given limited appreciation of the importance of climate solutions.</p> <p>Many WCEs indicated that they face sexual harassment (particularly those in Malawi and Uganda) when trying to grow their enterprises. For example, men requesting sexual favours for support. This can take a toll on a women's health and wellbeing, impeding the ability to run a business effectively, or discouraging women from entering male-dominated sectors.<sup>10</sup></p>	<p><i>'Culturally women are not expected to do better than men, and most women in this field are called all sorts of names and some shunned away because of that. In some instances, women are asked to give sexual favours in exchange for support.'</i> <b>WCE, Malawi</b></p> <p><i>'Depending on the nature of the business, society often disregards the efforts of WCEs and disrespects them. Society doesn't see the tangible or direct benefit of climate entrepreneurship.'</i> <b>WCE, Kenya</b></p> <p><i>'There is a bias that women are not naturally people that have solutions for hard STEM issues...Culturally, people are not used to seeing women in the sector and women don't see themselves represented in the sector.'</i> <b>CEO of climate incubator, Ghana</b></p>
	Time restrictions	<p>WCEs have limited time to dedicate to their businesses, given competing responsibilities in their households and communities. A recent World Bank report, Profiting from Parity, indicates that women in Africa spend more time than men on domestic chores, with women in Uganda, Togo, and Malawi spending double the time of men.<sup>11</sup></p>	<p><i>'Social biases even translate to formal finance – e.g., a girl child is automatically second-class vis a vis education, raised to take care of the family, while boys are encouraged to take risks and to provide. It is built in from day one and affects how they (women) think of business growth needs.'</i> <b>GLI Fund Manager</b></p> <p><i>'Reproductive roles performed at home leaves very little room for women to participate in other productive things, there is need to share this work to ensure women have more time.'</i> <b>CEO of incubator, Malawi</b></p>
	Business environment	<p>Several WCEs felt that where funding is available, financiers normally target youth, with the assumption that mature people do not require support. This prevents seasoned business owners who have recently transitioned into the climate sector from receiving help.</p> <p>Women's lack of education, including technical skills in climate-related areas, was mentioned repeatedly by multiple stakeholders as a root cause of the low number of WCEs. For example, according to the WEF, women continue to remain underrepresented among STEM graduates; 30% of male students graduate from STEM subjects, sharply contrasted by 16% of female students.<sup>12</sup></p>	

<sup>10</sup> World Bank Group. Profiting from Parity: Unlocking the Potential of Women's Businesses in Africa. [World Bank Document](#)

<sup>11</sup> BWorld Bank Group. Ibid. (pg 33/34)

<sup>12</sup> Africa Energy Week (August, 2021). Women Will be the Driving Force of Africa's Future, and African Energy Week in Capetown will Emphasize this. [Women will be the Driving Force of Africa's Energy Future, and African Energy Week in Cape Town will Emphasize this \(aew2021.com\)](#)

# Findings – Incubators and Accelerators

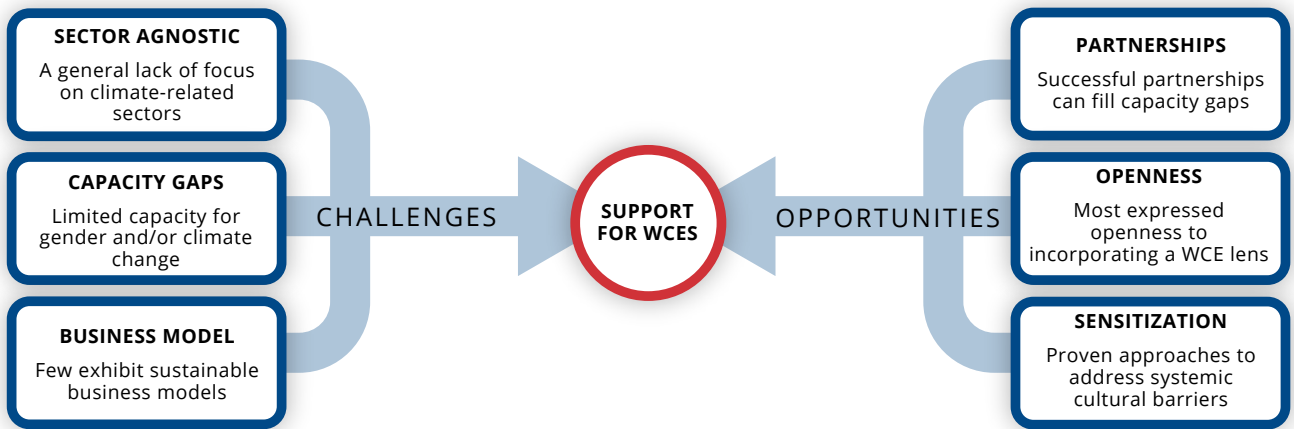
Most incubators and accelerators consulted are familiar with the key challenges that WCEs face, though the majority have not received specific training on how to address them. This is consistent with the fact that of the 46 organizations which participated in consultations, only three focus on climate change adaptation and mitigation. The majority are sector agnostic but might also include climate-related sectors, such as agriculture and renewable energy. When a gender lens is applied, it is therefore not climate specific. While incubators and accelerators recognize that their current outreach model does not effectively identify and attract WCEs, those interviewed indicated that they do not have the capacity to make the required adjustments in order to encourage more WCEs to take part in their programs.

‘Even when there are **women-owned businesses in the green sector**, the service providers and incubators in Africa do not have the skill set that is requisite to understand their unique position within the sector, as there is not enough information within the sector to help inform, navigate and explore opportunities.’

**Source:** Interview with Program Manager, Edge Growth, South Africa

There is significant interest among incubators and accelerators to expand their service offering to work more intentionally with WCEs, given the critical role that these entrepreneurs play in addressing the impacts of climate change. While those interviewed shared many examples of unique approaches that have been successful, common themes emerged about what has worked well for them in supporting WCEs and which areas have been more challenging, as illustrated in Figure 5. Staff members have participated in trainings to build their capacity on gender equality, but incubators and accelerators do not have a dedicated gender specialist with deep knowledge. Related to this, several indicated that while they recognize the importance of integrating a gender lens into their work, this is not always prioritized by donors, in which case they are not able to proceed with gender-responsive programming.

**Figure 5:** Challenges and Opportunities for Incubators and Accelerators



**Spotlight: Opportunity for Gender Mainstreaming**

Uganda Green Enterprise Finance Accelerator (UGEFA) funded by the European Union, identified the gap in finance for green SME's. UGEFA's catalyzer program supports SMEs to be bankable, receiving discounted loans of USD 10,000 - USD 100,000. UGEFA realizes that women-led climate SMEs struggle to meet the program criteria and they are exploring ways to address this.

**Spotlight: Addressing Capacity Gaps**

Innobox in Ghana recognizes that entrepreneurs - and women in particular - are often not familiar with the investment negotiation process. Innobox supports women entrepreneurs by taking an active role in the investment process such as sitting in on meetings with investors and term sheet negotiations, and offering coaching and advice to enhance capacity.

The challenges and opportunities are further discussed in the Recommendations and Case Studies section below.

## Findings – Climate Finance Stakeholders

Access to finance is a critical gap for WCEs at the SGB level, so understanding the appetite and capacity of FIs, investment funds and ecosystem builders to serve this market is critical. With the growing recognition of the important role that women play in combating climate change, climate finance stakeholders are increasing efforts to understand and address the gender/climate nexus.

### Financial Institutions

**Size of Loans:** FIs have a key role to contribute to the start-up and growth stage of WCEs. However, as described in Table 1, the majority of WCEs interviewed have been unsuccessful in securing loans from FIs that are large enough to support significant growth of their businesses.

**Tailored Financial Products:** Interviews confirm that most FIs are focused on traditional lending, given that the climate finance sector is in its infancy. FIs require increased expertise in climate finance in general and gender-responsive climate finance in particular, with a specific need for financial products tailored to WCE requirements.

**Partnerships:** Partnerships between FIs and various ecosystem actors are critical to meeting the needs of WCEs. As noted above, many actors feel there is a significant opportunity for incubators and accelerators to more intentionally collaborate with FIs to leverage their knowledge of WCEs and support FIs to develop tailored products to meet the needs of WCEs.

**Risk Aversion:** FIs' lack of knowledge of the climate sector leads to misunderstandings of risk. For example, when requesting a loan to support the transition to clean cooking, one WCE observed 'It is not clearly understood by banks that (the) charcoal cooking business is a USD 680 million industry where 2.5 million households spend - USD \$30 per month on charcoal.' This adds to the hesitancy of banks to provide low-cost capital to start-ups, particularly those of WCEs.

### Investment Funds

**Mismatch of Investment Offering:** African investment fund managers that were interviewed confirmed that while more and more funds are dispersing significant capital to climate entrepreneurs, most are not making investments under USD 1 M. Although the lower limit falls within the SGB range, it is still too high for many WCEs, who require financing of USD 20,000 to USD 200,000. Bridge financing to support this growth is needed, with WCEs eager and able to be reliable borrowers. At the same time, several African fund managers indicated that women business owners tend to underestimate their performance, and, as a result, receive no or insufficient funding. This differs greatly from the approach of many men entrepreneurs, who, according to accelerators and fund managers interviewed, present themselves more confidently (even with inferior business models) and nevertheless receive more funding.

**A Relational vs Transactional Approach:** With an emphasis on personal relationships based on trust, desire for ongoing consultation with investors and lack of familiarity with investment, the preference of WCEs is to walk the journey with investors. If WCEs are unable to find funders who provide this type of hands-on support, they may not accept their investments.

**Unattractiveness of the Climate Sector:** Investment fund managers tend to perceive the climate sector as

#### Climate finance fund managers addressing the WCE SGB market in Kenya and Ghana: Kenya Climate Ventures and Wangara Green Ventures.

Both funds were launched in 2019 based on the recognition of the financing gap for SGB climate ventures. Investment sizes for convertible debt and equity range from USD 50,000 to USD 2 million and target five key sectors which are critical to build the climate change resiliency of communities: renewable energy, water, agribusiness, waste management and commercial forestry. They both have a Gender Lens Investing (GLI) strategy at the fund and portfolio level. Key to their success, including their ability to reach women, are partnerships with accelerators – Kenya Climate Innovation Centre (KCIC) and InnoHub Foundation respectively – as well as networks with a variety of donors and investors for pipeline sharing and co-investment. Challenges include fundraising, particularly given they are first time funds and are targeting a segment perceived to be risky. With a handful of investees as of 2021, they are both in the testing phase with ambitions to grow to USD 16 million and USD 20 million respectively.

being more risky than other, more traditional sectors. Fund managers opt for options that are considered more commercially viable; for example, in Ghana, government securities are preferred by local investors due to guaranteed returns.

**Exceptions:** A few of the fund managers interviewed have a specific climate focus with a gender strategy and target the SGB sector (see text box below on Kenya Climate Ventures and Wangara Green Ventures). For example, one fund manager commented that many investors shy away from climate adaptation products (e.g., solar-powered irrigation), as they depend on other indirect performance for cost recovery, such as climate smart agriculture or drip irrigation that relies on improved crop yield to generate more income from crops sold. On the other hand, mitigation products (e.g., solar lighting) have direct cost recovery mechanisms, such as direct sales of solar product with profit, and therefore less risk exposure.

**Development Finance Institutions (DFIs):** The DFI community is in the experimentation stage when it comes to the gender/climate nexus. While DFIs traditionally target large ticket sizes, there are a handful of promising DFI-led initiatives on gender-responsive climate investments.

- In late 2020, FMO, a Dutch entrepreneurial development bank, launched The Rallying Cry, a gender-responsive ecosystem initiative focused on promoting WCEs.
- The IFC is in the early stages of a program for commercial financial institutions to extend climate financing to women MSMEs. Phase I will target Cote D'Ivoire and Mexico.
- DFC has historically been very active in the renewable energy space and gender equality-focused programs. Now working at the nexus of the two with Shell Foundation, new learnings will soon be available.
- FinDev Canada is currently finalizing its climate change strategy; the gender/climate nexus is one of its three key pillars.
- The 2X Gender and Climate Taskforce is a group of DFIs, led by the Commonwealth Development Corporation (CDC), European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB), whose objective is to leverage the power of gender-smart investments to catalyze climate action and to contribute to field building in this space.

Targeting women-led agri-enterprises in Kenya and Zambia in Phase 1, **The Rallying Cry** is a private sector-led initiative funded by FMO and led by an international collaborative. Using an inclusive ecosystem approach, it aims to highlight the critical role that women play in contributing to climate solutions. It will uncover new business initiatives, engage a wider range of funders to catalyze investment to the gender/climate nexus, and advocate for inclusive, collective climate leadership at the global level.

## Ecosystem Builders

Ecosystem builders include associations of investors, donor programs, think tanks/researchers, women's business networks and chambers of commerce, etc. These organizations are crucial for bringing together players for capacity building, deal making, information sharing, and networking to address and advance ecosystem growth. Sample organizations and activities relevant to the gender/climate nexus in Sub-Saharan Africa are:

- The African Venture Philanthropy Alliance (AVPA) is an investor-only network of 150+ social investors who aim to mobilize capital for impact across the continent, connecting public, private and philanthropic investors to each other and to investable opportunities. AVPA has established a Gender Platform and a Gender Lens Investing Advisory Board. With the growing attention to the gender/climate nexus, AVPA is considering adding a Gender/Climate Community of Practice, which would serve as an excellent platform for learning and sharing on best practices in this emerging area.
- Convergence, a global network for blended finance, is an influential ecosystem actor which generates blended finance data, intelligence, and deal flow to increase private sector investment in developing countries. Climate finance is a significant focus of their work, and Convergence recently developed a formal gender strategy. In November 2021, Convergence launched a Gender-Responsive Climate Finance Window to fund the design and launch of innovative blended finance vehicles at the nexus of gender and climate.

- The Private Financing Advisory Network (PFAN) is a global network of climate and clean energy financing experts, which offers free business coaching and investment facilitation to emerging market entrepreneurs. Established in 2006, PFAN has passed the USD 2 billion mark in projects supported, and recognized the need to improve gender mainstreaming to reach more WCEs and identify women technical advisors. See the text box in the Recommendations section for a case study on their work.
- ClimateLaunchPad, the world's largest green business competition, has recognized that their programs are not well set up to attract women entrepreneurs. They are currently developing a strategy to more intentionally mainstream gender. This includes the creation of a gender-focused climate entrepreneurship toolkit, with the support of Irish Aid, that will assist incubator and accelerator partners and their start-ups to find ways in which they can mainstream gender in their work.
- A global network of organizations that drive SGB growth in developing economies, the Aspen Network for Development Entrepreneurs (ANDE) is a key influencer in the SGB ecosystem and a partner in this report. ANDE is leveraging its role as an implementing partner in the Accelerating Women Climate Entrepreneurs project to expand work at the intersection between climate and gender. As part of its advocacy strategy, which will be released in late 2021, ANDE will bring together key influencers in early 2022 – including donors, DFIs, investment funds, global corporations, and policy makers with the objective of advancing initiatives to support the growth of WCEs.

#### A Note on Carbon Finance

Carbon finance is a specialized form of climate finance that offers credits for products or services, such as cook stoves, solar panels, and tree planting that generate greenhouse gas emission reductions which are tradable in carbon markets. For WCEs producing enough carbon credits, this offers a revenue flow for several years beyond when the credit is created. E.g., a clean cook stove, if certified and documented, can provide USD 3-10 per stove per year for three years. While this sounds attractive to potential climate businesses, it is not without its challenges. WCEs must have sufficient scale to sell enough stoves per month/year to justify the costs of certification and verification of the carbon credit with the end user. Certification for stoves, if not done by the manufacturer, can cost thousands of dollars, requiring documenting who bought the stove and if it is still in use each year.

## Other Stakeholders

NGOs and other organizations also play an active role in building a gender-responsive climate finance ecosystem. For example:

- GROOTS Kenya is a national women's movement with a focus on gender rights, reducing gender-based violence (GBV), and ensuring women's land rights. Their Climate Resilience and Disasters programme provides training and support to rural women who may not have access to climate change expertise or knowledge: e.g., clean cooking, adaptation in agriculture and increased incomes through agribusiness.
- Practical Action applies a market systems approach to energy markets and energy businesses. They also support value-chain market access for farmers using climate smart agriculture for resilient crops.
- Mercy Corps and CARE provide access to training, markets, grants and finance to enable entrepreneurs (including WCEs) to grow their businesses while developing climate resilience.
- Climate Care, Natural Capital Partners and Climate Focus offer climate advisory services. These services often have costs but are essential if carbon finance is to be realised where appropriate for WCEs. For example, Lifeline International in Uganda started selling certified stoves in 2020 using a women sales and distribution team, but to date, only 29% of stoves sold have complete documentation to enable a credit payment. WCEs require expertise that such private sector firms can offer.
- Women Organizing for Change in Agriculture and Natural Resource Management (WOCAN) is a women-led international membership network established in 2004 to advance women's empowerment and collective action to tackle climate change, poverty and food insecurity. Their W+ Standard is an innovative framework to quantify and monetize the social capital created by women, to recognize and reward their contributions to sustainable environments and communities.

# Recommendations and Cases Studies: A Call to Action

The following recommendations draw on input from WCEs, incubators, accelerators, and other stakeholders. Given incubators and accelerators are the target audience of this report, the following set of core recommendations are directed at this group of actors and how they can influence change in the ecosystem. As incubators and accelerators are just one segment of the entrepreneurial ecosystem, other actors are critical in strengthening and encouraging innovation in a gender-responsive ecosystem. Additional recommendations for other stakeholders are included in a separate section below, but they are not exhaustive as this was not the focus of the research.

## Capacity Building in Climate

Incubators and accelerators who highlighted a lack of climate-specific expertise are largely those who support businesses across a range of sectors, not just in the climate space. While incubators and accelerators did not offer specific reasons for this, it is likely connected to the emerging nature of climate entrepreneurship in Sub-Saharan Africa and the disconnect between the existing education system for climate-related fields and the needs of climate entrepreneurs. The following recommendations respond to the climate capacity gap:

**Collaborate with climate-focused organizations and programs to share resources.** Climate experts who support other programs can be retained by incubators and accelerators to provide support to WCEs as needed, including areas related to renewable energy and waste management (mitigation businesses); climate smart agriculture and agroforestry (adaptation businesses); and topics such as green packaging and marketing of climate-smart products. Technical advisors are well known to existing climate focused programs – e.g., PFAN, a global network of climate advisors. Organizations such as the African Centre for a Green Economy and the African Climate Foundation are others that can be explored. The African Development Bank has a 120-hour training available on Training of Trainers programme for Developing Project Proposals to Access Green Climate Funds. Partnering with universities to bring in recent graduates from climate-related programs can also be effective. Given the lack of women climate advisors in the market and the desire of WCEs to receive support from female experts, it is key to be intentional about sourcing women advisors. Also consider that experts with knowledge of the local climate context are most helpful to entrepreneurs.

**Explore upgrading of technical expertise through training programs.** Various programs exist to build the capacity of teams in climate areas. The text box to the right highlights an example of how Mzuzu E-Hub in Malawi utilized the toolkit from the UN SEED program to increase the climate smart operations of companies, demonstrating that organizations that do not focus exclusively on climate enterprises can integrate climate expertise into their offering.

### Mzuzu E-Hub in Malawi Integrates Environmental Sustainability into Sector Agnostic Programs

**Challenge:** Incubators and accelerators, the majority of which are not focused on the climate sector, commonly indicated that they lack internal climate sector specific knowledge, training toolkits and information on current trends in climate entrepreneurship.

**Solution:** MZuzu E-Hub, a Malawi incubator, provides support to youth-led start ups through their six-month Bizcubation incubator program. Though sector-agnostic, the program integrates a sustainability component to ensure that products and services of the participating businesses are more environmentally friendly. For example, they helped a dairy company transition to using solar power to fuel company operations; small holder farmers suppliers of an agribusiness are supported to use more environmentally friendly production practices; a mushroom company shifted from plastic to paper packaging. With training from the UN SEED program, the Mzuzu team uses the SEED toolkit to increase climate smart operations of companies.

Given the increasing awareness that participation by women entrepreneurs in their programs is lower, Mzuzu E-Hub is piloting a 'Women in Business Incubation Program' in 2021. This includes testing various model to increase their reach to women entrepreneurs given that has been a weakness to date.

**Impact:** To date, 100% of the youth-led start ups embrace environmentally sustainable approaches in their businesses.

**Source:** Interview with Mzuzu E-Hub

## Capacity Building in Gender Equality

While many incubators and accelerators integrate gender considerations into their programming, there is a need to increase the extent to which a gender lens is applied to climate-related programs to ensure that the barriers women face are addressed. Recommendations include:

**Apply a gender lens to programming.** Doing so can uncover opportunities to enhance the gender-responsive impact of programs, which is particularly critical in the male-dominated climate space. Successful programs will be those that are developed with and for women, to ensure they are addressing gender-specific barriers. This includes effective outreach to women entrepreneurs, ensuring flexibility in admission requirements, facilitating access to childcare services as required, prioritizing gender diversity in the selection committee as well as teams of technical advisors, ensuring capacity building programs focus not only on hard skills but also soft skills, and pairing technical assistance with gender inclusive finance. Three excellent resources to boost capacity in this area are [Value for Women's Gender Smart Nexus](#), the [Gender Lens Incubation and Acceleration Toolkit](#) developed by Frontier Incubators and the Sasakawa Peace Foundation's Asian Women Impact Fund, and Impact Hub's [Accelerators as Drivers of Gender Equality](#). Gender experts can also be sought out to provide tailored gender analysis and recommendations.

**Design programs to be inclusive.** Include a diverse range of WCEs – rural/urban, youth/mature business owners - as well as sectors within the climate change space. Efforts should be made to create greater awareness amongst men about the distribution of gender roles and responsibilities at the household level, as this is important in setting up WCEs for success. The latter may be best carried out through partnerships with community groups or other organizations that are well placed to bring together men. A case study developed by Mennonite Economic Development Associates (MEDA) on [Engaging Men as Gender Equality Champions](#), available in English and Swahili, is a useful reference.

**Develop gender equality specific indicators and collect gender disaggregated data.** Developing gender equality and women's empowerment specific indicators (i.e. around workload, control over finances, leadership opportunities, etc.) and collecting gender disaggregated data is low-hanging fruit for any organization that is starting its journey on gender mainstreaming. By investing in this type of data collection and analysis, entities will have greater insight into how their programs are impacting women.

### Ghana Climate Innovation Centre's Women Entrepreneur Transformation Program (WETP)

**Challenge:** As mentioned by many WCEs and supported by literature, incubators and accelerators often offer traditional business skills which, though valuable, may be missing the mark. Instead, or in addition to, women need skills that allow them to overcome socio-cultural barriers.

**Solution:** Launched in 2018, GCIC's WETP aims to take WCEs through a journey to transform their leadership with increased authenticity, trust, and awareness. It responds to socio-cultural nuances that women grow up with related to access to finance and work-life balance and helps entrepreneurs develop the confidence to advance, be proud of their innovations and to lead with empathy. Key topics include emotional intelligence, inner leadership and public speaking, self-care, work life balance and mindset and perceptions.

To ensure the program responds to the needs of its entrepreneurs, GCIC utilizes gender lensed monitoring and evaluation systems to effectively identify setbacks and make needed corrections to program delivery. The centre invests in extensive data collection including the number of women employees that WCEs have and the number of jobs created. As stated by GCIC Executive Director Ruka Sanusi, 'This data allows the institution to turn challenges into solutions as it helps us better understand what we are doing right or not with regard to the services we are providing to our entrepreneurs.'

**Impact:** WETP participants have gained confidence in themselves as women business owners which has also had positive impacts on their families and communities. They have established a network of like-minded women who are a support system and have begun acting as role models for other women entrepreneurs.

**Source:** Interview, GCIC

## Finance Models

Incubators and accelerators have struggled with establishing sustainable financial models in developing economies. The UNFCCC points out that incubators and accelerators are modelled after those in Silicon Valley - perhaps the most successful entrepreneurial ecosystem in the world - and that fewer than five accelerators worldwide support themselves on revenue generated from equity in their successes.

### **Pursue multiple sources and types of revenue.**

Diversifying revenue sources - including international donor support, government programs, fee-for-service models and payments associated with investments - offer financial viability to incubators and accelerators. With the recognition of the need for greater dependence on grant funding, there are increasing numbers of programs to which incubators and accelerators can apply, resulting in the need to develop capacity in and awareness of the grant market. For example, as new programs arise, incubators and accelerators need to position themselves as strong financial stewards that can achieve greater success with the funds offered.

### **Consider weaknesses in the ecosystem.**

Business growth in Sub-Saharan Africa is often hampered by generally weaker market systems, including input supply chains, service providers from transportation to promotion, and access to a range of local, regional and international buyers. Incubators and accelerators need to support business clients, not only in accessing financing but also in overcoming the obstacles of weak markets (if and when possible), recognizing that challenges may be especially difficult for WCEs. This means changing service offerings and adapting financing models to fit associated activities.

**Be realistic on time horizons.** Given market challenges and limited finance available to WCEs, incubators and accelerators need to be realistic about timelines and approaches for advancement, including in applications for grant funding.

## **Root Capital (RC) Takes a Hybrid Role in the Ecosystem as Both an Accelerator and Fund Manager.**

**Challenge:** The pipeline of WCEs that can absorb significant amounts of finance - USD 200,000 and above - is very thin. And even at this level, the operational costs of managing an investment may be too high to make it profitable. RC was eager to advance beyond 16% women-led businesses in its portfolio which is already high compared to most fund managers.

**Solution:** Through foundation funding, RC conducted 12 market studies in various regions and value chains to understand women's roles and challenges, and to map a pipeline of gender inclusive businesses. As a result, RC has developed several strategies to establish WCE pipelines and graduate borrowers to profitable levels of investment over USD 500,000:

- i) Cross-subsidies: as an impact-focused fund manager, RC balances its portfolio by ensuring that profitable loans can subsidize the operational costs of managing smaller less profitable loans.
- ii) Donor grant programs: RC is able to access grant funding from donors such as IADB to cover the operational costs on smaller loans and make them feasible.
- iii) Capacity building: RC offers businesses targeted advisory services and small grants. Advisory services cover a range of topics including climate resilience, gender equity, gender action plans, business management, accounting and more.

**Impact:** Today Root Capital's portfolio consists of over 25% women-led businesses and over 50% when accounting for gender-inclusive businesses. They are seeing high levels of graduation through to USD 500,000 loan sizes. Specifically, through Q2 2021, of the 80 climate entrepreneurs (Climate Action Leaders - CALs) reached, 41 of these clients (51%) were either women-led or gender inclusive. In 2020, of the 76 CALs reached, 38 were either women-led or gender-inclusive (50%). This is compared to the proportion of women-led or gender inclusive clients in their full portfolio which is 51% through Q2 2021 (so the same as the proportion of CALs), and 46% in 2020 (meaning that gender inclusive and women led businesses make up a larger proportion of CALs). There is roughly the same breakdown in terms of disbursements.

**Source:** Interview, Root Capital

## Partner Engagement

Incubators and accelerators cannot work in silos. Partnerships with a wide range of actors are needed to move the needle on mainstreaming the gender/ climate nexus.

### **Partnerships with financial institutions.**

Partnerships could promote alternative forms of collateral and due-diligence on WCEs that respond to systemic gender barriers. An example of this are the psychometric tests that the World Bank, in partnership with the private sector, introduced in Ethiopia. These tests accurately predict the repayment rates of entrepreneurs, yielding a 99% repayment rate. Another innovative partnership model between Kenya Climate Innovation Centre (KCIC), Kenya Bankers' Association and Financial Sector Deepening (FSD) Kenya is outlined in the text box to the right.

**Partnerships with government.** National governments can facilitate an enabling gender-responsive environment for WCEs. Innovations carried out by incubators and accelerators can be used to influence government policies and help create awareness of climate products. Country administrations can be leveraged to help identify WCEs who otherwise would be difficult to reach. Collaborations with local governments can also support the promotion of WCEs – in Kenya, KCIC works with governments to develop Innovation Weeks where female entrepreneurs are promoted through highly visible events in stadiums. Accelerators who collaborate with national governments have indicated that while the relationships can take time to develop, they are valuable in furthering their objectives.

### **Partnerships with universities and research institutions.**

Many ideas developed at universities and research institutions have the potential to be commercialized (some by budding WCEs), strengthening the innovation ecosystem. Furthermore, universities and research institutions can partner with incubators and accelerators to develop climate-related curriculum, establish fellowships for women students at partner businesses, or offer opportunities to women to be advisors to the accelerators.

**Partnerships with corporates.** As noted, while incubators and accelerators currently offer a helpful range of capacity building to WCEs, an area in demand is increased assistance with market linkages. In response to this, accelerators can develop mechanisms to link corporates and WCEs, whereby corporates can become buyers for WCE's products and services.<sup>13</sup>

**Partnerships with women's associations.** As incubators and accelerators seek to attract more WCEs, women's associations or organizations, particularly those focused on climate sectors can play a valuable pipeline role, while members can act as mentors. For instance, there are a variety of women's associations in Sub-Saharan Africa (including the African Women in Energy Development Initiative, African Women Entrepreneurship Cooperative, Association for Women in Extractives and Energy in Kenya, and Lionesses of Africa) that could be leveraged to access pools of mentors for WCEs. Organizations can also consider funding WCEs to become members of organizations like SheEO, a global community of women and non-binary entrepreneurs who provide advisory, networking and funding to ventures.

### **KCIC Partners with the Kenya Bankers Association (KBA) and FSD Kenya**

**Challenge:** While most accelerators provide a small amount of grant funding to WCEs which support technology purchase, website development, upgrading of business skills, the majority do not have connections with financial institutions that can project longer term financing. Furthermore, existing financial products are not tailored to the needs of climate entrepreneurs, including women.

**Solution:** In early 2021, KCIC signed an MOU with the KBA with the objective of building the capacity of lenders on the specific needs of climate businesses. In partnership with Kenya FSD and funding from the EU and the Danish government, the aim is for financial institutions to begin offering climate finance to businesses. KCIC provides their deep knowledge on the needs of climate entrepreneurs, while FSD contributes their financial services expertise. While this partnership does not focus solely on WCEs, women are included in the segment of climate entrepreneurs that would benefit from the initiative. Going forward, there is an opportunity to integrate a gender analysis to ensure products responds to the needs of WCEs.

**Impact:** Through this partnership, KCIC hopes to enable climate entrepreneurs to access commercial capital to scale their businesses.

**Source:** Interview, KCIC

**Partnerships with crowdfunding platforms.** Crowdfunding platforms can offer alternative and low-cost sources of finance to WCEs. Innohub Foundation in Ghana currently has a partnership with a local crowdfunding platform that invests in climate-smart businesses, whereby selected companies will be featured on the crowdfunding platform. While crowdfunding is relatively nascent in Africa, there are a handful of platforms available.

## Mentorship, Networking and Sharing

WCEs need more visible role models and mentors in the climate entrepreneurship space, particularly given that the sector is largely dominated by men. Incubators and accelerators can consider the following to bridge this gap:

**Actively look for opportunities to communicate experiences of WCEs, particularly at the SGB level.** Sharing innovations, successes and failures of WCEs – through blogs, publications, annual reports, webinars and conferences - will inspire WCEs and promote them as role models for aspiring entrepreneurs. It will also help WCEs to attract investment and create greater awareness on the impacts of climate change, as well as facilitate scaling and replicating initiatives by early movers in the wider ecosystem. This can be done both within Sub-Saharan Africa as well as other geographic regions. Examples of this include Vital Voices - Women Leaders Fighting Against Climate Change, Women Energy Entrepreneur Role Models and the Inclusive Business Action Network's Impact Stories on women entrepreneurs. Incubators and accelerators can also look to promote WCEs on ecosystem platforms such as GenderSmart's Gender & Climate Investment Working Group, ANDE, Convergence and the AVPA.

## Private Financing Advisory Network (PFAN) Rolls Out Gender Strategy to Support WCEs

**Challenge:** As part of their work facilitating access to finance for small mitigation and adaptation businesses and projects in developing countries, PFAN has the ambition to increase the support to women entrepreneurs and influence entrepreneurs to make their businesses more gender-responsive, reach additional WCEs and identify more women climate finance advisors.

**Solution:** Funded by DFAT, in early 2021 PFAN worked with Value for Women who assisted them in implementing and fine-tuning their gender strategy. Part of that work has been designing a gender training for PFAN's 140+ locally based advisors to support them in better understanding the challenges WCEs face, make them effective agents of change, and develop strategies on identifying more WCEs. PFAN has also recently partnered with the African Women in Energy Development Initiative whose members can act as mentors to PFAN-supported WCEs. Down the road, they will also develop a strategy to attract more women advisors as well as dedicating more resources to sharing the successes and challenges of their gender work.

**Impact:** The anticipated impact is to improve access to finance for WCEs and mobilize gender smart climate finance. PFAN also aims to influence and inspire the ecosystem for enterprise acceleration and investing in clean energy and climate change adaptation to take more assertive actions on gender inclusion to create transformative change, achieve impact at scale and fuel a just transition.

**Source:** Interview, PFAN

## Recommendations for Other Stakeholders

Incubators and accelerators are key actors in the climate finance ecosystem and have an important contribution to make to the inclusion of WCEs. However, as eloquently emphasized by the Executive Director of Innohub Foundation in Ghana, it takes a chain of actors to support access to finance. This is especially true for WCEs, who face unique additional challenges including gender biases, exclusions, and societal roles and responsibilities.

Although the research and this document is focused on incubators and accelerators, information was also captured on the necessary contributions of other stakeholders – particularly FIs, investors, national governments and donors – for WCEs to reach their full potential as climate business leaders. This information is summarized below (Figure 6).

*The finance chain must be built. It's not just about the missing middle. It's the missing early – without that, the pipeline is broken. We need to be very deliberate and build it as a chain of actors working together. Can there be a project that can look at supporting all stages, starting from early stage. Until you do that, new businesses will keep hitting a brick wall.'*

**Executive Director of Innohub Foundation**

**Figure 6:** Recommendations that Emerged Regarding Other Stakeholders

### DONORS - SHAPING THE AGENDA

Strengthening gender and climate capacity of ecosystem actors including WCEs

Increasing availability of concessional capital available to WCEs

Increasing funding for pre and post investment technical assistance for WCEs

Creating funding windows with a market systems lens to incentivize collaboration

Testing of more sustainable and flexible accelerator models that respond to WCE needs

Carrying out more research on the socio-cultural norms affecting WCEs



### GOVERNMENT - ENABLING ENVIRONMENT

Policies to support climate entrepreneurship - e.g., bank policies and procedures, collateral regulation, leasing policies, land ownership rights

Procurement and taxation policies recognizing needs of WCEs

Green growth strategies, renewable energy policies aligned with NDCs and NAPs

### FIS / INVESTORS - FINANCE

Appropriate loan products that meet the needs of WCEs e.g. trade finance

Need for more patient capital targeting WCEs with slower growth horizons

Blended finance structures to reduce risk

Creation of guarantee funds to incentivize FIs to serve WCEs

Increase knowledge and capacities of financial intermediaries on access to climate finance

Assess WCEs based on business track record rather than social status

Evaluate systemic gender bias in financial institutions both in processes and attitudes

# Conclusions

WCE's contribution to adapting to and mitigating climate change is critical. Incubators and accelerators have an important role to play in enabling WCEs to grow and thrive through the development of gender-responsive climate finance ecosystems and the availability of increased investment for WCEs in Sub-Saharan Africa.

The above recommendations aim to support increased capacity in climate, gender and the nexus of the two, strengthened partnerships, sustainable financial models for incubators and accelerators, and mentoring and networking. Many incubators and accelerators are aware of the challenges and solutions, but may not have the necessary resources to act on this knowledge.

Incubators and accelerators alone cannot overcome the challenges. This requires multi-stakeholder engagement and new models and approaches that can address the challenges faced by both incubators and accelerators and the WCEs that they serve.

There is a growing recognition that moving WCEs through the climate entrepreneurship chain – from microenterprises to SGBs and beyond – requires grant funding or subsidized investments to overcome the historical gender barriers that have created an almost insurmountable gap in their access to all kinds of finance.

# Annex 1:

## Representation of Interviewed WCEs across Key Climate Sub-Sectors

Climate Sub-sector	Kenya	Uganda	Malawi	South Africa	Ghana	Nigeria
Climate Resilient Agriculture	2	1	5		4	
Clean Energy	4	8			4	1
Water	1					
Natural Resource Management	4	1			1	
Sustainable Housing and Building Materials			1		1	
Waste Mgt-Upcycle-Recycling	1	1	1			
Climate Services	1			1		
<b>Total</b>	<b>13</b>	<b>11</b>	<b>7</b>	<b>1</b>	<b>10</b>	<b>1</b>

## Annex 2:

### Programs in which WCEs Have Participated

Name of Organization	Website	Target Geography	Brief Description
<b>Incubator Nest Hub</b>	<a href="#">Incubator Nest Hub – Putting you in business</a>	Kenya	Provides access to the resources, mentorship, and mindset that founders need to reach the next level of business excellence. Programs include entrepreneurship support, pre and post incubation and accelerator.
<b>Kenya Catalytic Jobs Fund</b>	<a href="#">KCJF – Kenya Catalytic Jobs Fund</a>	Kenya	Provides technical assistance and grant funding to organizations with the potential to implement innovative solutions with the potential to create large scale, productive jobs for youth and women.
<b>Kenya Climate Innovation Center (KCIC)</b>	<a href="https://www.kenyacic.org/">https://www.kenyacic.org/</a>	Kenya	Offers incubation, capacity building and financing options to new, small and medium business ventures and Kenyan entrepreneurs.
<b>Micro Enterprises Support Programme Trust (MESPT)</b>	<a href="https://mespt.org/">https://mespt.org/</a>	Kenya	Provide sustainable solutions through a business model that enables beneficiaries to access capital, increase agricultural productivity and access markets
<b>Kenya Industrial Estate</b>	<a href="https://www.kie.co.ke">https://www.kie.co.ke</a>	Kenya	Provide loans to MSMEs, with a focus on rural industrial development
<b>Makerere Innovation and Incubation Centre (MIIT)</b>	<a href="https://miichub.com/">https://miichub.com/</a>	Uganda	Facilitates the growth of innovative ideas into strong sustainable businesses.
<b>Living Earth</b>	<a href="https://www.livingearthuganda.org/">https://www.livingearthuganda.org/</a>	Uganda	Promotes awareness and skills creation in environmental, socio-economic, development and humanitarian programmes to prompt communities and other stakeholders to translate ideas into action.
<b>Kawanda Research Institute</b>	<a href="https://www.naro.go.ug/">https://www.naro.go.ug/</a>	Uganda	A National Agricultural Research Laboratories (NARL) which is one of the 16 public research institutes under the National Agricultural Research Organization (NARO).
<b>Uganda Green Enterprise Finance Accelerator (UGEFA)</b>	<a href="https://ugefa.eu/">https://ugefa.eu/</a>	Uganda	Combines capacity building of post-revenue, scalable green enterprises and co-creation with financial institutions to facilitate access to tailored missing middle finance.
<b>Potential Energy</b>	<a href="http://www.potentialenergy.org/">http://www.potentialenergy.org/</a>	Uganda	Aims to make cooking safer and more cost effective for women and their families through partnering with local communities to assemble and distribute Berkeley Darfur stoves designed for and by users themselves.

<b>Stanbic Bank incubation</b>	<a href="#">Stanbic Business Incubator</a>	Uganda	Supports SMEs in diverse sectors to prepare for business growth. Through the Incubator, participants also gain access to networking, new markets, and financing opportunities.
<b>Ghana Climate Innovation Centre (GICC)</b>	<a href="https://www.ghanacic.org/">https://www.ghanacic.org/</a>	Ghana	A business incubator with a unique focus of developing SME ventures and entrepreneurs in Ghana's 'Green Economy' - adaption and mitigation.
<b>CEWEFIA</b>	<a href="https://www.cewefia.org/about_us">https://www.cewefia.org/about_us</a>	Ghana (Central and Western Regions)	An NGO that provides technical training to rural fishmongers and women farmers to improve the socio-economic status and the well-being of their children and the rural community as a whole.
<b>Daasgift Quality Foundation</b>	<a href="https://daasgiftfoundation.org/about-us/">https://daasgiftfoundation.org/about-us/</a>	Ghana (Western Region)	Seeks to empower the poor and needy, especially women and youth, through the facilitation and provision of micro loans, micro business development services, renewable energy and efficient energy solutions, awareness creation on global warming, climate change and alternative energy solutions, environmental sustainability education, youth career programs as well as employable skills training.
<b>ASA Savings and Loans</b>	<a href="https://ghana.asa-international.com/">https://ghana.asa-international.com/</a>	Ghana	Lending company that provide small loans to low-income female business owners to start or grow businesses. Their lending approach is based on individual lending via client groups, without joint-liability.
<b>National Fish Processors and Traders Association</b>	<a href="http://www.nafpta.org/">http://www.nafpta.org/</a>	Ghana	Provides training in improved fish processing methods using clean-tech ovens (Ahotor oven), fish handling, financial literacy, market linkages, advocacy and other activities to women fish processors and traders.
<b>Government of Ghana (COVID-19 relief support)</b>	<a href="https://www.mofep.gov.gh/sites/default/files/news/care-program.pdf">https://www.mofep.gov.gh/sites/default/files/news/care-program.pdf</a>	Ghana	Instituted the Coronavirus Alleviation Programme - Business Support Scheme (CAPBuSS) to provide concessionary loans to MSMEs in Ghana.
<b>Growth Accelerator Malawi</b>	<a href="https://growmalawi.com/">https://growmalawi.com/</a>	Malawi	A 12-month business acceleration programme that supports early stage innovative and impactful entrepreneurs with investment, technical assistance and mentorship.
<b>Mhub</b>	<a href="https://mhubmw.com/">https://mhubmw.com/</a>	Malawi and Zambia	Malawi's first technology and innovation hub with a working space in Blantyre, Malawi and Lusaka, Zambia. The hub has facilitated over 1 million USD in financing to emerging entrepreneurs over 5 years creating more than 950 jobs and impacting over 5,000 people in diverse value chains.
<b>Segal Family Foundation (Social Impact Incubator - Accelerate)</b>	<a href="https://www.segalfamilyfoundation.org/sii/">https://www.segalfamilyfoundation.org/sii/</a>	Malawi	The SII aims to create an environment for innovators to amplify and grow their impact, by providing tools, building networks, and connecting them to investment. The SII identifies and nurture local champions so that they are able to influence other partners, funders, and investors to create tailor-made, viable support systems for young social entrepreneurs.

<b>Acumen training</b>	<a href="https://acumen.org/east-africa/">https://acumen.org/east-africa/</a>	Eastern Africa	How to create impact; how to align poverty programs to business
<b>Graca Machel</b>	<a href="https://gracamacheltrust.org">https://gracamacheltrust.org</a>	Africa	Acts as a catalyst, working across the continent to advocate for the protection of children's rights and dignity, and amplify women's movements by harnessing and promoting their contributions to the economic, social and political development of Africa.
<b>Sinapis Group</b>	<a href="https://sinapis.org/">https://sinapis.org/</a>	Africa and Brazil	Target small and growing businesses (SGBs) typically with 5 to 250 employees
<b>Energy 4 Impact</b>	<a href="https://energy4impact.org/">https://energy4impact.org/</a>	Africa	Help businesses and markets deliver access to energy in Africa, improving the quality of life
<b>The YES Program</b>	<a href="https://africayescentre.org/">https://africayescentre.org/</a>	Africa	Identifies, trains, and invests in young entrepreneurial talent with the goal of enabling them to create sustainable and impactful ventures
<b>Santa Clara University (Global Social Benefit Institute)</b>	<a href="https://www.globalsocialbenefit.institute/">https://www.globalsocialbenefit.institute/</a>	Asia, Africa and Latin America	Provides a comprehensive program of mentored, field-based study and action research within the GSBI® worldwide network of social entrepreneurs. The Fellowship combines a fully funded summer field experience with two quarters of academically rigorous research.
<b>The Advancing Sustainable cHarcoal Enterprises to Scale (AScHES)</b>	<a href="https://www.charcoalproject.org/asches-convening-report-available-for-review/">https://www.charcoalproject.org/asches-convening-report-available-for-review/</a>	Uganda, Cambodia, Kenya, India, Haiti, UK, US, Nigeria, Tanzania	With a concentration of considerable technical and business skill training, as well as extensive networking and collaboration, they hope to bring this group of fuel producers to the next level of success.
<b>3rd Creek Foundation</b>	<a href="https://www.3rdcreekfoundation.org/our-approach">https://www.3rdcreekfoundation.org/our-approach</a>	Over 12 Countries across Africa, Asia, Latin America	An organization that supports early-stage programs that creates sustained economic improvement and dignity for the ultra-poor by providing grants and impact investments, building stronger partnerships and catalyzing awareness and funding.
<b>Future Females Business School</b>	<a href="#">Future Females Business School - Business Coaching and Mentoring</a>	South Africa, Nigeria, Kenya, Indonesia, Brazil	Offers funded spots female entrepreneurs building tech-based businesses and creating impact in their communities.
<b>Hult Prize</b>	<a href="#">Hult Prize Foundation   Leading a Generation to Change the World</a>	Global	University focused accelerator program; 1M prize for start up
<b>Pursuit Incubator</b>	<a href="#">Because International</a>	Global	Online training and mentoring program for entrepreneurs who have product-focused ideas and businesses in areas impacted by poverty
<b>Unicorn Making</b>	<a href="#">Unicorn Making – Solving real problems by unearthing hidden gems of Africa</a>	Global	Provides infrastructure, training, mentorship, market access and patient capital for entrepreneurs, tech start ups and early stage companies to address the challenges they encounter

<b>SEED</b>	<a href="https://seed.uno/">https://seed.uno/</a>	Global	Catalyses the innovative capacities of entrepreneurship and equip small and growing enterprises with the tools and resources to start-up and scale-up.
<b>Land Accelerator</b>	<a href="https://thelandaccelerator.com/">https://thelandaccelerator.com/</a>	Global	Network for entrepreneurs who restore degraded forests and farmland
<b>UNDP Small Grants Programme</b>	<a href="https://sgp.undp.org/">https://sgp.undp.org/</a>	Global	Provides financial and technical support to projects that conserve and restore the environment while enhancing people's well-being and livelihoods
<b>Climate Launch Pad</b>	<a href="https://climatelaunchpad.org/">https://climatelaunchpad.org/</a>	Global	Green business ideas competition. Support clean-tech start-ups with training, coaching and other entrepreneurship support.
<b>Factor [e] Ventures</b>	<a href="https://www.factor.com/">https://www.factor.com/</a>	Global	Supporting people and ideas that turn challenges in energy, agriculture, mobility, and waste into de-carbonized solutions for emerging and frontier markets
<b>Shell Foundation</b>	<a href="https://shellfoundation.org/">https://shellfoundation.org/</a>	Global	Support people living in low-income communities to escape poverty and ease hardship. We create and scale business solutions to enhance access to energy and affordable transport as a means to achieve this.
<b>Alliance for Rural Electrification</b>	<a href="https://www.ruralelec.org/">https://www.ruralelec.org/</a>	Global	An international business association that promotes a sustainable renewable energy for the 21st century, activating markets for affordable energy services and creating local jobs and inclusive economies.
<b>Academy of women Entrepreneurs</b>	<a href="https://academyforwomenentrepreneurs.com/">https://academyforwomenentrepreneurs.com/</a>	Global	Empowers women entrepreneurs to create and lead successful businesses with ease, certainty and enjoyment.
<b>Georgian Coalition for Education for All(GCEFA)</b>	<a href="http://globalpartnership.org">globalpartnership.org</a>	Global	Supports engagement in education sector policy dialogue and citizen's voice in education quality, equity and financing and sector reform.
<b>SNV</b>	<a href="https://snv.org/country/ghana">https://snv.org/country/ghana</a>	Global	Provides advisory services, knowledge networking, evidence-based advocacy and value chain development. The organization focus their activities in three main sectors: Agriculture, Energy, and Water, Sanitation & Hygiene.
<b>Private Financing Advisory Network (PFAN)</b>	<a href="https://pfan.net/">https://pfan.net/</a>	Worldwide	Global network of climate and clean energy financing experts, which offers free business coaching and investment facilitation to entrepreneurs developing climate and clean energy projects in emerging markets.

