

## POLICY BRIEF #5

# Raise and Provide Funds for Women-Led Projects in the Renewable Heating and Cooling Sector

To address gender disparities in the renewable heating and cooling (RHC) sector, it is essential to acknowledge and tackle financial barriers faced by women. This involves implementing gender-inclusive quotas for projects, establishing dedicated funding for women-led initiatives, and encouraging women's participation in RHC research. The goal is to bridge the gender gap, making RHC solutions more accessible and reducing disparities within the sector.

## POLICY RECOMMENDATIONS

- **Raise Awareness of Financial Barriers:** Raise awareness about the financial obstacles women encounter in the RHC sector and their far-reaching consequences.
- **Quotas for Gender-Just Projects:** Set quotas and indicators for projects promoting gender inclusivity within the energy sector.
- **Support Women-Led Initiatives:** Establish quotas for funding women-led initiatives and create dedicated grants for women with entrepreneurial potential in the RHC sector.
- **Encourage Research Participation:** Encourage women's participation in research related to RHC to bridge the gender gap in this field.

### Targeted stakeholders:

Energy Service Companies, Venture Capital Funds, Educational Institutions

The RHC sector presents both opportunities and challenges for women, whether as contributors or consumers. Financial barriers persist, making the adoption of renewable energy systems (RES) economically challenging for various demographics.<sup>1</sup> High initial installation costs and the need for post-installation employee training further compound these challenges.<sup>2</sup> In contrast, subsidies for conventional fossil fuels in the European Union remain readily available, exacerbating disparities. To rectify these issues, we must work towards making renewable energy solutions more accessible, fostering broader participation in both production and consumption.

<sup>1</sup> European Commission, 2016c. Impact Assessment Accompanying the document "Proposal for a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast)" SWD(2016) 418 final.

<sup>2</sup> European Commission and International Labour Office, 2011. Skills and Occupational Needs in Renewable Energy.

On a European level, female-founded teams of startups of all kinds received only 4% of the available venture capital funding in 2018.<sup>3</sup> Yet research suggests that diversity increases innovation, competition, and societal progression,<sup>4</sup> highlighting why we need to raise awareness on the multiple obstacles women often confront when entering the RHC sector. To address these barriers, **it is imperative to establish gender-just quotas for projects within the RHC sector.** This will increase the number of projects actively promoting gender inclusivity, contributing to broader awareness and representation.

In addition to quotas, **targeted funding for women with entrepreneurial potential in the RHC sector is crucial.** This not only increases the number of gender-inclusive projects but may also encourage more women to seek dedicated funding opportunities.

By raising awareness of financial barriers, implementing gender-inclusive quotas, supporting women-led initiatives, and encouraging research participation, we can promote gender equity in the renewable energy sector. These measures will not only bridge the gender gap but also enhance the sector's overall inclusivity and effectiveness.

Studies indicate that female-founded startups backed by venture capital generally outperform male-founded startups financially and deliver more revenue.<sup>5</sup> Moreover, statistics show that in the Nordic countries, female- and mixed-founding teams are more than twice as likely to create an impact-driven company than male-founding teams.<sup>6</sup>

**Extending gender inclusivity to academia is vital.** Encouraging greater participation of women in RHC research is essential, with gender quotas for research projects and case studies featuring female entrepreneurs. This multifaceted approach will enrich the sector with diverse perspectives and innovative solutions allowing us to accelerate the green transition.

3 IDC. (2022). International Data Corporation. European Women in Venture Capital.

4 Gompers, P.A. and Wang, S.Q. (2017). Diversity in Innovation. Harvard University (2017).

5 Abouzahr, K., Krentz, M., Harthorne, J., and Brooks, F. (2018). Why Women-Owned Startups Are a Better Bet.

6 Unconventional Ventures. (2022). The Funding Report. Unconventional Ventures-Nordic Startup Funding.

W4RES is a Horizon 2020 project that aims to scale-up the involvement of women in the market deployment and uptake of RHC solutions via replicable support measures tested and validated across the 8 countries (Belgium, Bulgaria, Denmark, Germany, Greece, Italy, Norway, Slovakia). W4RES will run until October 2023 by an international consortium of 12 partners. A balanced union joining forces and expertise on renewable energy sources research & advocacy, innovative business lines development and women advocacy.