

## Practical Action

# Women in Energy Enterprises in Kenya (WEEK)

### Background and context

The proposed action will be implemented in rural and peri-urban areas of seven counties located in four regions of Kenya namely the Central (Muranga), Rift Valley (Nakuru, Bomet and Kericho), Western (Kakamega) and Nyanza regions (Kisumu and Kisii). These target areas are characterized by low levels of access to clean energy services for cooking and lighting and depend highly on biomass for cooking and kerosene for lighting. In addition, efforts have been made by different energy market actors in these regions to establish markets for improved cook stoves, briquettes and solar lighting products. While production of stoves and promotion of solar products has been going on for years, penetration of these products in households and institutions is still very low in the country. Majority of households still continue to cook with firewood on inefficient three-stone-fires and to use kerosene for lighting. Access to clean energy for cooking and lighting is hampered by a number of challenges in the three main areas of supply, demand and an enabling environment. At the same time, women's participation in these energy markets has been low and not as profitable compared to men. Women entrepreneurs have been plagued with challenges such as low access to financing due to lack of collateral as well as small size of enterprises. Although they dominate the cook stove and briquette production sectors, few are economically empowered. They lack requisite skills in business and market development and mainly work in the labour intensive and low paying ICS value chains. Networks and Associations based around enterprises in different energy technologies also exist in these regions examples of which include KIAPNET<sup>1</sup>, WESTNET<sup>2</sup>, and ISAK<sup>3</sup>. These are however not operating efficiently and therefore not fully addressing the needs of the members. More recently, ICS cooperatives have also been formed under different projects. These are mixed sex Associations/cooperatives and do not specifically address the needs of women energy entrepreneurs.

Based on experiences of d.light a for-profit social enterprise, women have potential to market solar products and earn incomes. They have created employment by hiring Brand Activators (BAs) who activate and market d.light solar lanterns in the rural areas of Western, Rift Valley and Nyanza. 24 of these are women. They each activate the communities around one outlet to which they are assigned. On a monthly basis each BA is selling about 104 units on average, with the women BAs averaging sales of 92 units per month. While this model has proven both sustainable and profitable as all BAs are greatly surpassing the break-even target of 40 units per month, women are fewer in number and are making fewer sales. The project proposes to work with solar product companies/suppliers to engage more women and to address the challenges they face in order to improve on their sales for increased incomes.

While the Ministry of Agriculture, Livestock & fisheries is supporting value addition of dairy products in the target regions, women are only engaging in milk cooling and selling. The volumes that they sell are also low. The project aims to work with market actors in 4 main value chains to address the challenges faced by women entrepreneurs by supporting promotion of quality products, supporting sustainable financing, market development in order to promote women's economic empowerment while increasing availability of clean sources of energy for consumers.

### Project summary

Energy is one of the key factors that drive the economy of a country. The interrelationship between energy and poverty from various countries have demonstrated the opportunities vulnerable

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<sup>1</sup> Kenya Indoor Air Pollution Network

<sup>2</sup> West Kenya Stoves Network

<sup>3</sup> Improved Stoves Association of Kenya

communities especially women and children lose when they lack access to energy. With time the role of women in energy provision cannot be ignored and is greatly taking a centre stage by starting small scale enterprises for energy and services provision and other productive use of energy enterprises like agricultural value addition. Despite their potential, women-owned businesses in Kenya (include energy related businesses) are less likely to grow, are smaller compared to male-owned businesses due to lack of business and marketing skills as well as poor governance and support services such as marketing services, credit services and information.

Although women dominate the cook stove and briquette production sectors, few are economically empowered as they lack requisite skills in business and market development and mainly work in the labour intensive and low paying ICS value chains. Access to clean energy for cooking and lighting is hampered by a number of challenges in the three main areas of supply, demand and an enabling environment. While production of stoves and promotion of solar products has been going on for years, penetration of these products in households and institutions is still very low in the country. Majority of households still continue to cook with firewood on inefficient three-stone-fires and to use kerosene for lighting.

To address this scenario, Practical Action East Africa and Services for Community Development Services (SCODE) have designed a three year action to strengthen women's capacity to effectively participate in and benefit from the energy markets as actors and beneficiaries.

The proposed project aims to work with women entrepreneurs in 4 main value chains-Improved cookstoves, Solar products, Biomass briquettes and Dairy products- to address the challenges faced by women entrepreneurs by supporting promotion of quality products, supporting sustainable financing, market development in order to promote women's economic empowerment while increasing availability of clean sources of energy for consumers.

The proposed action will be implemented in rural and peri-urban areas of eight counties located in four regions of Kenya namely the Central (Muranga), Rift Valley (Nakuru, Bomet and Kericho), Western (Kakamega) and Nyanza regions (Kisumu and Kisii). These target areas are characterized by low levels of access to clean energy services for cooking and lighting and depend highly on biomass for cooking and kerosene for lighting.

The project seeks to directly reach 730 small-scale women energy entrepreneurs (MSEs) who will in turn reach out to 364,200 consumers including poor women, men, children and institutions in the project areas; as well as 450 women, youth and men (50% women) employed by MSEs in the project areas

The proposed approaches include integrating women entrepreneurs in distribution of renewable energy products for clean cooking and lighting and in dairy value addition; assisting them to assess the markets and also expand entrepreneur associations. The project will also adopt a **Participatory Market Systems Development** approach to engage the entrepreneurs as well as the beneficiaries.

Awareness creation will be carried out for the users of the different energy technologies to meet lighting and cooking needs, while the project will build the capacity of the women entrepreneurs to engage in profitable businesses through training.

The project will also lead to strengthen institutional capacity of implementing organizations and partners to undertake and use gender equality and women empowerment strategies in delivering the energy services as well as lobby and advocate for adoption of women empowerment approaches in delivering new targets for universal modern energy access nationally, regionally and internationally.

Regular reviews will be undertaken to provide guidance regarding the strategies employed and their effectiveness in addressing the objectives of the project. Financial and technical reports detailing the progress of implementation against the budget will be prepared on quarterly basis

The sustainability of proposed Interventions will be built on building technical and business skills of women entrepreneurs will give them a lasting ability to sustainably manage and expand their businesses and attract funding from Financial Institutions (FIs).

The project will work with for-profit social enterprises such as d.light solar manufacturers and others approved under the Lighting Africa Programme to ensure that the linkages built with entrepreneurs during the project are sustained beyond the project period in the long term.

The key impacts of this action will be businesses of the women expanded to reach substantial scale in terms of financial growth, improved technical capacity and expanded business growth.