

Request for Proposal

Unlocking the Potential of Microenterprises for Women through Clean Energy Solutions

March 2024

Context

Shell Foundation

Shell Foundation is an endowed, UK-registered charity that catalyses clean energy innovation and unlocks inclusive investments in Africa and India, empowering millions of underserved customers – of which half are women – to earn a living income.

To achieve its charitable mission, Shell Foundation supports early-stage innovation and then partners with finance and corporate organisations to scale solutions that increase incomes for three customer groups: smallholder farmers, microentrepreneurs, and urban transporters.

Background

In low-income countries, 88% of working-age women earn income through self-employment, yet they are more likely than men to be disadvantaged when it comes to accessing the resources they need to start, run, and grow a business. Women-owned enterprises access about 18% of available MSME loan funding and face a funding gap of about US\$1.4 – 1.7trillion. Social norms and structural inequalities tend to shape women's access to finance, markets, business information, training, and peer networks. They are more likely to have lower literacy and education levels compared to men, and to pursue jobs and skill sets that are deemed socially appropriate, which often limits them to lower income-earning opportunities.

Microenterprises (ME) contribute significantly to economics and are the dominant form of employment in developing countries. They provide around 45% of total employment and contribute 33% to the GDP in these countries. Microenterprises provide opportunities to generate secondary incomes or develop income resilience for those sub-optimally employed. They also offer flexibility to be home-based and leverage existing skills and knowledge, both especially useful for women. Establishing and empowering women microenterprises can help generate a multiplier effect on economies, communities, and households.

Clean energy solutions (PUE assets) provide a huge opportunity to power and empower microenterprise value chains. These solutions are essential to delivering modern energy services to underserved communities around the world at the lowest possible social, economic, and environmental cost. Because of this, they are an essential tool that are leveraged by microenterprises. They can enable livelihoods to improve time savings, drive income uplift, and enable job creation – outcomes that are extremely important to women.

Additionally, the growing clean energy sector itself could lend to new business and employment opportunity for women. About \$450billion of investment is planned in the next 6 years in the sector, which will translate to 25million new direct jobs and about 500million jobs downstream.

Objectives

We would like to commission research that identifies the value chains where women MEs are prevalent, what challenges they face, and what energy appliances they use in their respective businesses. And the types of business and employment opportunities that exist or can be developed for women in the clean energy sector itself. We aim to deliver this research across India, Kenya, and Nigeria.

High-level research objectives are to:

- Understand the range of value chains where women play a role/can play a role in rural and urban settings within which clean energy can be leveraged.

Note these might be unique across rural and urban settings.

- Within these identified value chains, to understand which ones do PUE assets already exist and which do not.
- Understand what roles does/can energy and energy assets (PUE assets) play in driving income uplift.
- Understand the market size across these selected PUE assets (across SSA & India).
- Identify the biggest levers apart from scale that can bring down the cost of these PUE assets.
- Identify and understand the opportunity for women led MEs within the growing clean energy sector (consider sales, operators and technicians of energy products including EV battery swap stations, Mini grid operators, clean fuel sales, clean energy and appliance sales, etc)

The specific research questions would be defined during the planning phase by the consultant/research organisation along with SF portfolio team working on Microenterprises, but at a high level would seek to address the following:

- 1. What Microenterprise value chains are women most prevalent (in both urban and rural settings) and what potential/actual clean energy use cases occur within these value chains?**
 - What ME value chains do women mostly operate in across these countries?
 - What is the rationale for the focus on these value chains by women?
 - What aspirations do these women have?
 - What challenges do they face when operating across these value chains?
 - What are the potential/actual energy use cases that exist across these value chains?
 - What opportunities exist to leverage clean energy across the energy use cases?
- 2. Which ME value chains already leverage the use of PUE assets?**
 - What types of PUE assets are being used across these value chains?
 - What advantages/challenges accompany the use of these assets by women?
 - What value chains do not have existing PUE assets being used?
- 3. What is the size of the market for the selected PUE assets across these countries?**
- 4. What roles do/can PUE assets play in driving income uplift for women?**
- 5. What are the biggest levers apart from scale that can bring down the cost of the selected PUE assets?**
 - What is the cost breakdown of the selected PUE assets?
 - What are the potential opportunities to reduce the cost of the selected PUE assets?
 - Where are the most realistic opportunities to bring down the cost of the selected PUE assets?
- 6. What opportunities exist for women-led MEs within the growing clean energy sector?**
 - What business opportunities and use-cases exist within the clean energy sector for MEs?
 - What are the dynamics influencing how each business opportunity will be assessed to be appropriate for women?
 - What business opportunities within the clean energy sector provide the best prospect for success for women MEs?

Target Audience:

Shell Foundation is looking to commission this work with a target audience of enterprises, funders, other foundations, and its ME portfolio team. This research will provide insights to stakeholders to effectively intervene to build new Women-led Microenterprises.

Methodology:

It is expected that conducting this research will involve a combination of both primary and secondary data and analysis. For data this is available, the consultant will be expected to leverage secondary data sources to obtain the information required. Other unavailable information sources will be gathered using information sourced from Key Informant Interviews (KII). It is also expected that the KIIs will be conducted with PUE asset providers, subject matter experts, and other actors with specialist knowledge in each of the three countries. The research consultant will be responsible for identifying the relevant sources to be reviewed as well as the appropriate key informants to interview.

However, the research organisation can define and provide the best approach within the scope of work.

Note: it is expected that the research consultant will develop a detailed methodology for data collection, data management and analysis in their proposal to answer the research questions. This methodology should be in direct response to the research questions.

Deliverables:

The expected deliverable for the project would be a high-quality written report which would be published online. The exact format and length would depend on the findings, but we expect the finished output to be robust enough to be reviewed by a group of sector experts and be considered rigorous enough to have moved the field forward.

Proposals will be assessed based on a combination of the methodology, in-country experience of the team, experience in conducting research and cost.

This research project is expected to be conducted over a 3-month period, beginning in May 2024.

Next Steps:

If you are interested, please submit a proposal explaining how you would approach this work to **Habib Nuhu** (habib.nuhu@shellfoundation.org) by **18th of April 2024**. Please ensure that you include:

- A summary of your methodology
- Your specific ideas with relation to:
 - How you would produce high-quality outputs for the project
 - How you would ensure that the output from this work is action-oriented and relevant for our target audience
 - What you would bring to this work that no-one else would
- Any examples of similar or parallel work that you have carried out in the past, including examples of consumer research/impact evaluations with a gender lens.
- Team profiles of the team that would work on this project, with links to their past work in this field, if available.
- Details on how you would facilitate in-person data collection as we would prefer an in-person/hybrid approach rather than purely telephonic/online data collection.
- A proposed budget and payment schedule of the research in USD.