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# Gender Assessment

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## **FP046: Renewable Energy program #1 - Solar**

Mongolia | XacBank | B.18/04

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**GREEN  
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## XacBank

### Mongolia: Renewable Energy Program #1 - Solar

#### Gender Assessment

##### I. Introduction

This assessment aims to provide an overview of the gender situation in Mongolia, identify gender issues that are relevant to the program, and examine potential gender mainstreaming opportunities given the scope of the program. The assessment was based on available data from studies conducted by various international organizations, all of which are cited in the relevant text. The full text of these studies can be provided upon request.

##### II. Existing Gender Inequality

Numerous comprehensive studies on the state of gender inequality in Mongolia have been conducted. In 2015, the World Economic Forum's Global Gender Gap Index ranked Mongolia 56 out of 145 nations for its gender gap (a higher ranking represents a lower gap between men and women in that country). The ranking takes into account economic, political, educational, and health factors. Significantly for this proposal, Mongolia ranked 22<sup>nd</sup> in terms of economic participation and opportunity for women. Mongolia also ranked alongside other nations as first for having no gap in the health and safety of women. Mongolia, however, ranked lower on educational attainment (73<sup>rd</sup>) and was particularly low in the category of political empowerment (117<sup>th</sup>). While these rankings are relationally useful, they do not provide full details of the Mongolian gender context.

The Swiss Agency for Development and Cooperation conducted a Gender Overview of Mongolia in 2014. This report provides more details about the Mongolian gender context. The major findings of this report are as follows:

###### a) Regulations

- Mongolia's regulatory framework for gender equality is relatively strong. Mongolia fully supports international human rights standards and is a signatory to all major international instruments pertaining to women's rights and gender equality. National legislation is comparatively comprehensive.

###### b) Labor

- Pronounced gender bias exists in the division of labor between men and women, and the labor market is highly occupationally segmented by gender. Although women play a major role in the economy, they continue to lag behind in labor relations. The most feminized employment sectors are those that are typically paid through state budgets and have the lowest salaries. Female employees are concentrated in sectors that are economically static and low paid, such as education, health care, social services and culture.
- The factors that restrict women from participation in economic activities or restrict women to employment in static and low paid work include: high enrolment rates of female students in tertiary education, larger numbers of women engaged in household activities and childcare, and the fact that women retire earlier than men (UNDP, 2014) (i.e. at the age of 55 in contrast to 60 for men). Another factor contributing to the labor force participation gap is the differences in self-employment opportunities for men and women, with the only alternative occupation open to women being wage work whereas men are twice as likely to be self-employed, and thus accrue additional financial mobility.

- In addition to these factors which restrict sector mobility, women's household responsibilities restrict participation in paid, economic activities. Unpaid care work, a lack of childcare facilities and other social rights may play a significant role in women's non-participation in the labor force and in their employment patterns. Free or affordable childcare is limited in Mongolia given an insufficient number of state-owned kindergartens nationwide. To some extent, this limits women's opportunities to re-enter the labor market after having children, as they must stay at home to care for the child.
- Another factor is the lack of legal support for paternity leave. There is no legislation in Mongolia that allows for paternity leave and requires employers to pay wages for paternity leave (IFC-World Bank, 2013). While jobs in mining and construction are high-paying, the lack of enforcement of labor standards and safety measures has resulted in high levels of workplace deaths and accidents, increasing the number of males who are long-term unemployed due to disability. This has increased the number of female-headed households and women's economic burden, compelling both women and children to accept exploitative and high-risk forms of employment (Purevjav, 2010).
- There are gender remuneration gaps in Mongolia. There are persistent patterns of direct and indirect discriminatory practices against women in regard to recruitment and equal pay.

c) Decision-making

- Political empowerment remains one of the weakest indices of Mongolia in terms of gender equality. Women continue to be underrepresented at political decision-making levels. In 2014, only 14.5 percent of parliamentary seats are held by women. Gender stereotypes are common among the general public in Mongolia.
- The participation of women in decision making in also lags in non-political and non-urban settings. Male preference is still common among herders, strongly influencing their behavior, as revealed in a small-scale gender assessment conducted by MCA-Mongolia. According to the qualitative study findings, when it comes to the selection of group leaders, it was common among both male and female herders to believe that men were stronger than women both mentally and physically, and that men had a greater capacity to improve people's livelihoods than women. Men were the heads of households and thus could function as political leaders; both male and female herders believed that men were better mentally suited and possessed more knowledge than women; and being a leader was a job better suited to man (MCA-Mongolia; Begzsuren, Tsolmon 2013d).
- The Swiss Agency's report concludes that "It can be thus be concluded that be it in the public or private sphere, from the highest government decision-making levels to households, both rural and urban women continue to be denied equal opportunities to participate in the decisions that affect their lives (United Nations 2013)."

d) Domestic Violence

- Domestic violence is a serious problem for women in Mongolia. The National Center against Violence estimated in 2010 that one in three women in Mongolia was a victim of domestic violence and one in 10 was a victim of battery. High rates of alcoholism and unemployment amongst middle aged men are cited as a contributing factor of this epidemic.

e) Education

- Gender equality in education attainment is Mongolia's highest indicator. According to the latest gender gap index report, Mongolia's index for women's and men's access to education was 0.995. (World Economic Forum 2013, 285). Unlike other Asian countries,

girls in Mongolia are far more likely to attend school, particularly among older age groups (Coulombe and Altankhuyag 2012).

- Indeed the commonly held beliefs are in favor of educating girls. Mongolians believe that men can, in the worst case scenario, make a living through physical labor and herding. But women must have an education to rely on in difficult times. Therefore, in the case of limited resources, the commonly held beliefs/rationale favor educating women over men.
- However, there are considerable differences related to educational attainment and quality depending on the level of education (primary, secondary, tertiary), age group, geographical location, and social group (such as people with disabilities, herders, minorities). Tables 11 and 12, extracted from the Swiss Agency report, illustrate the female-to-male ratio in primary, secondary and tertiary education, as well as the percentage of school attendance among different age groups.

**Table 11 Gender Gap Sub-index – Educational Attainment**

	Rank	Score	Sample average	Female	Male	Female-to-male ratio
Educational Attainment .....	49	0.995	0.934			
Literacy rate .....	1	1.00	0.87	98	97	1.01
Enrolment in primary education.....	89	0.99	0.92	98	99	0.99
Enrolment in secondary education.....	1	1.00	0.60	79	74	1.06
Enrolment in tertiary education.....	1	1.00	0.87	69	46	1.49

Source: *The Global Gender Gap Report 2013*, p. 285

**Table 12 Girls and boys ratio**

Indicator	National Average		
	Male	Female	Total
School Attendance among the 6 to 9 age group (in %)	97.0	97.6	97.3
School Attendance among the 10 to 14 age group (in %)	96.0	97.7	96.8
School Attendance among the 15 to 19 age group (in %)	75.3	83.6	79.3
School Attendance among the 20 to 29 age group (in %)	14.3	17.3	15.8

Source: (Coulombe and Altankhuyag 2012)

- As summarized in the 2008 Global Monitoring Report, the gender differences in education can be attributed to several factors. The most severe challenges include (Steiner-Khamsi and Gerelmaa 2009, 409): Poverty; Internal migration from rural to urban areas; Neglect of students with special needs; Inverse gender gap (since 1995, more girls than boys are enrolled at all educational levels); Swift decline of vocational and technical education; Rapid expansion of higher education

f) Data Availability

- There is insufficient gender-disaggregated data at the national level in various sectors. According to a UNIFEM assessment conducted in 2006, Ministries do not disaggregate

sectoral data by gender. In addition, gender dimensions are overlooked in the area of infrastructure in both the public and private sectors. Gender-based analysis and gender-impact assessments thus cannot be properly conducted in any sectors, resulting in ignorance of the gender gaps and constraints at the policy-making level.

### **III. Legal and Administrative Framework Protecting and Promoting Gender Equality**

Women's economic empowerment is supported by a favorable legal and regulatory environment in Mongolia, on both an international and national legislative level. On an international level, Mongolia is signatory to international instruments pertaining to women's rights and gender equality, including the following:

- Universal Declaration of Human Rights
- International Covenant on Economic, Social and Cultural Rights
- International Covenant on Civil and Political Rights
- Convention on the Political Rights of Women
- Convention on the Elimination of All Forms of Discrimination Against Women
- Convention on the Elimination of All Forms of Racial Discrimination
- Convention on Improvement of the Situation of Women in Rural Areas
- Convention on the Rights of the Child
- United Nations Convention against Transnational Organized Crime and its Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children
- ILO conventions on equal remuneration and discrimination with respect to employment and occupation
- Convention on the Rights of Persons with Disabilities
- Convention Against Discrimination in Education
- Maternity Protection of ILO Convention 103
- Worst Forms of Child Labor Convention 182 and Recommendation 190
- Optional Protocol to the Convention on the Rights of the Child on the Sale of Children, Child Prostitution and Child Pornography
- Equal Remuneration Convention

On a national level, Mongolia's Constitution prohibits discrimination based on gender. In 2011, Mongolian parliament adopted the Law on Promotion of Gender Equality. The law calls for equal participation of men and women in all political, legal, economic, cultural, and social spheres. The law has been implemented by the National Committee on Gender Equality, which has domain throughout Mongolia. In addition, civil law guarantees women's labor rights and women's right to property ownership and inheritance. This legal framework creates an enabling environment for women-owned SMEs. As the Swiss Development Agency report writes, "the regulatory framework for gender equality is relatively strong in Mongolia. Gender equality, protection from any violation of rights, equal and fair participation, and social justice for women, men, girls and boys have been enshrined in the National laws" A summary of these national laws can be found in Addendum 1.

### **IV. Women in Economic Activity**

#### **a) Formal Sector**

Women's participation in the Mongolian private sector is strong for a variety of reasons. These reasons are explained below in quotations extracted from an International Finance Corporation (IFC) report titled "SMEs and Women-owned SMEs in Mongolia" which can be found here: <https://www.ifc.org/wps/wcm/connect/d85f65804697b853a598bd9916182e35/Women+SME-Mongolia-Final.pdf?MOD=AJPERES>

"Mongolian culture exhibits collectivistic cultural characteristics: it is family-oriented with a strong cultural identity and cohesiveness. Women have been participating in all activities related to this way of life as well as in taking decisions about family businesses. Today, family ties still play a significant role. Many of the businesses are established as family businesses or with the support of family members. Even if a woman is not an owner, she nevertheless takes an active part in key business decisions.

Another factor that has played a role in the high social status of women in Mongolia is the equality in education and social rights granted to women during the communist era from 1924 to 1990. After the collapse of the communist system, Mongolia witnessed a rise in women's social status as many of women started their own businesses and now perform the same jobs men do.

This study revealed that the issues confronting women entrepreneurs do not differ considerably from those confronting male entrepreneurs in terms of doing business and access to finance. The legal framework provides women equal rights in inheritance, land use and ownership of the property. However, industry stakeholders are of the opinion that women entrepreneurs usually possess less movable and immovable assets. Women's businesses are typically smaller, demonstrate 5 lower turnover rates and have fewer employees. In general, women are more likely to employ women.

The exact reasons for the lag of women in possessing moveable and immovable properties are not exactly known. However the IFC study on women-owned MSMEs writes that "In Mongolia, the decision about the potential owner of a property is usually made jointly within the family and the decision is not necessarily based on the gender of the owner. Other issues such as employment status of the potential owner are also considered. The possibility of taking a bank loan is higher for the employed, therefore they are preferred by the family to be the owner of the property and to pledge collateral to the bank. As usually more women work informally compared to men, women might also be sacrificing their property ownership right in favor of their husbands in order to access finance as a family." Hence, despite the existence of an equal treatment of men and women by law with regards to property ownership, women are dis-incentivized from owning property in their names, in favor of their male partners.

#### b) Informal Sector

In Mongolia, a large portion of men and women work in the informal sector. According to the Swiss Agency study, in 2009, 68 percent of male and 63.9 percent of the female labor force worked in the informal sector. Despite recent strong economic growth, inequalities between urban and rural areas are increasing. However, it should be noted that the larger presence of men in the informal sector is complemented by the larger presence of women in the formal sector. Table 5 details the statistics of the informal sector in Mongolia.

**Table 5 Distribution of the labour force in Mongolia<sup>16</sup>**

	National average	Men	Women
<b>Formal</b>			
National	24.0	21.9	25.7
Rural	10.5	9.2	12.0
Urban	35.9	33.8	38.1
<b>Informal</b>			
National	66.2	68.3	63.9
Rural	83.4	84.5	82.2
Urban	50.3	53.1	47.3

*Source: Labour Force Survey 2009 cited in Khan and Aslam 2013, 34*

At the end of 2013, a total of 212,300 people were estimated to be working in the informal sector, of whom 125,700 thousand (59.2 percent) were male and 86,600 (40.8 percent) were female. The concentration of rural women in the informal sector (including artisanal and small-scale mining) implies that, firstly, women are mostly unremunerated or unpaid workers (Khan and Aslam 2013), and that they are working in a sector that offers a lower degree of social protection and lower wages than the formal sector (The Asia Foundation; Swiss Agency for Development and Cooperation February 2014). (For information on unpaid, informal sector of child-care, please see above pages).

c) Gender Mainstreaming Practices

While government programs do not employ gender mainstreaming methods, several Mongolian NGOs focus on a gender-mainstreamed approach to supporting Mongolian women-owned SMEs. The first is the Mongolian Women’s Fund (MONES), which supports the business development of micro, women-entrepreneur start-ups. The second is the Asia Foundation’s Women’s Business Center, which provides advisory, infrastructure, and financial support to women-owned SMEs.”

**V. Women and Energy**

a) Energy Access and Households

In the household, women bear the disproportionate burden of drudgery. Drudgery can be intensive given the nature of household upkeep, especially in traditional felt homes known as *gers*. In rural areas with limited energy access, the drudgery burden upon women, and sometimes men, is enormous. In the winter, upkeep of the fire requires constant attention to fend off -30 Celsius temperatures. Simple tasks are made difficult by short day light hours. The ability to contact the outside world for learning opportunities or emergency/health services requires the pre-planning of cell phone charging. While this project will not expand the grid to reach these rural areas, there are secondary benefits that could lead to the enhancing of renewable energy sources to reduce this drudgery. On the one hand, rural peoples often travel to urban centers for access to goods and services. Often these urban centers are provincial, and thus the first to face power outages in the case of grid overload. Thus, increasing the grid load will increase reliability in these provincial urban centers which serve as centers for the most vulnerable rural peoples. Another benefit is that the increase awareness in Mongolia about the potential of solar power, and its bankability, would likely lead to the increase in at-home solar system imports, or even the spread of technical knowledge about PV to the point of domestic

PV production. In essence, the market for PV will be bolstered by this project and the effects would lead to the increase in awareness, and supply of rural at-home solar systems. These systems have been found to directly decrease the drudgery borne by women. See below for further discussion of this REAP project.

Even in peri-urban areas, access to energy can be limited and this limited access disproportionately affects women. The gers around Ulaanbaatar often have access to the electric grid but not to the heating grid. As such, coal-fed stoves are still used to keep warm. One of the reasons that the electric and heating grid has not been expanded to include these peri-urban houses, and that they have been left behind, is that the central grid is overtaxed even as is serving its current clients, and subject to frequent blackouts. These projects add capacity onto the grid, and thus set up the appropriate environment to promote the expansion of the grid to include these peri-urban homes. In a survey conducted after an energy efficiency stove distribution program, the authors found that “Energy and Environment Project beneficiaries have noted, and initial data from project surveys has confirmed, that energy-efficient products resulted in time saving for women as the stoves needed less refueling and resulted in fuel savings. Female headed households were strongly represented among the beneficiaries of the stove subsidies.” In the peri-urban areas around Ulaanbaatar, which are home to 25% of all Mongolians, access to the electric grid would allow for the replacement of stoves with electric heaters as the primary source of heating. The point of citing this research is to demonstrate that access to electric automatic products fueled by the electric grid has a direct impact on the lives of women. While this project does not expand the grid as a direct impact, it may promote such an effect as summarized earlier in this paragraph. As such it can be seen that increasing access to and consistency of energy supply in both rural and urban areas will alleviate the household burden of women by making household tasks easier, and by making more energy available to use on television programming, computer charging, and self-help tasks.

#### b) Energy Access and Business Operations

Across all genders, access to consistent energy supply is a limiting factor in business operations. The IFC report writes “Restricted access to energy sources, especially in rural Mongolia, is frequently cited as another problematic area for businesses. Although there has been some improvement in recent years, the country’s coal-power heat-supply system remains in poor condition. It is unable to meet the basic supply requirements of industrial and commercial enterprises, as well as that of the urban population. Power-system losses remain high and power cuts are frequent, interrupting manufacturing processes.” (14) All points of sale and business centers in Mongolia are located in provincial urban centers or in the capital of Ulaanbaatar. While rural peoples may source their products in rural areas (e.g. cashmere from herding goats), they travel to the nearest city to sell the products or operate a business. These centers use the energy from one of the primary energy grids. These projects will directly feed into the grids that support these centers. As such, the project seeks to bolster access to reliable and renewable sources of energy to businesses, especially SMEs which make up 90% of Mongolian businesses and have an especially strong presence in provincial urban centers.

#### c) Access to energy by vulnerable population

No study has been done regarding energy access and its effects on vulnerable populations in Mongolia. However, certain conjectures can be made based on the existing data available. The main characteristics of poor people and poor households in Mongolia are: unemployed, single, female household heads living in aimag and soum centres; herders in rural areas who lost livestock in “dzuds”; households with many children and with children who are students, and individuals living with disabilities (Government of Mongolia 2013a). Women and children are thus more vulnerable to poverty, and more vulnerable to the effects of climate change due to the

increasing frequency of the dzud phenomenon. By locating the plants in rural locations, and setting gender employment targets (outlined in the Gender Action Plan), these projects seek to directly impact the lives of the most vulnerable people, rural women, through offering them employment and capacity-building activities while also benefitting energy access across Mongolia. In addition the spread of PV and increase in technical abilities related to PV in Mongolia in general have secondary benefits to these populations, as outlined in section V.a.

#### d) Women's Participation in Renewable Energy

Small-scale renewable energy is fairly widespread in Mongolia, especially in rural areas. Half of the Mongolian population lives in rural areas, without access to the grid system. These nomadic herders use small-scale PV (solar home systems, SHSs) to power their televisions, washing machines, and phones. While this project does not directly benefit these individuals in their at home lives, it benefits them in their use of urban centers for health, business, and social services. Please refer to V. a. and b. for further details on the secondary benefits that this project will provide rural populations in accessing reliable and renewable energy. Many of these solar sets were distributed as part of the Rural Electrification and Energy Access Project (REAP), done with World Bank subsidies. A survey conducted in conjunction with the distribution of solar home systems found that "The wide adoption of SHSs and the subsequent improvements in access to electricity services have positively impacted intra-household dynamics, partially addressing gender inequality-related issues. The majority of the women interviewed indicate that the newly-gained access to stable electricity has translated into significant time-savings, which in turn, allow for increased time spent on personal care, parenting, learning and work diversification. Following the installation of SHSs, women's household-related decision making enjoys a higher degree of freedom and male herders put higher value on a woman's work contributions towards the overall level of household income." The rest of this report can be found at the following link:

<http://documents.worldbank.org/curated/en/170661468061496144/pdf/894180WP0ASTAE00Box385279B00PUBLIC0.pdf>

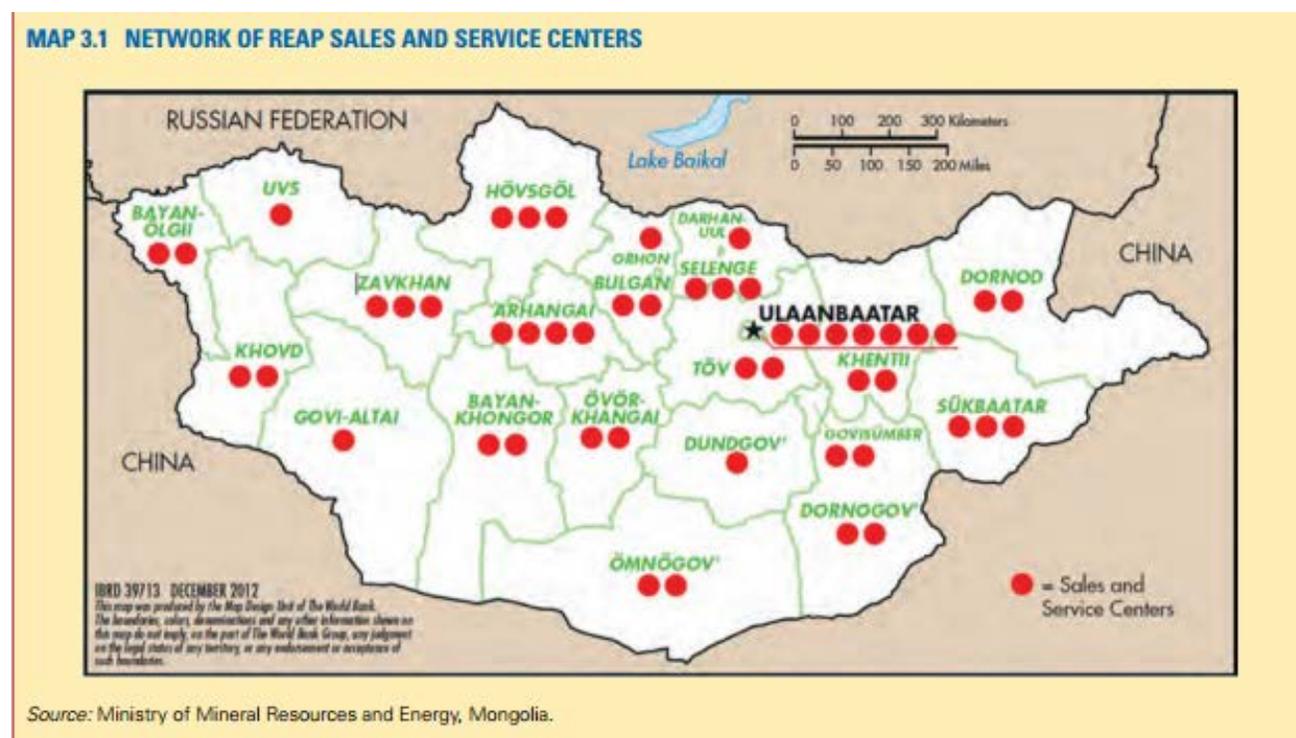
The large-scale renewable energy sector in Mongolia is in its infancy stage. Only two renewable energy plants exist (Salkhit Wind Farm, Darkhan Solar Plant). Gender disaggregated employment information at these plants is unknown, as are data points such as the percentage of women that have SMEs/businesses that are involved in renewable energy. Gender disaggregated information in the renewable energy sector, on both small scale (such as herder-level PV installation) and large scale (such as plants) is not standard.

Indeed, one of the key benefits of GCF involvement in these projects is to exhibit gender best practices in a sector that is poised to become quite dominant in Mongolia. By instilling these practices in the sector's infancy stage, the GCF and XacBank have great potential to affect a paradigm shift.

#### e) Capacity needs of Men and Women

As even baseline gender disaggregated data is limited, the capacity needs for men and women in participating in the renewable energy sector are similarly elusive. The only major renewable energy capacity building on a personal (rather than policy-making) level that has been conducted was in conjunction with the REAP program discussed above. On the one hand, the capacity of end-users was built through provision of the solar home sites and basic instructions on how to use and maintain these systems. In addition, around 400 individuals were trained as service providers. The REAP report writes that "A network of trained and certified sale and

service centers (SSC) was established to buy, distribute, sell and service SHSs and meet the scattered herder population’s electrification needs.” The map below shows the network of SSCs established under REAP. As this program was concluded in 2006, it is unlikely that these centers are still in operation, though they may be in different capacities. This project will address capacity needs through the training of men and women involved in the project. The ambitions of this training is certainly not on the sheer quantity-scale of the above mentioned program, but rather on providing more technical training capabilities. Capacity-building will be tracked using gender disaggregated targets. These measures are outlined in the below gender action plan.



Gender disaggregated capacity needs for larger-scale renewable energy projects that feed into the national grid, rather than supply individual households are less known. With this program, XacBank hopes to implement best practices showcased in countries with more advanced renewable energy and gender mainstreaming practices.

## VI. XacBank’s Gender Inclusion Practices

XacBank promotes gender equality in two ways: in internal employment practices, and in external customer service. With regards to internal gender policy, XacBank is an equal opportunity employer, with 64% of company employees and 47 % of senior leadership being women.

In terms of external client-facing practices, in 2014, XacBank engaged IFC to conduct a review of XacBank’s lending practices through a gender lens. The AE aims to ensure that the funding proposal is in line with the GCF’s Gender Policy and Action Plan by way of ensuring that women and men equally contribute to and benefit from activities supported by the funding proposal.

In addition, XacBank seeks to support all genders in promoting business development and access to financial instruments. Of the three project developers, one is a woman-led business, and all three employ gender non-discriminatory hiring practices. XacBank is currently in the process of procuring the gender breakdowns of these project partners' institutions.

The above outlines institutional gender inclusion practices. This assessment has also included the ways in which the program will address the specific inequalities and issues outlined in the assessment. For details of a project-level gender and social inclusion measures, please see the Gender Action Plan, which articulates how specific response strategies that XacBank and the project developers will employ to ensure equal participation and access to benefits accruing from the project for both men and women.

## **VII. Recommendations**

In authoring this document, XacBank recognizes the particular gender environment in which this program is operating. Numerous recommendations are necessary given the above described gender context in order for XacBank's here proposed program to successfully reduce some of these existing inequalities and comply with all national and international gender-related regulations. For information regarding the specific actions XacBank plans to take given the context, refer to the Gender Action Plan below, enclosed together with this gender assessment.