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GENDER STUDY SUMMARY GEFF SERBIA LEASING



Data show that **Serbia is already significantly affected by climate change**¹

- During the 2008-2017 period, the mean annual temperature in most of the territory of Serbia was 1.5 C higher than during the 1961-1990 period.
- The upward trend in average temperatures in Serbia is three times higher than the mean global temperature rise.
- River flows have decreased by about **-30%** over the past century and ground water resources are also declining.
- Extreme weather events such as floods and heatwaves are increasing.
- During the 2000-2015 period alone, the total costs of damage caused by climate change in Serbia amounted to more than 5 billion EUR.

The EBRD's Green Economy Financing Facility² in Serbia (**GEFF Serbia Leasing**) is a credit line of up to €40 million for financing green economy in transition (GET) investments of businesses through participating leasing companies. GEFF Serbia Leasing supports businesses in Serbia lease higher-performance equipment and technologies that promote GET and **reduce greenhouse gas emission and/or enhance climate resilience**. The Facility combines project investment finance through leasing with technical advice and services developed for business to understand, implement and benefit from high-performance technologies, thus supporting the transition to a green economy. Technical cooperation funds for GEFF Serbia Leasing are provided by the **Green Climate Fund (GCF)** and the **Government of Luxembourg (GoL)**.

GEFF Serbia Leasing also supports the development of the EBRD's Green Technology Selector, an online tool of products, vendors and manufacturers that offer best-in-class green technologies on the Serbian market.



GEFF Serbia Leasing Gender Baseline Assessment: Overview

As part of GEFF Serbia Leasing, a gender baseline assessment was carried out during the spring of 2021. The main objective of the assessment was to get a better understanding of male and female business leaders' awareness of climate change risks; their differentiated needs, priorities, vulnerabilities to climate change and coping strategies; as well as their access to climate finance for adaptation and mitigation measures. The gender baseline assessment was carried out through:

- Desk research on relevant issues related to gender equality, access to finance, climate change and the normative and policy framework.
- Quantitative data collected through an online survey completed by 80 business respondents. 20% of respondents were businesses that are (co)owned by women and led by women; 30% of respondents were businesses that are (co)owned by women but not led by women; while the remaining 50% of respondents were businesses that are neither co (owned) by women, nor led by women.
- Qualitative data collected through interviews and focus group discussions with businesses, financial institutions, associations of business women, economic chambers, associations of towns and municipalities, donors and gender and climate experts.

YOUTUBE SHORT MOVIE

Summary findings of the Gender Baseline Assessment are presented below and also in this short animated film on the intersection of gender and climate finance.

Women's representation in businesses in Serbia

Women's entrepreneurship and economic inclusion in Serbia is growing, but is still not equal to that of men's: ³

Just 28.5 % of businesses in Serbia have women among owners

- Women are majority owners of only 13.7% firms
- Only 18.2 % of firms in Serbia have a female top manager

General characteristics of women-led businesses in Serbia ⁴

- Women's businesses are concentrated in the service sector (almost two thirds are in trade, personal services and hospitality sectors)
- On average, women-led businesses are smaller (99% are micro businesses)
- Most women-led businesses are oriented to local markets (85%) and therefore more vulnerable
- Women-led businesses have a lower survival rate compared to those led by men (39% vs. 53%)

Gender aspects in climate change

Globally, women are in deprived position compared to men when it comes to being able to access to assets such as land, business facilities, technologies and financial markets; but also in terms of opportunities to contribute to the economy and be employed - particularly in sectors closely related to climate change, such as energy, construction, transport, waste management. Women also have fewer opportunities to influence laws and policies.

In this regard, Serbia is no exception: women participate less than men in the sectors that will be most strongly affected by climate change. Therefore, their potential to contribute to climate change mitigation remains underutilized. In Serbia:



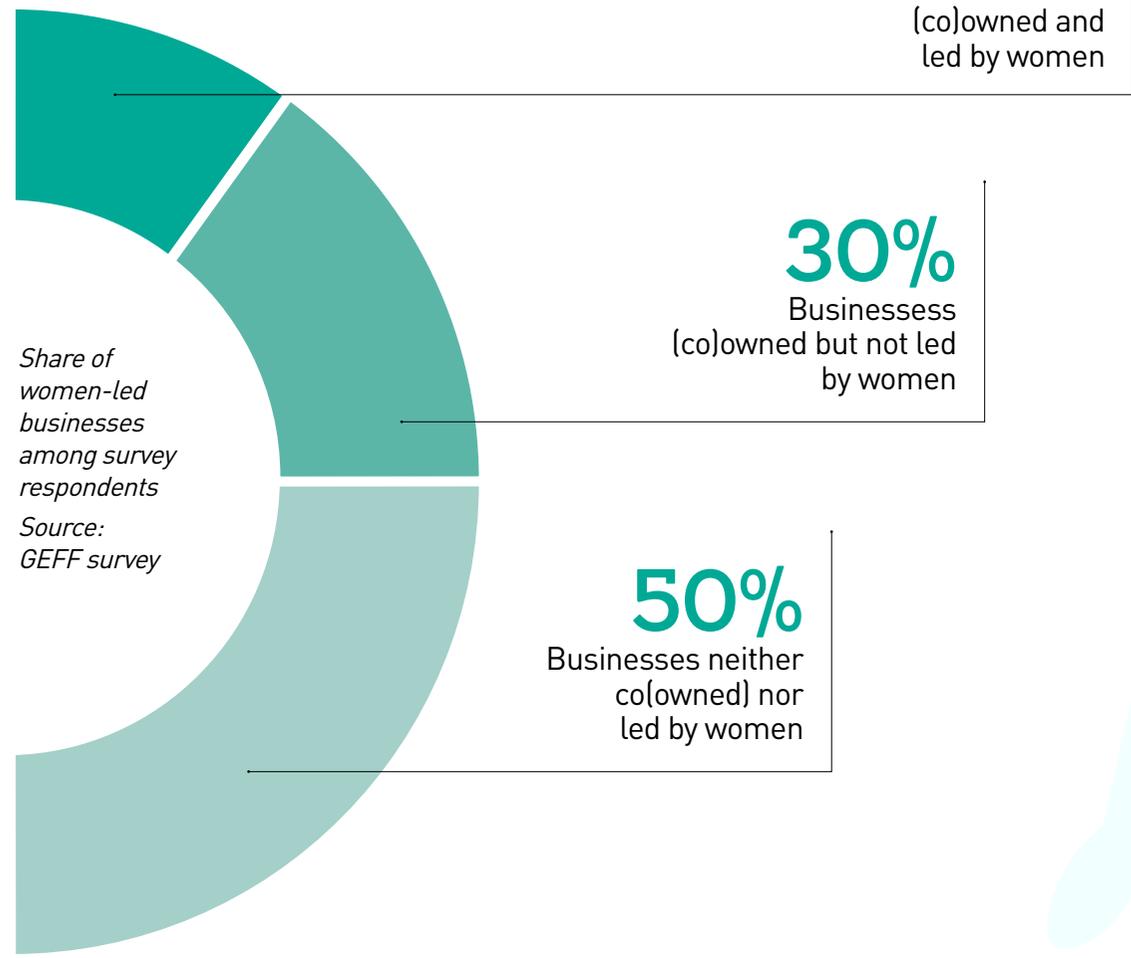
Women likewise do not participate equally in decision making processes in Serbia, including on key climate change policies. Among members of the National Council for Climate Change of the Republic of Serbia, less than 30% are women.⁷ While women make up the majority of employees in the key ministries and institutions that are relevant for climate change, they are in the minority when it comes to first line decision-making positions.⁸

Due to gender differences, women are in different position regarding:

- Climate change mitigation: efforts to reduce and/or prevent the emission of greenhouse gases
- Climate change adaptation: finding the best ways to cope with changes that already have happened

GEFF Serbia Leasing Gender Baseline Assessment: Survey findings

Qualitative survey sample of 80 business respondents.
Respondents were:



20%

Businesses
(co)owned and
led by women

30%

Businesses
(co)owned but not led
by women

50%

Businesses neither
(co)owned nor
led by women



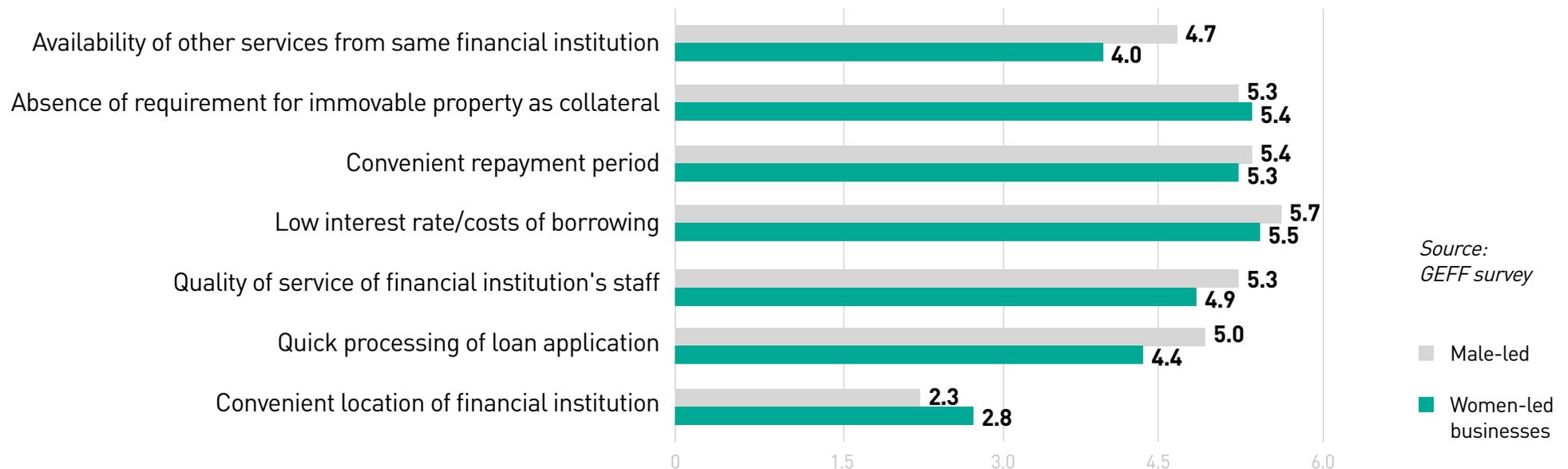
Key summary findings of survey responses are presented below.

Accessing finance:

- Women attribute more importance to the absence of requirements for mortgage and to convenience of location of the financial institution. Both of these aspects are closely related to structural position of women manifested in lower ownership of assets and less autonomy in mobility, with higher reliance on public transport.
- Women-led enterprises used more financing from other financial institutions than banks, i.e., used bank loans less frequently than other businesses.
- The mean average loan value used by women-led enterprises is much lower than the mean loan of other businesses.
- Differences were also reported in the sources of financing. While women-led enterprises used banks in less than two thirds of cases and relied more on support funds provided by the state, male-led enterprises used bank loans in more than three quarters of cases.
- In getting information on financial products, respondents said they would like to rely more on financial institutions and less on professional and private networks.

How important are the following factors when getting the loan from a financial institution?

Average scores (1-not important at all, 6-extremely important)





Respondents' assessment of their knowledge on various climate-related phenomena, by gender, (average scores on scale 1-5)

Knowledge about different phenomena	Women	Men
Increase in average temperatures	3.3	3.8
Greenhouse gases	3.3	3.9
Currents in the sea/oceans	2.6	2.9
Deforestation	3.4	3.7
Flooding	3.2	3.4
Drought	3.3	3.4
Mass extinction of species	3.2	3.3
Overall climate change	3.4	3.7

Source: GEFF survey

Perception of climate change risks, willingness to act and information channels:

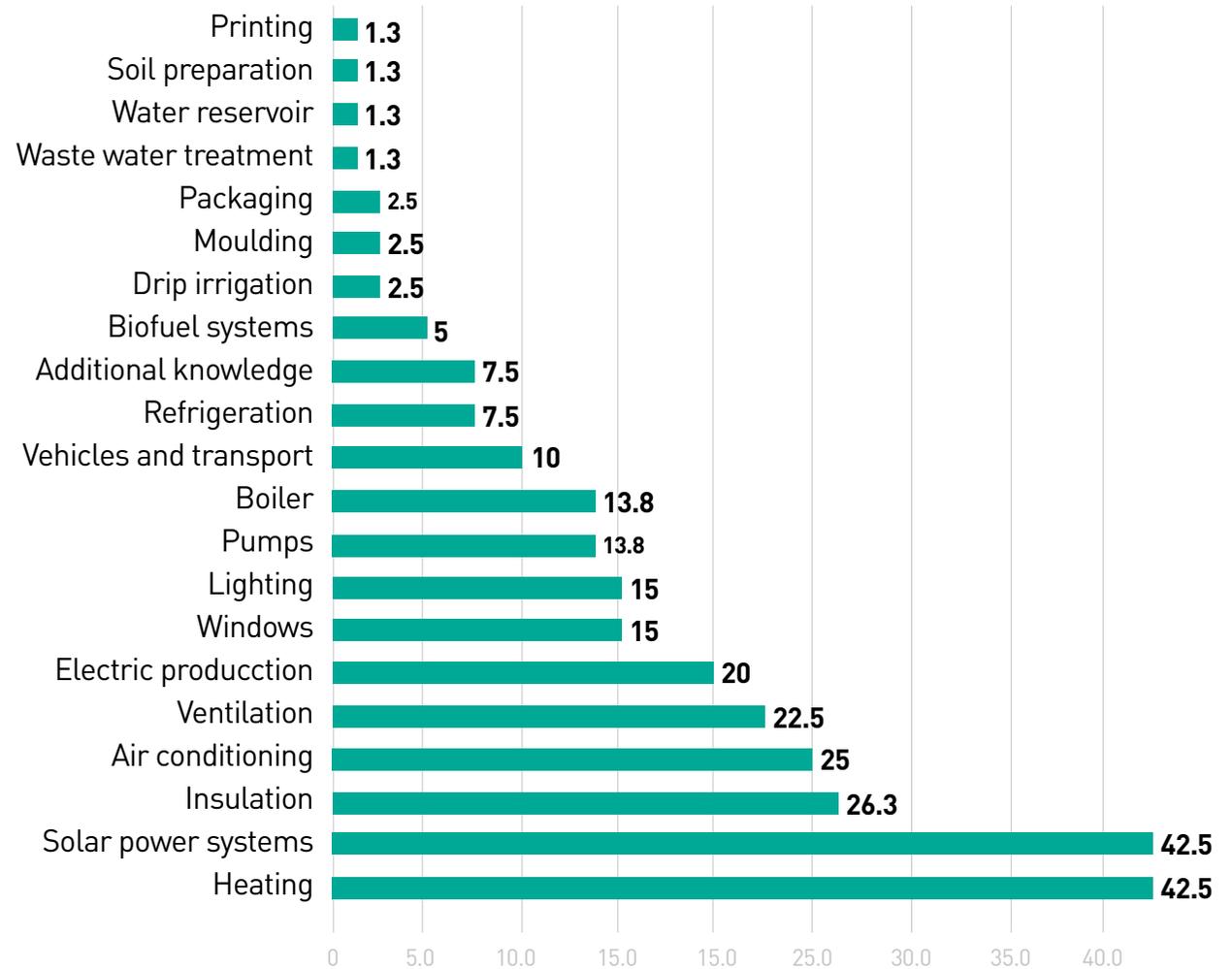
- The majority of respondents show awareness on climate change.
- However, men perceive higher risks of climate change affecting their livelihood than women.
- Women on average assess their knowledge about climate change and its consequences somewhat lower than men, which suggests a more pronounced need for awareness raising on climate change among women-led businesses.
- The majority of respondents say that they are ready to take measures to reduce CO₂ emissions at home and in their businesses, without significant gender differences.
- The internet is the most frequent source for getting information on climate change for all respondents, followed by television.
- However, women rely less on television, radio and school and more on civil society, friends, colleagues and family than men.



Adaptation and mitigation measures:

- Among enterprises participating in the survey, **8.8%** reported they have incurred losses due to extreme weather events.
- Some entrepreneurs took action to increase their resilience in the face of a changing climate, including measures such as irrigation systems, drainage systems, increased efficiency, protection from hail, new, environmentally friendly packaging technology, and the use of ecological refrigeration fluids.
- Without significant gender differences, respondents identified solar power systems, heating and insulation as having the biggest potential for their businesses in terms of climate change adaptation and mitigation.
- Respondents also stated that increasing knowledge about climate change would be very helpful.

Perception of the potential for businesses to mitigate the consequences of climate change, %



Source:
GEFF survey

GEFF Serbia Leasing Gender Baseline Assessment: Focus Group findings

Focus group discussions were held with representatives of businesses, financial institutions, associations of business women, economic chambers, associations of towns and municipalities, donors and gender and climate experts.

- Focus group participants indicated that funds available to support the transition to a green economy often do not meet the specific needs of women-led businesses in terms of their business characteristics and capacity building needs. As a result of the specific characteristics of women-led/owned businesses (they are usually small in terms of assets and revenues and concentrated in the service sector and trade), they are often under represented among beneficiary companies receiving funding and / or capacity building support.
- Stakeholders have initiated various actions in the area of circular economy, climate change mitigation and adaptation, but focus group participants generally shared the opinion that there should be more support from the government. Local authorities often still approach environmental protection (including climate change action) as a separate policy line from economic development; and gender equality, when it is addressed, is generally not integrated into other local government initiatives.

Policy perspective

Serbia has established a normative and policy framework for climate change action in a gender responsive manner, including:

- The Law on Climate Change was adopted in early 2021
- The Low-carbon Development Strategy with Action Plan is drafted
- The Law on Gender Equality was adopted in 2020
- The Strategy for Gender Equality was adopted in autumn 2021 and development of a corresponding Action Plan is currently underway

Climate change is becoming increasingly important for gender equality policies and there are increasing efforts in Serbia to mainstream gender equality in climate change and environmental protection policies. One of the most important mechanisms to translate these policies into action is gender responsive budgeting, which is stipulated by the Law on Budget System and has been progressing during last several years.

Recommendations



For policy-makers:

Strengthen gender mainstreamed climate change policies and budgeting towards a gender-just transition supporting the green economy, and improve gender sensitive data for monitoring the impact of policies.



For stakeholders in business-enabling environment:

Raise awareness and conduct outreach on funding opportunities for transition to green businesses, provide capacity building for risk assessment, management and strategic planning towards the transition to a green and circular economy.



For businesses:

Keep abreast of and plan for new legal and regulatory changes that may impact your company's bottom line and overall competitiveness, for example, the proposed EU Carbon Border Adjustment Mechanism. Think about climate change as an opportunity, not only to reach cost savings from energy and resource efficiency measures, but also as an opportunity to attract new customers through expanding your eco-friendly businesses. Get informed about different state, IFIs and donor programmes and initiatives that might help you reduce costs of the transition towards greening your business and can provide you with access to external knowledge and best practices.



For financial institutions:

Increase advisory activities for green financing, monitor the success rates of applications submitted by women-led businesses and address obstacles women-led enterprises may face in access to finance, e.g., collateral requirements.



For future GEFF facilities:

Better understand and identify (financial) product-specific gender differences and promote those technologies that are used by women-led/owned businesses. Incorporate a gender sensitive approach from the start, mainstreaming gender in all activities from planning to reporting. Develop gender-based criteria for funding disbursement. Promote green technologies for increasing climate resilience in agriculture, which has a particular impact on women, who on average hold smaller farms than men.

References

¹ Study on the Socio-economic Aspects of Climate Change in the Republic of Serbia, Belgrade (Draft), November 2019, Publisher United Development Programme (UNDP), Authors: Danijela Božanić, Climate Action Consulting, and Đorđe Mitrović, PhD, Faculty of Economy, University of Belgrade, <https://www.rs.undp.org/content/dam/serbia/Draft%20Study%20on%20Socio-economic%20aspects%20of%20climate%20change%20in%20Serbia.pdf>

² EBRD's GEFF programme operates through a network of more than 140 local financial institutions across 26 countries supported by almost EUR 4.2 billion of EBRD finance. This has enabled more than 130,000 clients to collectively avoid almost 7 million tonnes of CO₂ emissions per year.

³ Source: World Bank, Enterprise Surveys (data for 2019), <https://www.enterprisesurveys.org/en/data/exploreeconomies/2019/serbia#gender>

⁴ Babovic, M. (2012) Baseline Study on Women's Entrepreneurship, UN Women, <https://www.secons.net/files/publications/87-publication.pdf>

⁵ Bogdanov, N, Babovic, M. (2019) Labour Force and Labour on Agricultural Farms – situation and trends. The Structure of Farms Survey, 2018. Statistical Office of the Republic of Serbia, <https://publikacije.stat.gov.rs/G2019/Pdf/G20196006.pdf>

⁶ Statistical Office of the Republic of Serbia (2020) Labour Force Survey

⁷ <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/odluka/2017/11/1>

⁸ WISE SEE, Women in Sustainable Energy, Climate Change, and Environmental Protection – Leadership for Change, https://balkangreenenergynews.com/wp-content/uploads/2018/03/WiseSee_E.pdf



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