United Nations Nations Unies

Commission on the Status of Women
Fifty-second session
New York, 25 February – 7 March 2008

INTERACTIVE EXPERT PANEL

Key policy initiatives on financing for gender equality and the empowerment of women

Written statement*

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* The views expressed in this paper are those of the author and do not necessarily represent those of the United Nations.

Promoting and Funding Gender Equality: The World Bank's Recent Experience

Introduction

Beginning in the 1980s, the World Bank made progress in integrating gender issues into operations, particularly in education and health. Between 1995 and 2000, the Bank lent more than US$ 3.4 billion for girls' education programs and was also the single largest lender in the world for health, nutrition and population projects, three-quarters of which contained gender-responsive actions.

This set the stage for the World Bank's gender mainstreaming strategy, adopted in 2001 together with a revised operational policy. In fiscal year 2004, 85 percent of all World Bank credits approved by the International Development Association (IDA), the part of the World Bank that helps the world's poorest countries, included attention to gender issues in project design.

The Bank monitors attention to gender equality by conducting annual reviews of the new lending portfolio and projects under supervision as well as of country strategies and analytical work.[1] The reviews assess whether and how well analytical work and lending address gender issues. They show that, in recent years (fiscal years 2004 to 2007), 60 percent of lending operations have integrated gender issues in design. Similarly, 60 percent of country analytical work has paid attention to gender issues.

There are no records of how much total financing has specifically been allocated in the World Bank for interventions mainstreaming gender equality objectives in operations. Using the monitoring systems in place, however, one can estimate the volume of Bank lending that integrate gender concerns: the latest monitoring data shows that US$16.1 billion in new Bank lending for operations in fiscal years 2006 and 2007 was rated high on gender equality targets.[2]

But progress on gender equality targets has been greater in health and education than in sectors that advance economic opportunity, such as agriculture, private sector development, finance and infrastructure. In fiscal years 2002 to 2006, 28 percent of Bank analytical reports addressing gender issues did so in education and 24 percent did so in health, while only 4 percent focused on gender issues in water, credit or land, and only one percent in infrastructure, supporting the statement that it has been easier to mainstream gender issues in the social sectors than in the economic sectors.

This uneven progress in the Bank's performance mirrors the progress in gender equality in developing countries. In these countries, progress in expanding women's capabilities has far outpaced progress in expanding their opportunities. For instance, through concerted efforts from governments, civil society and the development community, girls' enrolments at all levels of

[1] The reviews of country assistance strategies and country diagnostic reports are carried out by the Gender and Development Group in the Poverty Reduction and Economic Management Network, PRMGE, which also compiles and published the annual monitoring reports. The reviews of new lending portfolio and of the projects under supervision are carried out by the Bank's Quality Assessment Group, QAG.

[2] This amount is based on the result of the World Bank's Quality Assurance Group's "Quality at Entry" review, QEA 8, which assessed lending operations approved in FY06-FY07. It includes lending for operations rated satisfactory or better.

schooling rose significantly in the last decade--- yet the gender gap in labor force participation remains. The world's poorest countries succeeded in reducing the gap between girls' and boys' school enrollment from 16 percentage points in 1999 to 10 percent in 2004, and average life expectancy for women increased by between 15 and 20 years in developing countries since 1970. Despite these gains, women's formal labor force participation still trails by an estimated 37 percent. In fact, in developing countries today, women consistently trail men in formal labor force participation, access to credit, entrepreneurship rates, income levels, and inheritance and ownership rights.[3]

This is problematic because it is unfair: life's chances should not be preordained at birth. But restricting economic opportunity for women is also bad economics: under-investing in women limits economic growth and slows down progress in poverty reduction. There is a business case for investing to reduce gender disparities in developing countries—increasing women's health and education and boosting their labor force participation, productivity and earnings reduces current poverty and promotes growth. In addition, by improving the well-being of children, increased gender equality enhances the prospects for future poverty reduction and growth.[4]

Gender Equality as Smart Economics

Gender Equality as Smart Economics: *A World Bank Group Action Plan*, launched in January 2007, seeks to redress these imbalances – to improve the Bank's performance in integrating gender issues in the economic sectors in order to expand women's economic opportunities in client countries.

In early 2006, in the context on a high-level meeting on the third Millennium Development Goal (MDG3), member countries challenged the Bank to 'do more' to help achieve gender equality. The Bank responded by producing, in 100 working days in partnership with member countries, a plan of action to speed implementation of its gender mainstreaming strategy and draw international attention to the development importance of increasing women's economic opportunities.

The plan's objective is to advance women's economic empowerment in Bank client countries to promote shared growth and accelerate the implementation of MDG3. It does so by making markets work for women (at the policy level) and empowering women to compete in markets (at the individual level), with a focus on four key markets: land, labor, agricultural product, and financial markets, with potential to produce rapid and sustained increases in women's productivity and incomes. Infrastructure is also targeted, as it underpins activities in each of the four markets.

The plan seeks to achieve this objective by influencing the way the Bank does business in the economic sectors. It has a four-year time frame (fiscal years 2007 to 2011) and four main activities or 'windows': operations and analytical work; results-based initiatives; research, impact evaluation and statistics; and communications.

[3] World Bank, 2007, *Confronting the Challenges of Gender Equality and Fragile States: Global Monitoring Report 2007,* World Bank Washington, D.C.
[4] World Bank 2007, *ibid*.

The plan is selective; evidence-based and oriented to measuring results; and uses incentives to generate demand. The plan targets the economic sectors; it does not cover the Bank's activities in the social sectors. The plan emphasizes gathering evidence on the business case and measuring results and impacts. It uses financial incentives to increase internal demand for the Gender Action Plan (GAP) work, and assumes that incentives can work better than mandates in convincing Bank staff to embrace gender equality objectives in their work.

While the plan should translate into positive impacts in terms of expanding women's opportunities in client countries, intermediate measures of success are more Bank-specific. These include generating the knowledge on the business case for gender equality; engendering Bank analytical work in the economic sectors; influencing the tools and instruments the Bank uses for accomplishing its economic sector lending and technical assistance; building a body of statistics and indicators on economic participation disaggregated by gender; and informing the Bank's capacity-building and learning programs.

First Year of Activities

The GAP has mobilized significant resources from both the Bank's own funds and donor contributions. Pledges to date total US$36.7m. Australia, Canada, Denmark, Germany, Iceland, Norway, Spain, Sweden, the United Kingdom, and the Nike Foundation have pledged funds to the GAP. There is strong leadership and support of GAP-related activities in Bank member countries such as Afghanistan, Egypt and Liberia.

The GAP has allocated US$14.9m in FY07-FY08 to fund activities under its four windows. Funds have elicited substantial demand from Bank staff to en-gender Bank work in the economic sectors through two calls for proposals. Seventy-one projects were selected from a total of 171 proposals submitted by Bank staff to en-gender operations and analytical work.

For instance, in Afghanistan, gender is being mainstreamed across the Bank's portfolio, including in rural and agricultural operations. In Honduras, the *Land Administration Project* is developing a tool that facilitates and promotes joint land titling to improve women's access to land. Capacity building for women's organizations and NGOs aims to increase awareness of women's property rights as well as the legal frameworks that are in place to exercise and protect these rights. In Ethiopia, GAP-funded research influenced Bank lending in land titling programs (Box 1).

Analytical work to mainstream gender in a regional study on energy efficiency in the Middle East and North Africa builds on previous investment climate assessments that have shown that women-owned firms in the region consistently had greater constraints in having access to electricity than male-owned ones. The analysis includes gender aspects of energy demand, energy consumption and end-use efficiency and the gender-disaggregated impact of energy pricing and subsidy.

Box 1. Rural Land Certification in Ethiopia Empowers Women

A GAP-funded study that examined land certification in Ethiopia fed directly into a Bank operation and is a good practice example for future replication. Twenty million land use certificates were issued to about 6 million households. Using a nationally representative household survey, the study found:

- Land certificates were issued jointly to husband and wife more often when space was provided to include both spouses' pictures on the certificate, but less in cases where pictures were not required.
- More than 80 percent of respondents indicated that certification reduced conflicts, encouraged them to plant trees and rent out land, and improved their perceived possibility of getting compensation in case of land conversion.
- Women respondents with joint certificates almost universally reported having improved their economic and social status.

The study's evidence on the positive impact and cost-effectiveness of the process weighed in the Bank's decision to support a US$30m nation-wide program that scaled up land registration and certification.

Sources: GAP-funded project—Deininger, Klaus, 2007, "Gender-specific productivity and welfare impacts from land certification & rental: the case of Ethiopia", World Bank, Washington, D.C.; World Bank, 2007, Sustainable Land Management Project, Component 2: Rural Land Certification and Administration, Draft Project Appraisal Document, Washington, D.C.

The plan also funds results-based initiatives—projects in Cambodia, Egypt, Liberia, Lao PDR, Kenya, and Peru which seek to increase women's economic opportunity in the short term and are implemented through a grant to the United Nations Fund for Women (UNIFEM). In Egypt, a results-based initiative promotes gender equity in private firms through voluntary training and certification, following the model of a successful World Bank project in Mexico. Firms who choose to participate in the program will set gender equity policies in staff recruitment, training, career development and sexual harassment prevention.

Two activities not contemplated in the original four-year plan have been added to take advantage of strategic opportunities: the first is a collaboration with the Government of Liberia and the Nike Foundation to expand economic options for adolescent girls in Liberia and pilot a three-way government, private sector and Bank collaboration that could be replicated in other countries.

Second, the GAP has joined the *Doing Business* project in launching a two-year research program on reforms that improve business opportunities for women. Based on data from 178 countries showing that business friendly regulation facilitates women's entrepreneurship, the project will identify legal and regulatory barriers facing businesswomen in these countries, compile a data base of relevant laws for each country, and determine reforms that are likely to have the biggest benefits for women. Findings will be reported in a stand-alone publication and feed into the *Doing Business* 2009 and 2010 annual reports.

The GAP "Plan for Improving Gender Statistics" focuses on three key tasks: (1) increase availability and use of gender indicators; (2) identify and fill data gaps, develop new indicators and engender WBG and other surveys; and (3) build international and national capacity to obtain and use sex-disaggregated data. Activities include improving data on the gender dimensions of asset ownership—how women acquire and use assets, creating ADePT Gender, a software tool that facilitates the analysis of household survey data from a gender perspective, and improving the quality of data that LSMS household surveys can collect on women's use of financial services.

The GAP has drawn international attention to the importance of women's economic empowerment and has been endorsed by the Development Committee, the German Chancellor, and the leaders of G8**.** The plan received the personal endorsement of German Chancellor Angela Merkel at a High Level Conference the German government co-organized with the Bank in February 2007 in Berlin.[5] Thereafter, the Presidents and Prime Ministers of the Group of Eight leading industrialized nations ("the G8") endorsed the World Bank Group's Gender Action Plan at the G8 summit meeting in June 2007.[6] The Plan also received the unanimous support from Finance Ministers of industrial and developing countries during the April 2007 Development Committee meetings (Box 2).

Box 2. World Bank Group's new Gender Action Plan unanimously endorsed by Ministers at 2007 Spring Meetings

Finance and Development Ministers convened at IMF and World Bank headquarters in April 2007 for the annual Spring Meetings of the Development Committee, highlighted the importance of gender equality in the official communiqué. They endorsed "*Gender Equality as Smart Economics,*" and called for the action plan's rapid implementation.

Summing up the Committee's discussion, Finance Minister Agustín Carstens of Mexico, who chaired the meetings, concluded: "Recognizing the economic opportunities lost by not facilitating women's contribution to economic growth, Ministers commend the launching of the Gender Equality as Smart Economics Action Plan. They encourage the Bank to commit the necessary resources to ensure full implementation of the plan in order to scale up support for the economic empowerment of women."

Sources: Development Committee, 2007, Development Committee Communiqué, April 15, 2007, Washington, D.C., paragraph 6; Development Committee, 2007, Statement by Mr. Augustin Carstens, Chairman of the Development Committee, Minister of Finance and Public Credit, Mexico, April 15, 2007, Washington, D.C.

Discussion

The GAP is supporting work with potential to influence the way the World Bank does business, although it is too early in the plan's implementation to gauge this impact. Already best practice

[5] BMZ 2007, High-Level Conference: "Women's Economic Empowerment as Smart Economics: A Dialogue on Policy Options", Organized by the Federal Ministry for Economic Cooperation and Development (BMZ), February 22-23, 2007, Berlin.
[6] G8 2007, "Growth and Responsibility in Africa," Summit Declaration, G8 Summit, 8 June 2007, paragraph 29.

in analytical work and operations is emerging (i.e., the case of land titling in Ethiopia), and the dissemination of these practices should influence similar operations. Also, GAP support for integrating gender variables in Bank instruments— such as enterprise, living standards and poverty surveys— should provide the basic information and knowledge needed for influencing a wide range of Bank economic sector work.

The GAP's first year activities show that financial incentives work—they elicit substantial demand from Bank staff**.** By implication, this demand reveals that there is a cadre of Bank staff who are concerned with or responsive to the importance of gender equality for development, and that additional financing for gender equality makes a difference. An independent assessment found that GAP support has created dedicated time in staff portfolios to work on gender issues.

A parallel joint effort by the Bank and the OECD, the publication of a volume that reviews countries' progress at the mid point between the Millennium Declaration and 2015 for attaining MDG3, makes the obvious but often ignored point that gender equality interventions are not cost-free.[7] It states that changes in laws, institutions and policies all matter for scaling-up gender equality objectives and that most of these changes come with a price tag attached.

Gender-specific and gender-mainstreamed actions – as well as gender neutral but also needed interventions—to implement MDG3 cost money. Estimates presented in the volume reveal that the largest share of costs is associated with gender-neutral interventions, while the lowest share is accounted for by gender-specific interventions. Gender-specific interventions, however, may incur additional economic and political costs associated with targeting interventions to girls and women. Sometimes the funding to implement these changes is available in domestic budgets but it is not fully utilized because of institutional bottlenecks. Many other times, domestic budgets do not cover expenditures for MDG3, even in cases where they were included in planned budgets.

There is a need to mobilize both domestic and donor resources to finance MDG3 interventions. Given desirable domestic commitment of resources to MDG3 interventions, the donor financing gap estimated in the volume to cover gender equality interventions in low income countries-- a ball-park average of US$13 billion yearly-- is large but not impossible to meet if donors, private foundations and other non-traditional sources of funding increased spending on MDG3.

By reminding the development community that greater gender equality is the smart as well as the right thing to do, hopefully the GAP will contribute to enhanced international investments on gender equality and women's empowerment**.**

[7] M. Buvinic, A. Morrison, A. Ofosu-Amaah and M. Sjoblom, Equality for Women: Where Do We Stand? forthcoming