The Gender Strategy of KfW Entwicklungsbank

GENDER EQUALITY IS A KEY TOPIC IN THE FIGHT AGAINST POVERTY
Introduction

Gender equality is an important precondition for sustaining positive outcomes in development. As such, it is also a key factor in the success of our own development cooperation work.

There are a number of reasons for this. Gender equality

- is a fundamental human right, and respect for human rights is a core principle which underpins our support for development processes.
- serves international development objectives such as the Millennium Development Goals (MDG), to which KfW Entwicklungsbank is fully committed.
- releases enormous development potential, paying dividends for our partner countries at a macroeconomic level.
- reflects our own extensive practical experience at KfW Entwicklungsbank, where we have deliberately involved women as key discussion partners in development cooperation, based on their particular (and frequently distinct) capabilities and needs.
- is therefore not only a principle of German development policy, but also a key cross-cutting theme for KfW Entwicklungsbank.

Hence in 2005 KfW Entwicklungsbank adopted its first Gender Strategy, which has now been updated. It builds on existing achievements, and aims to strengthen the planning and operational work undertaken by KfW Entwicklungsbank in the area of gender equality. We are thereby raising the relevance of the projects we fund in terms of poverty reduction and MDG attainment, and we are contributing to the removal of gender discrimination and gender inequality.

For our Gender Strategy to thrive, and for us to achieve the results that we have pledged, demands the cooperation and support of all our colleagues, especially our managers. I would like to urge and encourage you all in this regard. In development cooperation, gender justice is not some passing fashion. We are convinced that gender equality is and remains a key issue for development policy.

Dr Norbert Kloppenburg
(Member of the Executive Board of KfW Bankengruppe)
Key to Sustainable Development

Gender equality is both a basic human right and key to sustainable development. It forms a fundamental precondition for success in development cooperation.

Over recent years, national and international guidelines and initiatives concerning gender equality have continued to develop. At the same time, the BMZ (“Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung”, the German Federal Ministry for Economic Development and Cooperation) has also refined its focus in this area. For a long time now, KfW Entwicklungsbank has placed particular emphasis on establishing gender as a key issue within Financial Cooperation (FC) institutions and on raising the relevance of gender within its project portfolio. The main goals in this regard have been achieved. In order to reflect these developments and promote the subject of gender, KfW Entwicklungsbank has developed and updated its 2005 Gender Strategy. The aim of this new strategy is to continue to increase the effectiveness of Financial Cooperation (FC) measures in terms of their impact on gender equality, and thus make an important contribution to dismantling gender-based discrimination and inequality.

At the same time, KfW Entwicklungsbank remains committed to the approach of Gender Mainstreaming, and takes the differing needs of men and women into account in all relevant areas. This applies just as much to internal procedures as it does to program preparation and implementation. In effect, this means that all FC measures are screened regarding their potential for improving gender equality. Even in those cases where individual project measures are not targeted on gender objectives, gender considerations are still integrated into the main project management processes.

In order to increase effectiveness, KfW Entwicklungsbank will focus its gender work on those areas where – through gender-sensitive project design, and by using the range of FC approaches available – the greatest development benefit is expected and a visible contribution to improving gender equality can be made. The BMZ Gender Action Plan for 2009-2012 provides a framework for this by identifying the following as priority areas: economic empowerment; women in armed conflict and their role in conflict resolution; family planning, and sexual and reproductive health; and gender-specific challenges and responses to climate change. Especially in those sectors, the intention (inter alia) is to expand country-specific and context-specific gender expertise, to intensify academic cooperation and to support the BMZ in policy dialogue.

This strategy is principally directed towards KfW Entwicklungsbank staff. It may also serve as guidelines for funding principals and partners; it does not cover equality issues in-house.
The Meaning of Gender

The term “gender” describes the social roles of men and women, not their biological differences. These roles are shaped by the prevailing societal, cultural, social and legal environment. The “gender approach” is concerned with identifying the various reasons why women or men are disadvantaged, and then removing these root causes. The goal here is not to achieve isolated improvements for a limited group, but rather to eliminate the structural sources of inequality; or, conversely, to improve equality of opportunity between men and women. This encompasses social, political and economic rights, together with opportunities for active participation. These might include access not only to health and education services, but also to land, capital and work. However, gender discrimination, which is often based on the traditional roles established within a society, can only be dismantled if both men and women are involved. Hence gender equality should not be equated with the advancement of women, even though women – for example as part of an empowerment process - may often be at its centre.

The Goal of the Gender Strategy

The overall objective of this strategy is to further expand the conceptual and operational work undertaken by KfW Entwicklungsbank in promoting gender equality, and to improve the effectiveness of FC measures in this area in order to increase their relevance for poverty reduction and MDG attainment and to contribute to dismantling gender-based discrimination and inequality. Modelled on the BMZ Gender Action Plan, KfW’s work in the gender domain focuses on the following areas: security and conflict prevention, sexual and reproductive health, adaptation to climate change and strengthening women’s participation in the economy. In all other areas, the topic is to be considered on exactly the same basis, and - insofar as it is both feasible and sensible – integrated systematically into project work.

Five Reasons Why Gender is Important in the Work of KfW Entwicklungsbank

1. Gender equality is a basic human right. Since the International Convention on Human Rights in 1993 and the World Conference on Women in Beijing in 1995, most nations have recognised discrimination on the grounds of gender as a violation of universal human rights. The rights of women were expressly confirmed as fundamental human rights. The principle of equal status between men and women (equality) gained acceptance over the concept of equivalence (equity). Equality here does not mean equality of outcomes, but rather equality of opportunity: i.e. same access to resources, same rights and same opportunities for political expression. Respect for human rights, including those relating to gender, is an important principle for KfW Entwicklungsbank (KfW Bankengruppe statement regarding human rights in its business activities).

1 This applies especially to the water supply and agriculture/ natural resource management sectors.
2. **Gender equality supports international development objectives.** It is not only a central element within the MDGs - it is also an essential precondition for their attainment. As MDG 3, it was expressly established as one of the eight Millennium Development Goals. Furthermore, all development objectives and indicators should be examined as to whether they benefit men and women equally. In the Paris Declaration - and even more so in the Accra Agenda for Action - gender equality emerges as a key element in achieving lasting effects. Further, in the Doha Declaration on Financing for Development (2008), the international community agreed to provide increased funding to promote equality between men and women. These agreements and other international frameworks serve as a frame of reference for German development policy. **KfW Entwicklungsbank is committed to the international gender objectives.**

3. **Gender equality is a fundamental principle in German development policy.** In its concept for the promotion of equal participation by men and women in the development process (produced in 1998, revised in 2001), the BMZ established a gender approach based on the core elements of *gender mainstreaming* and *the empowerment of women* and anchored this as a cross-cutting theme for all areas of German development cooperation (DC). The requirements drawn from this concept have been updated and clarified in the BMZ Developmental Gender Action Plan for 2009-2012. The BMZ would like gender equality to feature even more strongly in political dialogue (consultations, intergovernmental negotiations, reconciling priority area strategy papers etc). Furthermore, since 2000 every DC project has had to be provided with a “GG” code, to identify its contribution to equality. **Gender equality is therefore also a key cross-cutting theme for KfW Entwicklungsbank.**

4. **Gender equality pays for itself in economic terms.** Various empirical studies have shown that it is a critical precondition for successful economic development. The World Economic Forum’s 2010 Gender Gap Report established a clear connection between a country’s competitiveness, its standard of living (measured by GDP per capita) and its level of gender equality. Further investigations in developing countries have shown poverty levels are lower where equality of opportunity for women is higher. Dismantling gender inequality can also unlock positive effects on growth and poverty reduction, and thereby support a country’s overall development. **In gender equality, KfW Entwicklungsbank sees enormous potential for the fight against poverty.**

5. **Gender equality is an important principle in development practice.** Men and women are generally competent in different areas, which often derives from their differing roles in society. For example, in virtually every country women take on far more of the non-commercial work and social provision (known as the unpaid *care economy*) than men. They are often responsible for making decisions in the area of family and household, more specifically regarding health, nutrition, household purchases, dealing with children, childcare and so on. Therefore they carry out important social functions even in those

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2 This applies in particular to the education and private sector funding/ microfinancing sectors.
countries where they hardly feature in public life. As such, they are crucial discussion partners regarding projects such as the planning of a new health centre or the introduction of a new water supply and sanitation system. Hence women are also important discussion partners for KfW Entwicklungsbank in detailed project work.

What has been achieved to date?

KfW Entwicklungsbank has been systematically integrating the developmental goal of gender equality into its work since the mid-1980s. In 2005 the bank adopted its first Gender Strategy, with the aim of making FC measures more effective in the areas of poverty and gender equality. An Action Plan was jointly developed by operational departments and the Strategy and Policy Department, and it was used to aid strategy implementation. Supported by gender experts over a period of roughly three years, a substantial number of measures were taken to consolidate the gender issue within FC. Examples include nominating gender contact persons (Gender Focal Points) for each sectoral competence centre, and establishing a new gender network, where experience is shared on an ongoing basis.

The objectives of the 2005 gender strategy were largely achieved. There were marked improvements in the areas of consultancy and supply of information and resources. In terms of their gender dimensions and gender impact, FC measures are now being analysed in a more systematic fashion. Sector-specific technical discussions with our partners and the BMZ have acquired greater depth. To summarise: gender expertise at KfW has increased, the gender relevance of the FC portfolio has grown, and awareness of the issue has been heightened.

Key Strategic Areas

1. **Strengthening relevance within business policy:** Managers at KfW Entwicklungsbank will champion the promotion of gender equality as a major cross-cutting theme in international development cooperation, both internally and externally, and they are responsible for the implementation and control of the gender strategy.

2. **Building gender expertise and internal consulting structure:** FC approaches that offer good prospects of success for the promotion of gender equality will be identified and communicated internally to improve knowledge of best practice. To support these efforts the sector-specific and country-specific gender expertise of the Gender Focal Points and Project Managers will be further expanded. The core elements of the gender approach, together with discussions of case studies, will remain an integral part of both basic and advanced training modules for trainees and direct hires. The topic should also be increasingly present in the sectoral training modules as well as in the advanced training offered to managers. Furthermore, in collaboration with the Gender Focal Points, a knowledge pool including sector-specific case studies and typical chains of causality is being created. This will be available over the Intranet and will complement the existing
range of operational guidance and reference materials. Sector-specific reference studies are intended to simplify gender-related project planning.

3. **Strengthening the Gender Network as a core instrument in knowledge management:** The *Gender Focal Points* remain **key players** for internal knowledge management. Through the Gender Network, they will exchange information among themselves (with support from external consultants if needed) on trans-sectoral gender issues, best practice examples and current research findings.

4. **Developing deeper expertise on gender, through ex-ante and ex-post-analyses:** In order to lay the foundation for properly targeted project design, the differing needs and different initial positions of men and women need to be considered at the beginning of the **project planning phase** (especially during target group analysis). The development of appropriate project measures should be a results of this process. From a quality control standpoint, care should be taken to ensure that outcomes are reflected in the **project design** - ideally in the form of specific activities and indicators. Furthermore, KfW’s independent evaluation department (FC-E) will analyse gender impact in **project-related ex post evaluations**. In addition, **internal cross-cutting analyses** of current projects will be undertaken, to check whether the BMZ guidelines and the aims developed by KfW Entwicklungsbank through its Gender Strategy are receiving due consideration.

5. **Academic cooperation and expert dialogue:** To analyse and further advance development concepts in terms of gender issues, KfW Entwicklungsbank will pursue **more intensive, systematic cooperation with the academic community**. As part of this program, KfW will move forward in collaboration with research institutions to analyse empowerment processes through scientific methods. In addition to this, internal structures for the provision of advice on academic cooperation will be expanded. Increased expert dialogue will ensure that **gender work at KfW** acquires an **added depth**; regular reviews of gender-relevant information and recent research findings will provide further support. Overall, KfW Entwicklungsbank wants to encourage a greater international **exchange of information between practitioners** and **researchers**.

**Implementation and Monitoring**

Operational departments will implement planned activities (sectoral or project-specific) in collaboration with the *Gender Focal Points*. For monitoring purposes, a report will be submitted annually to the governing bodies of KfW Entwicklungsbank, detailing to what extent the strategic objectives have been achieved and (if applicable) where there is a need for adjustment or corrective measures. The Gender Strategy will be regularly reviewed with regard to its current relevance and suitability for purpose, and will be modified and developed as needed.