

»» Materials on Development Finance

8 March 2021

Authors: Dr Maria Ziegler and Dr Karla Henning

Editor: Susanne Brösamle

Gender Equality in Financial Cooperation

With the 2030 Agenda for Sustainable Development, the global community set itself the ambitious goal of achieving gender equality and empowering all women and girls by 2030 (SDG 5).

Progress, but deficiencies remain

Gender equality is a human right. In recent decades it has been possible to make significant progress towards achieving more gender equality. However, no country has yet succeeded in overcoming gender-specific discrimination entirely – including Germany. On the contrary, the gender gap in most countries is still shockingly large. According to the Global Gender Gap Report 2020, if we continue at the current rate it will take 95 years to eliminate gender-specific differences in Sub-Saharan Africa, and 140 years in the Middle East and North Africa. The coronavirus pandemic rendered the existing structural inequalities more visible and set back progress towards gender equality. The vast majority of those affected, although not all, are still women and girls.

Improved access to basic state services

More girls and women than ever before have access to primary education, and the gap is slowly closing in secondary education as well.

However, differences from men appear from secondary education onwards, in particular in the choice of subjects. Even in countries where levels of education are relatively high, the skills acquired by women often do not correlate with those that are required for future-proof professions with correspondingly high

salaries, such as engineering and information technology.

Women around the world still have far less access to social and state transfer payments like pensions and unemployment benefits. Around 300,000 women per year still die in childbirth, often from medically preventable causes. 94 per cent of these deaths are in developing countries where women often have limited access to the healthcare system or are not cared for appropriately.

The economy and employment

Even today, only around half of women have regular paid work – compared to nearly 80 per cent of men – and they

often earn less: on average, the wage differential for comparable work is at least 40 per cent. On the other hand, women spend far more time than men on unpaid work within the household and on caring for family members. Women are less well represented in the upper echelons of companies and they also have considerably less access to finance products like savings accounts and loans. This places additional restrictions on their ability to set up a company or save capital. In more than 30 countries, women and girls do not have the same land and inheritance rights as men and boys. Customs and traditions also frequently run contrary to the idea of women owning land and property.



Equal access to skilled, well-paid employment is not a given for women.
KfW Group/Fram Malan

Side note: Why does women's work tend to be less formal and less secure?

Legal barriers. In some countries, legislation and common law restrict women's economic power. Examples include discrimination in relation to choice of profession, inheritance rights and how property is shared within a marriage. This can also restrict access to capital and financing for companies and access to authorities.

Social norms. Due to the traditional division of labour between gender roles, women and girls take on the majority of unpaid care work in all developing, emerging and industrialised countries. On the one hand, this involves looking after and caring for children, the elderly and the sick and on the other, managing the household (cooking, cleaning, acquiring water and fuel). This means that women have less time and fewer opportunities to engage in formal employment, as well as less leisure time than men. On top of this come restrictions on mobility and in education. This means that, for many women, precarious or informal employment offers their only chance to earn an income.

Law and politics

Since 2017, 62 reforms have been implemented in 40 countries to drive forward gender equality. However, on average, women have only three quarters of the legal rights granted to men.

Direct political participation by women is also on the rise globally. Nonetheless, it is still the case that only 25 per cent of parliamentary seats are occupied by women and just 21 per cent of ministers are female. Furthermore, there are 85 countries that have not had a female head of state in the past 50 years and, nearly 30 years after the UN Declaration on the Elimination of Violence Against Women was signed, one in every three women will still experience physical or sexual violence during her life.

Discrimination on multiple fronts

Particularly serious barriers to development arise if gender-related disadvantages are accompanied by other forms of discrimination. Girls and women who live in remote areas, have a disability or are members of minorities such as indigenous groups often lag far behind the average for their female peers in several areas including education, healthcare and participation.

Gender equality as key to sustainable development

As such, gender equality is key to sustainable development. Empirical studies show that countries where opportunities and rights are divided more evenly between men and women are more competitive, have higher incomes and see higher rates of economic growth. Greater equality is also associated with a reduction in poverty. Household income that is managed by women tends to be invested in education and health care for children, and with every additional year that women of reproductive age spend in education, the child mortality rate and the overall number of births decrease.

Impact channels: access, usability, participation

Discrimination against women and girls compared to men and boys is often the result of existing legal frameworks and social norms and traditions. Measures to overcome these factors can target the following three impact channels in particular:

- enabling equal access to resources and services;
- ensuring that they are usable by both sexes to the same extent (including employment); and
- strengthening equal participation by men and women in decision-making processes.

Side note: Why is the coronavirus crisis hitting women particularly hard?

In many countries, women and girls are particularly badly affected by the effects of the pandemic; some of the main reasons for this are:

- *Women are especially likely to work in the informal sector or where the conditions of employment are precarious. If they lose earnings due to coronavirus, they rarely benefit from social security measures implemented by employers, as these are almost exclusively restricted to the formal sector.*
- *Furthermore, women often have unpaid caring responsibilities for relatives or members of their community who are ill or otherwise in need. Given the increased rates of illness due to coronavirus, this creates a significant additional burden on women, who frequently have to limit their paid employment as a result.*
- *As they are over-represented in the caring and healthcare professions (worldwide, 67% of those working in the healthcare system are female), women*

are at particularly high risk of infection (although mortality rates are higher among men).

- *The pandemic has led to a huge increase in sexual and gender-based violence, as well as in domestic violence, primarily against women and children.*

What is KfW Development Bank doing to promote gender equality?

A core element of the German strategy is a multi-pronged approach consisting of the following three key strands:

- (i) political dialogue
- (ii) gender mainstreaming, and
- (iii) female-specific promotional measures.

Climate change adaptation/flood protection on roads in northern Namibia



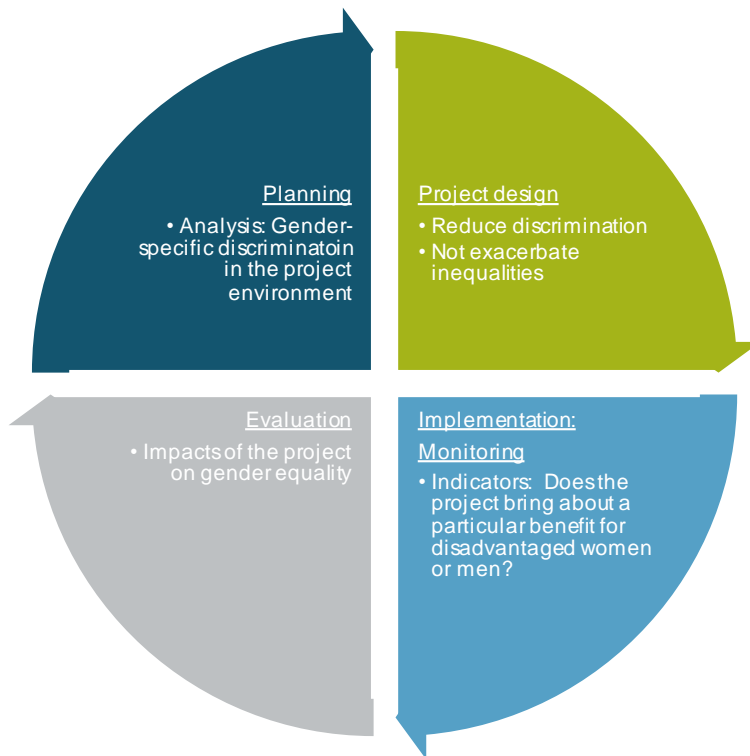
KfW Group/Fram Malan

The project supports the economic and social development of northern Namibia. The aim is to get women actively involved in the execution, which is fairly unusual in the road construction sector; on average, 30% of the programme's workforce is female. This is still less than the number of men, but considerably more than the proportion in comparable projects. The construction companies have provided very positive feedback on the female construction workers with regard to reliability and quality. Working hours are adjusted to suit the women's needs. Some construction workers of both sexes are completing a training programme and setting up their own construction firms; the most successful of these include companies owned by women.

Political dialogue: KfW's advisory function

High-level political dialogue with partner governments on the topic of women's

Gender mainstreaming in KfW's project cycle



not primarily arise from their anticipated effect on gender. The fact that support is often granted to measures where the main impact is not on gender equality is also linked to the framework for applications: in accordance with the Paris Declaration on Aid Effectiveness, in order to ensure ownership and acceptance, the Federal Government essentially only promotes measures that partner governments actively put forward in intergovernmental negotiations. With investment measures, however, these rarely have gender equality as the primary goal.

Female-specific activities: gender equality as the primary goal

In some cases, the Federal Government and the partner country also agree in their political dialogue to implement projects where the primary goal of the activities is to strengthen women's rights and reduce discrimination. These are often about promoting women's physical safety (e.g. setting up women's refuges or improving pre- and post-natal care), promoting autonomy (for instance, through family planning programmes or microloan programmes focused on women) or changing social norms and ideas about traditional gender roles (e.g. through dedicated vocational training opportunities for women).

With these activities, impact on gender issues is a key aspect of the activities' target system and it is systematically reviewed against indicators.

KfW Development Bank's gender portfolio

Nearly half of all projects promoted by KfW have results that are closely linked to the goal of gender equality, i.e. gender equality is either the primary goal or an important secondary goal. The number of projects with gender equality as the main goal is relatively small. Most projects with gender equality as the primary goal are in health care and the promotion of education, as well as in the financial sector. There are projects with gender equality as a secondary goal in nearly every FC sector. They are particularly well represented in the financial sector, the supply of drinking water, sanitary provision and waste water management, agriculture and natural resources, as well as in healthcare and (vocational) training and educational programmes.

Gender issues are therefore also being considered in other major cross-cutting topics such as digitalisation and

KfW Group/own representation

rights and gender equality is primarily the responsibility of the Federal Government. The principles of cooperation (e.g. gender mainstreaming) and the measures to be promoted (such as female-specific activities) are also determined between governments. In these areas, KfW Development Bank's function is to advise the German Federal Government.

Gender mainstreaming: gender-sensitive analysis and design as a cross-cutting undertaking

The promotion of gender equality is a cross-cutting topic that, in principle, affects all development projects. It is fundamentally about considering the perspectives of all sexes, including possible discrimination against men
 Project design: Reduce discrimination, do not exacerbate inequalities and boys or LGBTI (Lesbian, Gay, Bisexual, Transgender and Intersex) people.

Even if other development policy goals are decisive in the execution of a project, designing these measures with gender sensitivity in mind can often make an important contribution to gender equality (or set it back if it is not given sufficient consideration). Here, KfW has a responsibility to work with local partner institutions to identify gender-related

opportunities and, in suitable cases, to influence their anchoring in the project design and ensure that implementation monitoring is put in place. KfW Development Bank therefore considers the differing interests and needs of men and women at every project step – from planning, through project design and implementation, to the operation phase and ex post evaluation.

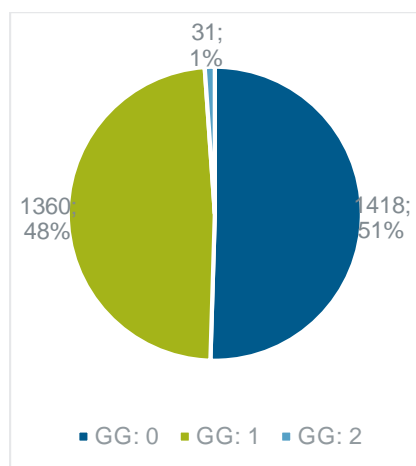
Important dimensions of the analysis here are the aforementioned impact channels of equal access, usability and participation.

Side note: Why do relatively few FC projects pursue gender equality as their primary goal?

As an instrument, Financial Cooperation primarily exists to finance larger infrastructure investments (water networks, energy supply, etc.) or to develop finance systems. Men and women and/or boys and girls usually benefit from these measures to a similar extent. In many cases, the benefit to women could even be disproportionately significant (for instance, if they spend a lot of time collecting water or wood for fuel). However, the precise impact on gender is often not measured if the effort involved in capturing the information seems excessive relative to the value it would add, and the driving force behind these measures from a development policy perspective does

adaptation to climate change/mitigation of the effects of climate change.

Number of all current KfW projects by gender equality as a goal



Current KfW portfolio as at January 2021
KfW Group/own representation

Acting as a role model

KfW not only promotes gender equality in the projects that it supports; it also works to ensure gender equality within its own organisation. Around half of KfW Group's employees are women. Aims include further increasing the number of women in positions not covered by a collective bargaining agreement and at all levels of management. Furthermore, for several years KfW has supported all of its employees to harmonise their work and family lives and any caring responsibilities. For example, this includes offers of flexible working hours and locations, additional childcare options and support if family members start to require care. Steps are also taken to eliminate structural discrimination and prevent it from occurring in the first place. All measures are underpinned by benchmarks that are regularly monitored. On top of this are moves to drive cultural change in order to promote diversity. KfW has been certified as a family-friendly company for a long time ("Career and family audit") and is a signatory of the Women's Empowerment Principles (a joint initiative by UN Global Compact and UN Women). It is also a signatory of the Diversity Charter and was a founding member of the Employers for Equality network.

Employment of women in the private healthcare sector in Pakistan



Source: KfW photo archive/photothek.net

The project helps women to set up a profitable business in the private healthcare sector. This is through a social franchise system for family planning products and services. Qualified midwives are given the opportunity to open their own health unit in medically underserved areas and to run it as a business. Operating health units in slums or rural areas offers the women profitable employment in their local area with profits that, based on experience to date, are significantly higher than the wages they would have received under the state-run health programmes. It simultaneously improves care for mothers and children in medically underserved areas and supports the right to independent family planning, thereby addressing fast rates of population growth in Pakistan as well.

Contact

KfW Group
KfW Development Bank
Palmengartenstrasse 5–9
60325 Frankfurt am Main, Germany
Phone +49 69 7431 0
maria.ziegler@kfw.de
www.kfw.de/kfw.de-2.html