International Development Finance Club

IDFC GENDER TRACKER

For the Reporting of Development Banks on Gender-Responsive Finance Operations

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Frankfurt School

INTRODUCTION

The International Development Finance Club (IDFC) is a club that brings together 26 national, regional, and bilateral public development banks. AFD has held the presidency and the Secretariat since October 2017. IDFC members work together to implement the **UN's Sustainable Development Goals (SDGs), the Paris Agreement agenda** and the **Kunming-Montreal Global Framework for Biodiversity,** where gender equality (SDG5) is one of the key components.

With USD 4 trillion in cumulative assets and more than USD 800 billion in annual funding, members provide development finance, which is complementary to that of multilateral banks and an essential link in the international development finance architecture.

IDFC members share a common vision around 3 main objectives:

- Knowledge sharing and capacity building on measuring and mainstreaming climate and SDG finance;
- Advocating for the role of public development banks, as well as the redirection and alignment of financial flows towards the Sustainable Development Goals and the Paris Agreement;
- Increasing cooperation between members and easing access to project preparation and project financing.

Currently, the Club is focusing on achieving its strategic objectives with four thematic working groups: the **Climate Finance & Green Banking**, **Making Finance Work for Nature (MFW4N), Gender Equity, SDGs Alignment** and a crosscutting working group on **Cooperation for Development (CfD).**

This **IDFC Gender Tool** is a project output of the IDFC Gender Equality Working Group. The Club's initial work in favour of gender equality focused on Human Resources policies and internal practices of development banks regarding gender equality at workplaces.

In 2019, the IDFC published a first declaration of principles on equality and equity (***Joint Statement on Gender Equality and Equity***), which stressed the importance of development banks in promoting equality between women and men in their internal and external practices. This declaration emphasizes two main points, namely (i) the importance of mainstreaming an internal gender-sensitive strategy and (ii) the importance of using financial and non-financial resources to create an external impact, specifically, through capacity building and awareness raising activities on gender equality and equity.

To reinforce the role of development banks in funding an inclusive and sustainable economy, taking into account gender equality as one of its strategic priorities, IDFC has mandated in 2020 a Study on Gender Equality (prepared by Frankfurt School of Finance & Management), which aims to strengthen members individually as well as the Club collectively. The Study was funded by AFD. The study aimed to highlight the impact of development finance initiatives on gender equality as well as to propose recommendations for the development banks against gender stereotypes, discrimination, and inequalities in the sector. Based on this study, IDFC developed in 2022 a roadmap and action plan on gender equality 2022-2027 with the goal to establish IDFC as an active platform for promoting and advocating gender equality and women's empowerment for the next years.

RATIONALE

The IDFC Gender Tool

The health and economic crises linked to COVID 19 have deeply shaken the activities of development banks, who had to reorient to ensure sufficient liquidity for their customers. Short-term solutions were implemented, such as dedicated financing, guarantees or the introduction of a certain flexibility in the deadlines. Beyond this necessary response to meet immediate needs, longer term recovery have emerged in many countries. On April 21, 2020, IDFC expressed its support for a sustainable and inclusive economic recovery to the COVID crises. IDFC members will play a key role in supporting an economic recovery aligned with the Sustainable Development Goals, where gender equality is a key component. Gender equality is a major aspect of the 2030 Agenda targets, including the specific SDG and gender equality indicators in the other 16 SDGs. However, the work towards all these targets, and of SDG 5, remains behind schedule.

Development banks play a driving role in the development of local financial systems. They address needs that are too risky for private banks, generally have the capacity to plan for the long term, and finance projects of general interest essential for the development of the countries in which they operate. They are key players to facilitate the environmental and social transition and redirect the economy towards the achievement of the SDGs. They combine the general advantages of development banks, but also those linked to local anchoring, as well as considerable technical and financial capacities. Ideally situated to change the practices of financial operators concerning gender equality within their countries, development banks could also act as leaders to embark the other stakeholders in the region.

By collectively mobilizing on gender equality, public development banks can make a substantial difference both in terms of improving their own accountability on gender equality, as well as promoting innovative financial approaches (such as combined approaches, making links between gender and climate/environmental issues and engaging with the private sector).

Interesting studies have tried to resume the engagement of donors and multilateral banks on gender equality.[1] UN Women, together with the Agence Française de Développement (AFD), during the October 2021 Finance in Common Summit II, launched the "**Public Development Banks Driving Gender Equality**" report. It included findings and contributions from institutions partaking in the FICS Gender coalition. The report celebrates various accomplishments and renews the sense of urgency, accountability, ambition, and transformative possibility around Public Development Banks' (PBD) gender equality commitments (financial and otherwise). This report offers a unique perspective by providing, through case studies, numerous concrete examples of how leading PDBs with various mandates, histories and methods

[1] Cf AFD internal note 2018 on the subject. A rapid overview shows key lessons learned:

- All donors do not have the same intervention mandates and funding tools. For instance, most bilateral donors deemed by the OECD to be exemplary in terms of mainstreaming gender in their operations almost only provide grants.
- Likewise on gender, they have not all chosen a single gender mainstreaming approach, often adopting in a complementary manner strategic priorities targeting specific themes and / or sectors and without, however, setting out quantified results objectives.
- In addition, all bilateral cooperation does not systematically have a specialized agency or separate entity implementing all or part of the development aid.

of engagement have committed and delivered on the gender equality agenda both internally (as organizations) and externally (in programming, investments, and partnerships). These included the adoption of gender responsive practices, mechanisms and tools, as well as gender mainstreaming approaches in the programming and funding cycle.

In 2020, the Center for Global Development (CGDEV) launched a **survey** to examine (1) external policies and practices governing investments, advisory services, and other development finance programs; and (2) internal policies and practices with respect to DFIs' own employees and administration. The 2020 findings are based on data provided by 16 DFIs, including a broad range of multilateral and bilateral institutions of diverse sizes, ages, and locations.

We can also quote **The Development finance for gender equality and women's empowerment** published by OECD in 2019 on Official Development Assistance (ODA) allocated by OECD members/ DAC is one important contribution to funding gender equality and women's empowerment in developing countries. OECD-DAC's gender equality policy marker is used the most among international funders and can serve as the guiding gender marker.[2] In fact, an initial survey among 11 IDFC members showed that 6 of them are reporting against the OECD DAC gender equality policy marker.

Keeping these studies and other available resources in mind, there is a need to develop a gender equality project map with IDFC members.

This IDFC Gender Tool aims to enable the IDFC members to systematically track and report their gender-responsive financing operations. The collected information from the reporting members will contribute to the mapping of the IDFC members' contribution to gender finance. IDFC aims to continue these periodic mappings of members' gender-finance interventions. The report will have greater influence on the Club, as well as offer exposure and increased funding opportunities to the members. This mapping will also contribute to IDFC advocacy on gender equality and the role that PDBs can play to achieve SDG5.

The periodic mapping of the member's gender finance operations develops the priority of the collective roadmap on promoting cooperation and joint operations between members around gender equality. Indeed, two main actions have been identified to identify PDBs interested in extending joint lines of credit to women-led SMEs or loans on women economic empowerment, as well as use the existing IDFC Climate Finance Facility to support members in developing access to finance and customized non-financial services to women-led businesses and other projects on gender equality.

[2] https://www.publishwhatyoufund.org/wp-content/uploads/dlm_uploads/2022/10/How-to-Track-International-Funding-to-WEE-A-Step-by-Step-Guide.pdf

Objectives and Content of the IDFC Gender Tool

This Handbook is the guidance produced by the IDFC on its Gender Tool. This IDFC Gender Tool mainly provides members with a set of clear reporting guidelines for their gender-financing operations. The Handbook provides practical and useful information and explanations on the categorization of the interventions and projects of each IDFC member according to its gender focus. Minimum criteria for the categorization of the projects are explained in detail, and the explanations for each criterion are given in the glossary.

This toolkit provides the following documentation:

- **Guidelines** for the categorization of operations, along with relevant glossary
- **Reporting Templates** for IDFC Gender Finance Mapping
- **Standards and checklists** for reporting as per thematic area, type of financing and region
- **Recommendations** for high quality gender-finance reporting

IDFC Gender Tool is a **monitoring and reporting tool** for IDFC members to screen and track their commitments to gender equality. It is a qualitative instrument and aims to forecast the total financing allocated with gender considerations, with gender as either the primary or secondary focus. It **does not** assess the impact of the interventions.

The results of the report through the utilization of the Tool will give an estimate for:

- The volume of financing mobilized by IDFC members, particularly for gender-focused projects
- The volume of financing mobilized by IDFC members for projects that are gender-responsive
- The share of financing with gender considerations in the overall operations of the IDFC members
- The volume of financing mobilized by IDFC members for projects that are gender-neutral
- The regions of financial concentration, for gender-focused and/or gender-responsive projects
- The thematic areas / sectors of financial concentration, for gender-focused and/or gender-responsive projects
- Main financing types used to mobilize gender-focused and/or gender-responsive projects.

Methodology of the IDFC Gender Tool

The IDFC Gender Tool adopts a multi-layer approach, where the initial step is the broader categorization of the interventions according to the gender considerations. Further reporting based on each category could be conducted to investigate the breakdown of the total portfolio in each category per region, financing type and thematic sector.

Step / Layer 1: Main classification of projects* based on 3 categories

Category 0: Gender-Unintentional / Gender-Neutral

Category 1: Gender Responsive/Gender Sensitive

Category 2: Gender Focused/Gender Transformative

Step / Layer 2: Further reporting based on different variables

Thematic area / Development purpose

Type of finance

Region

Step / Layer 3: Further qualitative reporting for additional gender measures

Existence of gender impact assessment

*The term "project" is used interchangeably with "program", "facility", and "intervention" throughout this document.

LAYER 1: Main classification of projects based on 3 categories

STEP 1: Find potential gender projects: Filter for projects in your portfolio that potentially target gender equality. To filter projects from the portfolio, utilize existing filters such as OECD-DAC gender equality policy marker scores (1 and 2) if your bank is reporting against the OECD-DAC gender equality policy marker. According to the OECD-DAC, an activity should be gender marked if it is intended to "*advance gender equality and women's empowerment or reduce discrimination and inequalities based on sex*."[3] To identify an initial pool of projects which are relevant to gender, include all projects with a principal (2) or significant score (1) in your portfolio. This allows for the capture of as many potential gender projects as possible.

Alternatively, if your bank doesn't use the OECD-DAC gender equality policy marker, you can use gender word searches for screening. You can conduct searches of project titles and descriptions for keywords that relate to gender equality, as in the below example[4].

> **Box 1: Example of a project captured using gender search terms**
>
> **Title:** Empowering Young Women in Nairobi's Slums
> **Description:** Our Project aims to provide skills training and job placement for 2,000 poor and vulnerable Adolescents Girls and Young Women (AGYWs) from the slums of Nairobi. We provide integrated training to beneficiaries and subsequently place them into employment as nannies, house-helps, cleaners and tea-girls where they earn a decent salary.

To establish a baseline of potential gender projects, a manual review of the projects / interventions could be useful. Manually reviewing potential projects to determine their

[3] https://www.oecd.org/dac/gender-development/Handbook-OECD-DAC-Gender-Equality-Policy-Marker.pdf
[4] https://www.publishwhatyoufund.org/wp-content/uploads/dlm_uploads/2022/10/How-to-Track-International-Funding-to-WEE-A-Step-by-Step-Guide.pdf

focus on gender equality is a time intensive process but allows for increased confidence in tracking gender activities in your portfolio. To complete the manual screening, you could use a set of **guiding questions** to assist you in your review. We provide the guiding questions developed by Publish What You Fund in consultation with the International Center for Research on Women (ICRW) in Annex 4.[5]

STEP 2: Categorize gender projects: In order to ensure comparability of the data reported by IDFC members, it is important that projects meet a set of minimum criteria that are common to all IDFC members. The following criteria are recommended for activities to qualify for a 0, 1 or 2 score (reverse order):

Category	***Requirements***
Category 2: Gender-Focused / Gender-Transformative	• Gender analysis conducted to inform the design of the program • Project specific Gender Action Plan (GAP) in place • Reducing gender inequalities is the overall objective / main objective of the project • Min 1 explicit gender-specific objective in the logframe/result matrix or equivalent • Min 1 gender-specific indicator to monitor and report against with sex-disaggregated data
Category 1: Gender-Responsive / Gender-sensitive	• Gender analysis conducted to inform the design of the program • Min 1 explicit gender-specific objective or sub-objective in the logframe/result matrix or equivalent • Min 1 relevant gender-specific indicator to monitor and report against with sex-disaggregated data
Category 0: Gender-Unintentional / Gender-Neutral	• No gender analysis • No gender indicator / objective

What should we understand from:

- **Category 2: Gender-Focused / Gender-Transformative** – A project is gender focused / transformative when the gender dimension is systematically integrated into every step of the process, from defining the problem, to identifying solutions, in the implementation methodology and approach, in stakeholders analysis, in defining the objective, outcomes, outputs, and activities, in the composition of the implementation and management team, in budgeting, in the monitoring and evaluation process, and in policy dialogue. In the projects under this category, reducing gender inequalities is the main/overall objective.

- **Category 1: Gender-Responsive / Gender-Sensitive** – A project is categorized as “gender-responsive” if it reflects how gender considerations and dynamics may affect programming. Gender considerations are incorporated into certain activities or at certain points of the programme life cycle but reducing gender inequalities is not the main/overall objective.

[5] https://www.publishwhatyoufund.org/wp-content/uploads/dlm_uploads/2022/07/WEE-Methodology-2022.pdf

- **Category 0: Gender-Unintentional/ Gender-Neutral** – A project is categorized as “gender-unintentional or gender-neutral” if it does not recognize existing gender differences, dynamics (power relations between and among men and women), and how these differences and dynamics influence women and men involved in or benefitting from the project. Gender neutrality impacts project planning, implementation and outcomes.

Main glossary for categorization

Gender – A social and cultural construct, which distinguishes differences in the attributes of men and women, girls and boys, and accordingly refers to the roles and responsibilities of men and women. Gender-based roles and other attributes, therefore, change over time and vary with different cultural contexts. (Source: UNICEF).

Gender Equality – Women and men’s equal access to social goods, services and resources and opportunities in all spheres of life. Gender equality does not necessarily result in equal outcomes for men and women, as men and women may have different abilities to take advantage of this access. (Source: DGED)

Gender-specific – An approach targeting women and men, boys and girls, aimed at facilitating change for gender equality (Adapted from the definition of Donor Committee for Enterprise Development).

Gender-specific indicator – Gender indicators are designed in the project context to measure women's empowerment and progress toward gender equality between women and men, boys and girls, including women's and men's status, gender roles and relations in social, economic, cultural and political life.

Gender Analysis – A study to be conducted to inform the project design and implementation, that highlights the differences between and among women and men, girls and boys in terms of their relative distribution of resources, opportunities, constraints and power in the project context (Adapted from the definition of OECD/DAC).

Gender Action Plan – A roadmap for gender activities in the project / institutional context. Its purpose is to make the project activities “gender responsive and transformative, and thus more effective, efficient and successful by redressing existing gender inequalities and re-defining gender roles and relations through guidance on gender mainstreaming. The basic ideas of a Gender Action Plan are that interventions decrease women’s burden and that women not only contribute, but also benefit from them. (Source: DGED)

Women’s Economic Empowerment (WEE) – While WEE is a complex process that can take varying pathways for different individuals, in different contexts, there is increasing consensus within the development community that when women gain greater access to economic resources and opportunities, combined with increased agency to voice and influence important decisions in their homes and communities; make their own strategic life choices; and retain control over resources, substantial and wide-ranging development results ensue. (Source: DGED)

LAYER 2: Further reporting based on different variables

Further reporting on the categorized gender projects (Layer 1) includes reporting on region, thematic area and the type of financing. The respective guidelines and templates are given as follows and in Annexes 1 – 3.

Regions: identify the region for the categorized gender projects under Category 1 and 2. Therefore, the same categorization as for the IDFC Green Finance Mapping Report is applied to facilitate the reporting. The reporting is **segmented into 7 regions**[6] as seen below.

- East Asia and Pacific
- Europe and Central Asia
- Latin America & the Caribbean
- Middle East and North Africa
- North America
- South Asia
- Sub-Saharan Africa

The full classification of countries is given in Annex 2. Based on a drop-down list for each region, the respective region of the intervention or in case of multiple regions, the option "multiple regions" shall be selected.

Thematic area/sector[7]: The following thematic areas/sectors were defined in order to understand which thematic areas/sectors, projects/programs, and initiatives classified under Category 1 and category 2 are focusing on.

- SME and Social Entrepreneurs/Financial Inclusion
- Energy and Climate
- Natural resources, Biodiversity, Forestry
- Agriculture
- Education
- Health
- Public sector
- Urban Development

Concerning the projects focusing on multiple themes/sectors, please select "multiple thematic area/sector" option.

Types of financing: To identify the type of financing applied and used for the projects categorized under Category 1 and category 2, the reporting will be based on **5 main categories**, following the definitions applied by OECD-DAC gender equality policy marker scores[8].

- Grants
- Debt Instruments
- Mezzanine Finance Instruments
- Equity and Shares in Collective Investment Vehicles
- Guarantees and insurances

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[6] Adapted from World Bank
[7] Source: based and adapted from Innovative Development Finance Toolbox. https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Brosch%C3%BCren/2020_Innovative_Development_Finance_Toolbox.pdf and World Bank Development Topics
[8] https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/dacandcrscodelists.htm

Concerning the projects with blended financing instruments, please select the "blended financing" option.

The full list for the guidance of categorizing the product types used in the projects, please see Annex 3.

LAYER 3: Further qualitative reporting for additional gender measures

Depending on the preference of your bank, it is suggested that the project portfolio classified under Category 1 and Category 2 are screened and reported against **if a gender-sensitive impact assessment is included / foreseen** in the project. The aim is to estimate the total project portfolio under each Category for which an impact assessment is conducted.

The reporting will be very simple by selecting Yes or No for the existence of a gender-sensitive impact assessment in the respective reporting tool.

International Development Finance Club

THANK YOU!

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