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By Romain De Oliveira



Pierre Forestier

Director of PROPARCO's
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nfortunately, women still to a very large extent face a multitude of inequalities in almost every country in the world. On the economic front, these inequalities block and, in most cases, hinder their access to the labor market, their career advancement, financing and support for their projects and access to capital for their businesses. The World Bank estimates that the annual financing gap for SMEs owned by women around the world stands at USD 300bn.

While there has been growing awareness since 1995 and the adoption of the Beijing Declaration, considerable efforts are still required and there is a need to speed up the change. One alarming statistic is that the World Economic Forum estimates that at the current rate, it will take over 100 years to bridge the gender gap worldwide. Companies and their funders have a key role to play in speeding up this socially urgent change and allowing everyone to benefit from its potentially huge economic benefits. By being proactive in identifying and preventing inequalities, both in-house and with their clients, companies have the power in their hands to rapidly move the field forward. Finance must also take the path of providing privileged access to capital and credit.

Things are moving and in the right direction. Indeed, in 2018, the G7 development finance institutions (DFIs), including PROPARCO, launched the "2X Challenge – Financing for Women" initiative, which aims to support access for women to leadership positions, quality jobs, sources of financing for their businesses and various goods and services. These funders now have a twofold approach: i) firstly, take into account and address the risks of maintaining or exacerbating gender inequalities in the projects they finance; ii) secondly, overtly increase the share of financing favoring women entrepreneurs, female employees and women investors with an approach based on positive discrimination. The commitment is to increase financing with an impact on gender inequalities to USD 3bn in 2020. Some USD 2.5bn have already been mobilized and the Challenge is on the right track to exceeding this objective. PROPARCO is contributing to this objective and has itself pledged to increase this type of financing to 25% of its annual commitments.

Building on this initiative, PROPARCO (France), FinDev (Canada), OPIC (USA), CDC (UK) and the Mastercard Foundation have joined hands to launch the "2X Invest2Impact" competition, which aims to support 100 African businesses owned or run by women that need credit, investor partners or strategic partners for their expansion into export or new markets.

There are many challenges to address and huge issues at stake. The private sector and international donors must do their bit to make the reduction of gender inequalities a key driver for development and the achievement of the Sustainable Development Goals (SDGs).

1. Initially intended for women entrepreneurs in East Africa, it plans to open up to other African countries.



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Twenty-five years after the Beijing Conference, achievements and persisting gaps

16 Magali Barraja, Former Associate Director at BSR

Over the past 25 years, undeniable achievements have been made in the field of gender equality and the promotion of women's rights and opportunities. But this progress is still far too slow: at the current rate, it would take more than 100 years globally to close the gender gap, according to the World Economic Forum. Gender equality is everyone's business and as such, private sector actors have a key role to play.

020 is a pivotal year for gender

equality. It is marked by the twenty-fifth anniversary of the Fourth World Conference on Women and adoption of the Beijing Declaration and Platform for Action (1995), which is considered by many as the most progressive roadmap for the advancement of women's rights. It is both a year of stocktaking on what has been achieved for women and girls since then but also a year of further bold call to action and commitment that will effectively close the

The world has indeed made undeniable progress in advancing the rights and opportunities for women in the past 25 years. According to Women, Business and the Law Index¹, in the

remaining gender gap worldwide.

past 10 years alone, 131 economies have made 274 reforms to laws and regulations increasing women's equality of opportunity and economic empowerment such as introducing sexual harassment laws or mandating nondiscrimination in access to credit. In parallel, we have also witnessed women's entrepreneurial activity rising² and the number of CEOs and women in leadership positions steadily growing all over the world. In 2019, 33 of the highest-grossing companies were led by female CEOs for the first time ever and 29% of senior management roles, globally, were held by women, the highest number ever on record.3

 $^{1 \}verb|\| https://openknowledge.worldbank.org/bitstream/handle/10986/31327/WBL2019.pdf$

^{2 •} https://www.gemconsortium.org/report/gem-20162017-womens-entrepreneurship-report 3 • Grant Thornton, Women in Business: Building a Blueprint for Action, page 5, 2019

MORE THAN 100 YEARS TO CLOSE THE GLOBAL GENDER GAP

Despite these achievements, progress has been far too slow. According to the World Economic Forum, and at the current pace of change, it would take 108 years for the world to close the global gender gap.4 The 2018 Global Gender Gap Index⁵ highlights that women have only reached 68% of parity, leaving a whopping 32% gap to be filled. In most societies, women continue to be poorly represented in political leadership. They also own less, earn less, have limited access to essential products and services, and spend double the time men do on housework and other unpaid activities, which hinders their economic participation. In addition, women often suffer from intersectional discrimination, thereby accumulating multiple layers of discrimination (related for example to social status, ethnic background, religion, sexuality, etc.) which makes them disproportionately vulnerable to abuse and systemic inequality.

Coupled with agency, women's participation in the economy is critical for breaking the vicious circle of discrimination – yet both well-known and emerging barriers are jeopardizing women's ability to fully partake in the economy.

In addition to persisting discriminatory laws, adverse social norms, the gap in access to digital, financial and property assets are structural barriers that prevent women from attaining parity. Around the world, women's overrepresentation

in the informal sector continues to be a major barrier to their economic empowerment as these workers are often not covered by labor laws; work for lower wages and in poor and unsafe working conditions. Globally, women represent 63% of informal workers. In Sub-Saharan Africa, 74% of female employment (non-agricultural) is informal.⁷

Emerging gaps are now also being highlighted as women only represent 22% of artificial intelligence (AI) professionals worldwide. In a world where technology and innovation are increasingly becoming paramount, skills gaps related to artificial intelligence are likely to worsen existing and future unequal work opportunities for women if unaddressed.⁸

According to the World Economic Forum, and at the current pace of change, it would take 108 years for the world to close the global gender gap.

^{4.} https://www.weforum.org/projects/closing-the-gender-gap-accelerators

^{5 •} The Index measures the gender gap in four main areas: economic participation and opportunity, educational attainment, health and survival, and political empowerment.

^{6 •} https://interactive.unwomen.org/multimedia/infographic/changingworldofwork/en/index.html

⁷ https://www.ilo.org/africa/whats-new/WCMS_377286/lang--en/index.htm

 $^{8 + \}text{https://www.imf.org/external/pubs/ft/fandd/2019/03/global-gender-gap-report-infographic-wef-picture.html} \\$

THE PRIVATE SECTOR'S ROLE IN ACHIEVING GENDER-EQUAL WORKPLACES AND SOCIETIES

AN ARTICLE BY

Former Associate Director at BSR

Magali Barraia was an Associate Director at BSR where she led the organisation's women's empowerment work in Europe. She managed numerous projects mainstreaming gender equality within companies, development finance institutions and foundations and oversaw a global three-vear project focusing on catalyzing private-sector action for women's empowerment. Magali is a graduate of the University of Geneva, the Geneva Institute of International and Development Studies and the Institut d'Etudes Politiques (Sciences Po) of Aix-en-Provence

The private sector plays a key role in respecting and promoting women's rights. Today, addressing gender equality concerns has become more important than ever for businesses as the absence of intervention is likely to result in both significant risks (including legal and reputational) and missed opportunities.

In June 2019, multilateral organizations reminded the private sector, more strongly than ever, that gender equality is everyone's business. In its report « Gender Dimensions of the Guiding Principles on Business and Human Rights »,9 the UN Working Group on Business and Human Rights re-enforced businesses' obligations to proactively identify, prevent and remediate women's related human rights violations within their operations, supply chains and the communities they operate in. In parallel, the newly adopted ILO Convention on Violence and Harassment in the World of Work (C190) recognizes for the first time that violence and harassment (including sexual) is no any longer solely a matter of the domestic sphere and that businesses have a duty to prevent and address it. Moreover, the surge in employee activism related to sexual

harassment such as the Google walk outs in late 2018 has confirmed the reputational damage that can come from inadequate handling of such abuse. In recent years, investors and finance institutions have started asking businesses to more systematically account for and report on gender disaggregated data related to businesses' direct and indirect workforce, and 2020 will see the World Benchmarking Alliance (WBA) launching its open source company benchmark that evaluates and ranks companies' gender equality performance.¹⁰

Beyond managing reputational risks, responding to the latest gender responsive due diligence and legal requirements, the private sector has much to gain in proactively providing fairer opportunities for women. In fact, parts of the business community have already harnessed this opportunity by joining the chorus of government, multilateral and civil society leaders and signing up to the Women's Empowerment Principles, 11 committing to empowering women in the marketplace, workplace, and community.

Today, addressing gender equality concerns has become more important than ever for businesses as the absence of intervention is likely to result in both significant risks and missed opportunities.

⁹ https://ap.ohchr.org/documents/dpage_e.aspx?si=A/HRC/41/43

^{10 •} https://www.worldbenchmarkingalliance.org/gender-equality-and-empowerment-benchmark

Across industries and regardless of their size, businesses can spur progress for the women that cross their path: women as employees, women as entrepreneurs, women as supply chain workers, women as customers, and women as community members. And they can do this by generating greater benefits too. Research has shown that the promotion of gender equality and women's empowerment is linked to increased innovation, returns on investment, enhanced productivity, cost savings and market growth. From private equity companies 13 to SMEs in the manufacturing industry, 14 everyone wins from promoting gender diversity and enabling women to thrive in the workplace.

But just as there is no unique solution to achieving gender equality, there is no unique strategy that companies can devise to advance women's empowerment. On the one hand, strategies need to be carefully informed by good gender data providing detailed insights on issues women face if they are to deliver truly transformative change for women. On the other hand, the responses to the identified issues will also be influenced by a company's specific assets and levers, and these will vary depending on the industry and the company's size.

However, every single company has a critical role to play to make gender equality a reality and can take various steps along a three-pronged approach to empower women by:

But just as there is no unique solution to achieving gender equality, there is no unique strategy that companies can devise to advance women's empowerment.

- Acting directly on areas where it has direct control is an essential starting point and may include designing, reviewing and adjusting company policies, practices, and investments to ensure they positively impact women in their own operations, supply chain, marketplace and community.
- Enabling others to drive change by incentivizing and partnering with stakeholders such as business partners but also NGOs and local community organizations. Partnerships and investments are pivotal to building the engagement of other value chain actors, including developing their own capacity to promote women's empowerment.
- Influencing the wider ecosystem to raise awareness about gender equality and collaboratively address issues women are facing. This includes research, advocacy and collective action efforts that aim to deliver transformative change for women, also at societal level.

CONCLUSION

25 years after the adoption of this major blueprint for women's advancement, it is time for companies worldwide to prioritize this agenda thereby accelerating the pace of change which is desperately needed to achieve more truly gender-equal societies and workplaces.

^{12 •} https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/gender+at+ifc/priorities/entrepreneurship/investing+in+women_new+evidence+for+the+business+case

 $^{13 \}cdot https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/gender+at+ifc/resources/gender-balance-in-emerging-markets$

 $^{14 +} https://www.ifc.org/wps/wcm/connect/ac8fca18-6586-48cc-bfba-832b41d6af68/IFC+lnvest+in+Women+October+2017. \\ pdf?MOD=AJPERES&CVID=IYLVAcA$

Does entrepreneurship really empower women?

16 Soazig Barthélémy, Founder and CEO, Empow'Her

Concerns about gender inequalities and, more generally, women's empowerment around the world are today central development issues. Empowerment is also increasingly seen through the prism of women's entrepreneurship.

AN ARTICLE BY © SOAZIG BARTHÉLÉMY

Founder and CEO

Soazig Barthélémy started her career in Asia and Africa working with MFIs to train and coach women microentrepreneurs. She then worked in the infrastructure project finance industry during 2 years, before fully committing to the development of Empow'Her. She holds a master degree from ESCP Europe. She was featured among Forbes "30 Under 30" honorees in the Social Entrepreneurship category and was Contrary to what is sometimes claimed by certain Bill & Melinda Gates Foundation.

n recent years, the issue of women's empowerment has become a major concern for the development sector. Players who use the business case of women's empowerment as a vehicle or prerequisite to achieve other objectives (as is the case with a number of microfinance institutions that mainly lend to women hoping for a higher return on investment),¹ organizations that have made this issue a fully-fledged objective in their mission... it is clear that women's empowerment is now unanimously perceived as a thematic area closely correlated with all the other development issues.

In Asia, 13% of women of working age (18-64 years-old) have recently ventured into entrepreneurship. This rate reaches 17% in Latin America and 22% in Sub-Saharan Africa.² But what is the nature of the relationship between these two thematic areas? Does entrepreneurship bring about real empowerment and is there not a risk that it will reduce empowerment simply to its economic dimension? What drivers can development actors use?

The term "women's empowerment" appeared in the 1980s and at the time referred to the action of transforming power relations to promote greater equality between women and men. 35

Share of working age women (18-64) who have recently started out as entrepreneurs $\overline{}$



WHAT IS WOMEN'S EMPOWERMENT ABOUT?

The term "women's empowerment" appeared in the 1980s and at the time referred to the action of transforming power relations to promote greater equality between women and men. The concept of empowerment invariably refers to the notion of power. The feminist literature at that time presents it as the process by which women acquire the capability and freedom of controlling the conditions of their own lives. This same literature highlights three factors on which empowerment is based: the acquisition of women's self-understanding,3 the capacity for self-expression,4 and women's access to and control over material assets, intellectual resources and ideology.5 These are three dimensions of the concept of empowerment that clearly show both its personal and political nature.

The other essential point widely upheld in the literature on the subject is the "internal" nature of this process: empowerment cannot be a process legitimized, permitted or authorized by a higher external authority. It is a matter of individuals acquiring an "internal" power to see themselves and define themselves as the main actors and actresses in their transformation and the transformation of their communities. Contrary to what is sometimes claimed by certain development actors, empowerment is therefore not a final outcome whose achievement can be easily measured.

^{3 •} Kabeer, N. (1994), Reversed Realities: Gender Hierarchies in Development Thought.

^{4 -} Sen, G. (1997), Empowerment as an approach to poverty, Working Paper Series 97.07, background paper for the UNDP Human Development Report.

^{5 •} Batliwala, S. (1994), The meaning of women's empowerment: new concepts from action, Population Policies Reconsidered: Health, Empowerment, and Rights, Harvard Center for Population and Development Studies.

WHAT IS THE LINK WITH ENTREPRENEURSHIP?

Gisèle Halimi wrote in 1992: "Economic dependency is at the source of all the other forms of women's dependency".6 This phrase fully conveys what entrepreneurship can offer women. Firstly, the capacity to provide oneself with a predictable and regular source of income making it possible to anticipate, plan for the future and act more independently. But it is also the freedom to create, act, innovate, trade, earn a living, participate in economic life, create value, and be recognized for this by other members of one's community.

Indeed, all over the world, entrepreneurship can be a powerful alternative for women faced with the lack of paid employment, persistent barriers to entry into the labor market and more precarious and less fulfilling employment options. In 2012, in Cambodia, I had the opportunity of conducting a study on several women microentrepreneurs, including Sokkey, a Cambodian woman, about 30 with three children, who worked occasionally in the textile factory in her village. By setting up her small shop selling essential products, in just

a few months she experienced a real economic well-being which her family also benefited from. But she also gained confidence in herself and her ability to make her own choices and voice her opinions. However, the end of the support program offered to her by the study also marked the end of this empowerment phase: her husband took control of her savings and working capital and ultimately made her close her shop. Sokkey had to move from her village to go to the capital, take her children out of school and find another precarious job with no security.

The story of Sokkey raises a fundamental issue for studying the link between empowerment and entrepreneurship: when women become entrepreneurs, do they have as much freedom as we suppose the entrepreneurial experience gives them? Is the economic well-being that results from programs facilitating access to financial and human capital for women sufficient to help them set out on a path towards sustainable empowerment?

FOCUS EMPOW'HER

Empow'Her (EH) is an organization that has been working for women's empowerment around the world since 2011, by increasing their freedom and entrepreneurial ability. FH provides innovative support solutions for more sustainable women's entrepreneurship and a more inclusive ecosystem. In practical terms, EH provides training programs and support tailored to the context and needs of women. It also develops opportunities for meetings and exchanges to help build supportive communities and drives dynamics for awareness-raising on a larger scale.

WOMAN ENTREPRENEURS: A REAL OBSTACLE COURSE

The total entrepreneurship activity rate for women (defined as the share of the working age population participating in activities to set

up businesses) is 75% of the rate of men.

In certain countries, such as India, Burkina Faso, Senegal and Cameroon, 60% of women entrepreneurs have never been to school.

20% more women than men start an entrepreneurial activity, mainly because they do not have access to any economic opportunities ("necessity-driven women entrepreneurs" account for 42% of women entrepreneurs in Sub-Saharan African, 32% in Latin America and the Middle East, and 23% in Asia).

Overall, the growth prospects for women entrepreneurs are 38% lower than for men.

All over the world, entrepreneurship can be a powerful alternative for women faced with the lack of paid employment, the persistent barriers to entry into the labor market and more precarious and less fulfilling employment options. 99

6 - Halimi, G. (1992), La cause des femmes.

30% of women in Sub-Saharan Africa whose businesses have failed report the lack of profit as the main cause.⁷

These figures clearly illustrate the gender inequalities that constrain the entrepreneurship sector and their consequences. Indeed, throughout their lives, women, whatever their country of origin, are faced with unequal and discriminatory systems that inevitably have an impact on their potential and capacities as entrepreneurs. In addition to the barriers made "visible" by these statistics, which can generally be assimilated to well-targeted action programs (for access to education and financial capital), it is also essential to take cultural and social norms into account. These are less visible and less measurable and also physically and psychologically hinder the level of independence, the sense of priorities and the individual aspirations of women.

The important thing to note from these data is the multiplicity of constraints encountered by women entrepreneurs, as it explains why certain strategies, policies or programs that explicitly target women for a specific issue do not always produce the expected results. The study on the constraints experienced by women entrepreneurs also reveals a fragmented sector and multifaceted needs. To make it easier to interpret, understand and support such an ecosystem, we propose to categorize women entrepreneurs into three groups (see Figure 1): those who become entrepreneurs to survive (necessity-driven entrepreneurship); those who become entrepreneurs because they identify market opportunities (opportunity-driven entrepreneurship); and those who become entrepreneurs by vocation and have above-average entrepreneurial ambitions (success-driven entrepreneurship).

Just as there is no one magic formula to facilitate the empowerment of "all" women, it is obviously impossible to propose a single program to all women entrepreneurs around the world, or even within the same country.

Three focus groups of women entrepreneurs



Source: Empow'Her, 2019.

SUCCES-ORIENTED WOMEN ENTREPRENEURS SEEKING LONG-TERM OPPORTUNITIES TO REACH GREATER PROFESSIONAL GOALS

- Suffering from strong self-censorship, lack of confidence, fear of business failure, and lower perceptions of their own capabilities
- Lacking visibility
- · Lacking access to finance

OPPORTUNITY-DRIVEN WOMEN ENTREPRENEURS LAUNCHING OR GROWING FORMAL OR NON-FORMAL SMES

- Having little access to networks
- Lacking specific entreprenarial education
- Facing lesser growth perspectives than men

NECESSITY-DRIVEN WOMEN ENTREPRENEURS TAPPING INTO NON-KNOWLEDGE & NON-INNOVATION ORIENTED BUSINESS SEGMENTS

- Relying on little or no education
- Not benefting from enterprise support (but getting support from NGOs)
- Evolving in the non-formal economy
- Facing high failure rates

WHAT STRATEGIES FOR ORGANIZATIONS THAT SUPPORT WOMEN'S ENTREPRENEURSHIP?

As Not to consider the support phases as "simply" providing access to entrepreneurial education, but as an opportunity to strengthen the power of agency of women beneficiaries.

Among the lessons learned from the 8-year history of Empow'Her, several aspects can today be identified that are essential for the design of strategies based on women's empowerment via entrepreneurship, including the following four:

 Not to consider the support phases as "simply" providing access to entrepreneurial education, but as an opportunity to strengthen the power of agency of women beneficiaries. To do so, examining the needs and constraints of women beforehand is a prerequisite to ensure the success of the program (this makes it possible to design curricula that match a clear demand, based on existing market opportunities and taking the actual constraints of women into account). Furthermore, investing in educational methods for personal development and in the implementation of more comprehensive awareness-raising actions towards women and their communities makes it easier to achieve the desired outcomes and make them sustainable;

It is common to find collective strategies in a very large number of actions targeting women's empowerment. Entrepreneurship-related programs can also rely on these collective dynamics, in particular by including actions to strengthen women's organizations, offer spaces (virtual or physical) to facilitate contacts and experience-sharing, and highlight "models" that inspire others and challenge the status quo;

It is common to find collective strategies in a very large number of actions targeting women's empowerment. Entrepreneurship-related programs can also rely on these collective dynamics. 75

^{8 • &}quot;The enabling environment that confirms the right to work, to property, to safety, to voice, to sexuality and to freedom is not created by sewing machines or micro-credit alone", Sholkamy, H. (2010), Power, Politics and Development in the Arab Context: Or How Can Rearing Chicks Change Patriarchy?

To make the system more inclusive, it is not enough to encourage women to be less risk-adverse or to adopt a style of leadership corresponding to the dominant style. The issue underlying women's empowerment is indeed the transformation of power relations.

- To make the system more inclusive, it is not enough to encourage women to be less risk-adverse or to adopt a style of leadership corresponding to the dominant style. The issue underlying women's empowerment is indeed the transformation of power relations. It is therefore necessary not to propose programs that confine women to more stereotypes or an entrepreneurial style that is not appropriate for them. Furthermore, it is essential to take action
- at the level of institutions and other stakeholders in the sector in order to change the culture of the ecosystem as a whole and involve women and men in the transformation of the sector;
- Finally, multidimensional impact measurement indicators can (and must) be defined. However, this evaluation work involves a considerable human investment given the complex nature of the notion of empowerment.



Evaluating the reduction of inequalities

It is now widely accepted and shared that it is no longer sufficient to count the number of women participating in an action to demonstrate an impact on gender equality. Taking gender into account in the evaluation is based on both sex-disaggregated data and gender-specific indicators. In the case of gender inequalities, and to capture the desired transformative impact, it is necessary to go beyond taking gender into account as a "category" and therefore an evaluation mainly focused on the symptoms of the problem (in the case of actions aimed at the prevention of sexual and gender-based violence – SGBV – for example, the approach would be based on indicators such as the number of women experiencing violence, or who have access to support services). Understanding gender as a "process" requires including other indicators that make it possible to evaluate changes in the causes underlying the inequality in question (still with the same example, the success of a project could be measured via the number of male and female participants who understand and contribute to changing negative gender stereotypes which may cause SGBV).



The private sector and cross-cutting gender issues in UN Sustainable Development Goals

In order to achieve the Sustainable Development Goals (SDGs) by 2030, the public policies of the signatory states have been placed at the heart of the mechanism. But the private sector has an undeniable role to play.

This article was written following the presentation of "Cross-cutting gender issues in UN Sustainable Development Goals", with the support of AFD.

For more information, go to:
http://bit.ly/37FY1rS

n September 2015, the UN General Assembly adopted the 2030 Agenda for Sustainable Development, a historic agreement negotiated and approved by the majority of UN members. The Agenda is broken down into 17 Sustainable Development Goals (SDGs) and 169 targets measured by 232 indicators that tackle the econo-

mic, social, environmental and political aspects of sustainable development in a comprehensive and integrated manner with the aim of achieving a sustainable planet by 2030. All member states must commit to this agenda by complying with targets and measuring the indicators that underpin each of the SDGs.

GENDER EQUALITY AND EMPOWERMENT OF WOMEN AND GIRLS ENSHRINED IN GOAL NO. 5

Of the 17 goals, the fifth is specifically devoted to gender equality. Already in 1995, the initiatives proposed at the Fourth UN World Conference on Women held in Beijing advocated a cross-cutting approach to guarantee the empowerment of women and gender equality. The action plan contained in the Beijing Declaration, signed by 189 of the UN's 193 member states, advocated an integrated, cross-cutting approach based around specific goals. Indeed, goals enshrined in public policy concerned all aspects of society and they were devised from a concrete, egalitarian perspective to apply at all levels. Naturally, the cross-cutting nature of gender, which already

underpinned the Millennium Development Goals in 2000, was taken up and reinforced in the SDGs that succeeded them.

Of the various UN agencies tasked with deploying and tracking SDGs, UN Women – the agency responsible for gender equality and the empowerment of women – tracks goal No. 5. This is used to oversee and monitor national initiatives, notably to tackle violence against women, promote equal professional opportunities and the access of women to senior positions, and to improve sexual and reproductive health. Gender now cuts across the 54 gender-specific indicators based around the

targets of the other 16 SDGs. UN Women has also drawn up a specific roadmap that provides

governments with guidelines on how to incorporate gender into public policy¹

WHAT CAN THE PRIVATE SECTOR DO?

Sustainable Development Goals are also intended to provide different public and private stakeholders with common guidelines on converging measures for achieving SDGs. Consequently, a lot of private economic stakeholders have factored them into their strategy, actions and communication initiatives. Nevertheless, we may still wonder whether the cross-cutting nature of gender is accorded all of the importance it deserves in light of the potential leverage it provides for achieving most of the SDGs?

SDG No. 5 sets out clear targets for the private sector: indicator 5.1.1 tracks progress on improving the access of women to jobs and economic benefits; indicator 5.2, which deals with violence, also covers violence in the work environment; 5.5 tackles the under-representation of women in senior management positions; 5.a seeks to give women equal ownership rights; and finally, 5.b strives to provide them with equal access to new technologies. These guidelines and focuses provide organisations, especially companies, with strategic pointers for their in-house policies (recruiting women and developing their careers, especially in critical sectors where there is a shortage of people) as well as in areas where they may be able to use

their influence (relations with sub-contractors, customers, etc.).

Conversely, as regards SDG No. 7, focusing on affordable and clean energy, we may wonder whether the companies concerned have realised that women are greatly affected by exposure to dirty fuels? Aside from the harmful impacts of indoor air pollution on their health, a study commissioned by 22 African countries estimates that women and girls spend on average two hours a day gathering fuel. This hard work exposes women to the risk of injury, physical or sexual attack, or attacks by animals (snakes, etc.), as well as taking up valuable time that could be used for their education, work or leisure.

SDG No. 11, dealing with girls and sustainable communities, indicates how more secure public spaces are needed to combat harassment and other forms of sexual violence currently experienced by women in public places, on the street, on public transport, in public toilets, at water and food collection points and in parks. Goal No. 13 on climate action points out how a quarter of the world's working women work in agriculture. While forecasts² indicate that climate change will reduce rice, wheat and corn output

Co-founder and Vice-President, UN Women France

Pascale Bracq is Co-founder and Vice-President of UN Women France. She has long been engaged in the struggle for women's rights and gender equality and Pascale is also President of the "Women and Society" group, one of the associations sponsored by Sciences Po business school. After working in banking, Pascale moved to the insurance sector and is currently in charge of developing relations with French multinationals in a large corporation. Pascale Bracq is a Chevalière de la Légion d'Honneur (Knight of the Legion of Honour).

Sustainable Development Goals are also intended to provide different public and private stakeholders with common guidelines on converging measures for achieving SDGs. 35

The impact on, or produced by, women is rarely confined to just one SDG and frequently affects a number of goals simultaneously. For example, certain development programmes focusing on women may concern up to 14 goals.

between now and 2050, many female agricultural labourers are already confronted with massive inequalities in access to land, credit and essential inputs (i.e., fertilisers, irrigation, technology, information and markets). They generally have poorer access to climate change adaptation and mitigation strategies requiring the use of advanced heat- and drought-resistant crop varieties. All of these developments can make it more difficult to feed their communi-

ties and, more generally, to develop effective practices for tackling climate change.

It is worth noting that the World Bank believes that "green jobs" in agriculture, industry, services and government will help preserve biodiversity and cut consumption of energy, CO2 emissions, waste and all forms of pollution. At least 80% of such jobs should be created in sectors in which women are currently under-represented. It is therefore a major issue both in terms of the workforce and equal access to work.

The impact on, or produced by, women is rarely confined to just one SDG and frequently affects a number of goals simultaneously. For example, certain development programmes focusing on women may concern up to 14 goals. Moreover, for its own flagship programmes, UN Women has built a SDG sub-matrix to highlight the different goals impacted by each programme.

FOCUS UN WOMEN FRANCE

UN Women France is a UN agency set up in 2010 by the General Assembly to promote gender equality and empower women. It is tasked with helping NGOs to devise global policies, regulations and standards. As an accredited national committee, UN Women France partners this mission through advocacy, awareness-raising and educational work focusing on the international aspects of women's rights and gender equality.

AND WHAT ABOUT FINANCE?

Several studies show that projects run by women register better performances and are more sustainable³. Transposing these findings into financial terms highlights the potential leverage provided by investments that target women (female entrepreneurs, feminisation of

corporate governance, scientific and technological training, etc.). This raises the issue of how to amplify and accelerate the achievement of SDGs by 2030 through more effective targeting of programmes and funding for projects headed up by women.

While forecasts indicate that climate change will reduce rice, wheat and corn output between now and 2050, many female agricultural labourers are already confronted with massive inequalities in access to land, credit and essential inputs.

As was the case with financing the energy transition and the battle against global warming around the time of the Paris Agreement, new financial solutions need to be devised to refocus on investments that empower women in the broadest sense, as understood across all of the SDGs. To trigger this new momentum, we need to identify the data that most effectively highlights gender equality performance stan-

dards and metrics, and design financial products proving that gender-specific investment generates positive financial and social returns, thus accelerating the achievement of SDGs. This is the work currently being performed by UN Women in liaison with stakeholders from the financial arena (data aggregators, asset managers and custodians, etc.).

CONCLUSION

As we have seen, the private sector has a considerable role to play in achieving SDGs in general, and in reducing gender equality and empowering women more specifically. The Fifth UN World Conference on Women will be held in Paris in 2020. This historic Generation Equality Forum will be organised by UN Women and the French and Mexican governments. It will provide an opportunity for governments, civil society and the private sector to assess the progress made by women in the twenty-five years since the Beijing Conference; also a

time for forging coalitions for action to boost all aspects of gender equality ten years before the programme deadline of 2030.

A New financial solutions need to be devised to refocus on investments that empower women in the broadest sense, as understood across all of the SDGs.

A key ingredient for Africa's growth: investing in women entrepreneurs

I → Fannie Delavelle, Analyst, World Bank Gender Innovation Lab Léa Rouanet, Economist, World Bank Gender Innovation Lab

Bridging gender gaps requires identifying and implementing programs and policies that target the specific constraints that women entrepreneurs face, and working with all actors in the private sector, from large banks to innovative start-ups, to pilot, test and scale up the interventions that work.

Analyst, World Bank Gender Innovation Lab

Fannie Delavelle is an Analyst at the World Bank Gender Innovation Lab, where she works to integrate evidence on what works to empower women entrepreneurs into policies and programs. Fanny Delavelle was the Manager of the World Bank Youth Summit in 2018. Fannie has two Masters Degrees from the London School of Economics and Sciences Po Paris.

frica leads the world in terms of numbers of women business owners. In fact, women in Africa are more likely than men to be entrepreneurs.

Women make up 58% of the continent's self-employed population

However, a recent World Bank report, Profiting from Parity¹, shows that women entrepreneurs across sub-Saharan Africa continue to earn lower profits than men (34% less on average). Women in Africa are more likely than men to choose entrepreneurship not because they have a burning passion or the right skills, but because of a lack of better opportunities. Wage job opportunities are relatively scarce in Africa and this is even more the case for women who often have lower levels of formal education

and may face discrimination in hiring practices. Additionally, women tend to be given most of the responsibility for home-based work, including childcare, so small-scale home-based businesses may be one of the few ways they can generate an income to help cover the needs of their families.

This is a missed opportunity. When you consider that Africa is now a world leader in women business owners, you can see that unlocking their potential can make a huge contribution to the continent's growth and prosperity. If we can level the playing field for women's businesses, if we can help them grow, African economies will grow. Empowering women entrepreneurs is simply smart economics.

TARGETING THE CONSTRAINTS

In this context, partnering with the private sector to leverage synergies should be a key element of efforts to create greater opportunities for Africa's hardworking women entrepreneurs, with three important approaches that should be adopted.

First, we need to target the underlying constraints related to social norms that are holding women back, such as the uneven burden of childcare and social norms that tend to push women into less profitable sectors. For example, findings from Ethiopia and Uganda pointed to sectoral segregation as an important determinant of the gender earnings gap in entrepreneurship. In Uganda for example, the average monthly profit in the female-dominated hairdressing sector is just USD 86, while those in the male-dominated electricals sector enjoy average monthly profits of USD 371. Similarly, the Profiting from Parity report's analysis finds that one-quarter of the gender gap in profits in the Democratic Republic of Congo can be explained by the fact that women operate in comparatively less profitable sectors. This lines up with a recent Gender Innovation Lab² study of people with a Facebook business page, which captures businesses in 97 countries across 4 continents, that finds a hierarchy of earnings globally whereby men in male-dominated sectors are the top earners - earning a global average of 116% more than women-owned firms in female dominated sectors-, women in male-dominated sectors and men in female-concentrated sectors are in the middle tier, and women in female-concentrated sectors earn the least. Interestingly, all three studies indicate that women's choice of sector does not seem to be driven by the factors we may expect, like education or access to capital. Instead, exposure to male-dominated sectors through male mentors, training, or work experience, and access to information on the difference in earnings available across different sectors all appear to be important determinants of sector choice. The private sector can be a key actor in encouraging women to crossover, for example through initiatives with incubators as well as the development of intra-firm programs.

AN ARTICLE BY © LÉA ROUANET

Economist, World Bank Gender Innovation Lab

Léa Rouanet is an Economist at the World Bank Gender Innovation Lab. Her current research focuses on identifying and addressing gender-based constraints to economic activity in sub-Saharan Africa, focusing on agriculture, youth employment, socio-emotional skills, gender-based violence and adolescent girls. She holds a PhD in Economics from the Paris School of Economics.

Partnering with the private sector to leverage synergies should be a key element of efforts to create greater opportunities for Africa's hardworking women entrepreneurs.

^{2 •} Goldstein, Markus P. and Gonzalez Martinez, Paula and Papineni, Sreelakshmi, Tackling the Global Profitarchy: Gender and the Choice of Business Sector, World Bank Policy Research Working Paper No. 8865, May 2019.

STOP TEACHING THE WRONG SKILLS

Second, we need to think outside the box. While most African countries have achieved gender parity in access to primary education, a persistent gap in educational and skill attainment between male and female entrepreneurs - particularly at the secondary level and beyond - may help explain gender differences in strategic business decisions. Self-employed women have generally completed fewer years of education than self-employed men, and male entrepreneurs often have higher technical skills. However, the Profiting from Parity report shows that training programs providing traditional business skills to women entrepreneurs have had disappointing impacts on firm profits. New evidence suggests that we may simply be teaching the wrong skills. Rather than teaching traditional business skills like accounting, there is promising evidence that socio-emotional skills, such as personal initiative and perseverance, matter more.

In Togo, a training course that taught small entrepreneurs to show initiative, be proactive, and demonstrate perseverance yielded impressive results: women who took this training saw a 40% average increase in their profits, compared to no significant increase for those taking a traditional business training course. One example of this is a female entrepreneur in Togo who, prior to the training, rented wedding dresses. After receiving the personal initiative training, she decided to expand her clientele by selling dresses and offering such accessories as veils and gloves. She now owns boutiques in three African countries. This 'Personal Initiative' training has now been replicated in multiple contexts across two continents, with positive results. Through private sector partnerships, such training programmes could be scaled up throughout the continent, both within larger firms as well as in the entrepreneurial community.

FOCUS

GENDER INNOVATION LAB

The World Bank's Africa Region Gender Innovation Lab (GIL) conducts impact evaluations, which assess the outcome of development interventions in Sub-Saharan Africa, to generate evidence on how to close the gender gap in earnings, productivity, assets, and agency. With the results of impact evaluations, the GIL supports the design of innovative, scalable interventions to address gender inequality across Africa. The goal is to enable project teams and policymakers to advocate for better gender integration using evidence.

While most African countries have achieved gender parity in access to primary education, a persistent gap in educational and skill attainment between male and female entrepreneurs – particularly at the secondary level and beyond.

LOW-COST AND SIMPLE TWEAKS

Third, we must ensure that interventions are scalable. The World Bank has shown that low-cost, simple tweaks in project design can have a large impact on women's empowerment. For instance, in Malawi, we found that encouraging women to register their firms did not have an impact on their profits. Yet, by combining help on registration with a simple information session at a bank and a business bank account, women significantly increased their use of a range of formal financial services, resulting in increases in profits of 20%. And this can be done at a cost of only \$27 per firm. This is important in the context of sub-Saharan Africa, where only 27 % of women have a bank account.

Another interesting example of successful partnerships with the private sector to empower women entrepreneurs is the case of psychometrics. The problem of women's limited access to capital can be counteracted in two ways: by giving women more control over assets through, for example, the granting of joint property rights

The World Bank has shown that low-cost, simple tweaks in project design can have a large impact on women's empowerment.

(as is the case in Rwanda), or by getting around the collateral constraint altogether. Through a partnership with the private sector, the World Bank introduced innovative psychometric tests in Ethiopia as an alternative to collateral. These tests predict the likelihood that an entrepreneur will repay a loan with accuracy, yielding a 99% repayment rate. Such innovative technologies benefit entrepreneurs like Abeba from the Amhara region of Ethiopia who owns a bakery and who, for more than 10 years, was able to obtain only group loans capped at 900 euros. Through psychometric testing, she was able to obtain an individual loan, expand her business, and diversify her income.

CONCLUSION V

As we see through the examples in this article, the private sector is a key ally in empowering women economically in Africa, notably to tackle three main constraints outlined by the Profiting from Parity report: access to capital, sector segregation, and lack of skills. In terms of access to capital, the Gender Innovation Lab has partnered with private sector actors to design new financial products, such as psychometric tests in Ethiopia to help women entrepreneurs access the medium-sized loans that are needed for growth. With regards to

sector segregation, the private sector plays a crucial role in providing training to encourage women to crossover into more profitable sectors. Early evidence from the Gender Innovation Lab shows that exposure to technical sectors, for example through apprenticeships, may increase a woman's likelihood of entering that sector. Finally, on skills, private sector actors play a crucial role in providing training that appropriately targets women's needs, such as increasing their personal initiative.



Empowering women through financial inclusion: the case of Tunisia

Michael Cracknell, Co-founder, Enda Inter-Arabe

Cultural and social constraints on women are still very much alive in Tunisia and continue to check their considerable economic potential. Enda understood this from the outset in 1995 and it provides women with basic training to free up all of their entrepreneurial potential, consolidate their expertise in a given business sector and, above all, provide them with access to funding.

ou only have to look at a photo of the participants at any international conference to see that a lot of time is still needed for women to be "included" as the political equals of men in society. When will we cease to be surprised to see a woman running a multinational, a government or an entire country? Sahle-Work Zewde, who was elected President

of Ethiopia in October 2018, is a perfect example. Becoming a female political or corporate leader is a tough call indeed.

At another level, the challenge can appear just as daunting for a female micro-entrepreneur, and access to funding – especially microfinance – can be a life-changer.

In common with a lot of moderately-developed countries, Tunisia still experiences considerable deprivation and a rural exodus is swelling the populations of poor outlying districts. To break out of the poverty cycle and improve living conditions, access to financial services is vital but problematic as banks are unwilling to lend to poor people.

FERTILE GROUND FOR PROMOTING FINANCIAL INCLUSION

With a population of over 11 million, and 4 million working people, Tunisia is currently going through a rough period with annual growth of around 1% and an official unemployment rate of more than 15% of the active population, in other words, over 650,000 people. Young people and graduates are suffering the most with unemployment rates of 33.4% and 29%, respectively, and within this number there are twice as many women as men. This unemployment triggers social conflicts, growing insecurity and emigration (both clandestine and official) that tends to deprive the country of its human capital, particularly its most promising talent.

In 2018, nearly two-thirds of graduates were female yet barely a quarter of all employees in Tunisia are women. We find a similar differential in senior management positions and only 5% of the CEOs of big companies are women. As far as salaries are concerned, women earn around 36% less than men. However, if we focus on political representation (at least through the most recent elections), 14% of the government (i.e., ministers or secretaries of state), 34% of Parliament and 41% of local representatives were women. Very few European countries can boast of such figures.

In common with a lot of moderately-developed countries, Tunisia still experiences considerable deprivation and a rural exodus is swelling the populations of poor outlying districts. To break out of the poverty cycle and improve living conditions, access to financial services is vital but problematic as banks are unwilling to lend to poor people. This was the situation that paved the way for microfinance in 1970s South America where it was pioneered by Accion. Later, in the 1980s, Muhammad Yunus founded Grameen Bank in Bangladesh, becoming a major player in the sector and a global spokesman for microfinance.

In Tunisia, micro-finance – more commonly termed "financial inclusion" – was launched by the international NGO Enda Inter-Arabe, in the wake of the First UN World Conference on

In 2018, nearly two-thirds of graduates were female yet barely a quarter of all employees in Tunisia are women. We find a similar differential in senior management positions and only 5% of the CEOs of big companies are women.

Women, organised in Beijing in 1995. Enda had brought together women from a disadvantaged neighbourhood at the Beijing Conference and the ensuing discussions highlighted the importance of financial inclusion in Tunisia and elsewhere, and the fact that many poor women have productive businesses but insufficient resources to make them profitable. Enda subsequently launched its financial inclusion programme using a US\$ 20,000 donation from Emmaüs international as its start-up capital. It has been self-financing since 2003 and Enda Tamweel is currently refinanced by local and international loans.

Unfortunately, 25 years on from the Beijing Conference on Women, enormous progress is still required in order to implement its ambitious final declaration (just like the more recent declaration on the climate). Of the 193 UN members in 2017, only 15 are governed by a woman.

AN ARTICLE BY

Co-founder, Enda Inter-Arabe

Michael Cracknell co-founded the international NGO Enda Inter-Arabe, which went on to create Enda Tamweel in 2016. Michael began his career at the Food and Agriculture Organization of the United Nations (FAO) in Rome, before going on to work for the International Federation of Agricultural Producers in Paris where he was Secretary General from 1969 to 1985. He studied at the University of Bristol (UK) and Université de Toulouse (France), where he was awarded a PhD in law.

A lot of Tunisian women are able to generate revenue streams from production businesses, craft activities, trading or services. They use their income to look after their families, something that not all men do systematically.

DIGNITY AND FINANCIAL EMPOWERMENT

A lot of Tunisian women are able to generate revenue streams from production businesses, craft activities, trading or services. They use their income to look after their families, something that not all men do systematically. Self-employment therefore enables women to have an activity outside of housework (whose value is universally underestimated) but, above all, it provides them with the dignity of financial independence. Moreover, given the high rate of unemployment among men, a lot of female micro-entrepreneurs have become the principal breadwinners. One day, an Enda customer explained that she had two completely different activities: dairy farming and metal recycling. "And what does your husband do?" Her reply: "I pay him 15 dinars a day when I have work for him!"

With an average of four people per household for each micro business, it is reasonable to assume that the activities partnered by Enda Tamweel have a positive impact on the lives of almost 1.5 million Tunisians. There is also the fact that the micro-businesses themselves actually generate almost 100,000 jobs, frequently in the informal sector. On average, Enda approves two-thirds of applicants for a first micro loan. Provided they pay these back on time, borrowers subsequently get access to a line of credit tailored to their requirements.

FOCUS ENDA TAMWEEL

Enda Tamweel is Tunisia's No. 1 microfinance specialist with over 80% of the market. As of early 2020, it operated a network of 95 branches, serving 380,000 micro-businesses throughout Tunisia (60% of which are run by women) with a loan book of approximately 720 million dinars (€226 million) and 1,800 employees.

These women often have to contend with daunting social obstacles or red tape as well as social barriers that directly constrain their mobility.

TRAINING AND COACHING

Nevertheless, these women often have to contend with daunting social obstacles or red tape as well as social barriers that directly constrain their mobility. Moreover, enterprise culture is relatively under-developed in Tunisia and more than one-third of all graduates aspire to becoming civil servants although, in a country whose bureaucracy is already very top-heavy, this is an increasingly unrealistic prospect. Self-employment is not really encouraged by the Tunisian education system, especially where young people – unsure of themselves and risk averse – are concerned.

Enda has set up a number of programmes to tackle these obstacles. Training and coaching in management, business, design or financial education are good examples. Financial education programmes teach women how to manage their savings and budgets more effectively (both at micro business and household level). Very few men sign up for training, probably in the belief that they don't really need to. Enda is involved in a Netherlands-based programme, *Aflatoon*,

CONCLUSION

In the case of Tunisia – and contrary to conventional wisdom – Enda's data shows that poor people, and women in particular, do repay their loans. Of the small proportion of non-performing loans (less than 2%), only one-third were contracted by women. Women are a huge source of untapped economic potential, both in Tunisia and elsewhere. Integrating them more effectively leaves everyone better off.

that seeks to foster an entrepreneurial mindset among young people (from five years upwards). In a similar vein, in 2011, Enda launched a programme (Bidaya) to partner micro-businesses set up by young people and 46% of these are created by women. Three years down the line, 70% of these start-ups are still in business. We should give a special mention to the "Projet de Vie" (life project) programme designed to help young 18 to 35-year old men and women take stock of their situation and prepare for the future in a constructive manner. The programme uses interactive workshops to foster more effective socio-professional inclusion.

Women are a huge source of untapped economic potential, both in Tunisia and elsewhere. Integrating them more effectively leaves everyone better off. 35

ES

Economic issues involved in reducing gender equality

Gender equality, a huge potential for wealth creation ▼

According to a 2015 McKinsey study, complete gender equality in the world of work, notably through the development of female entrepreneurs, could add between US\$ 12 billion and US\$ 28 billion to global GDP by 2025.

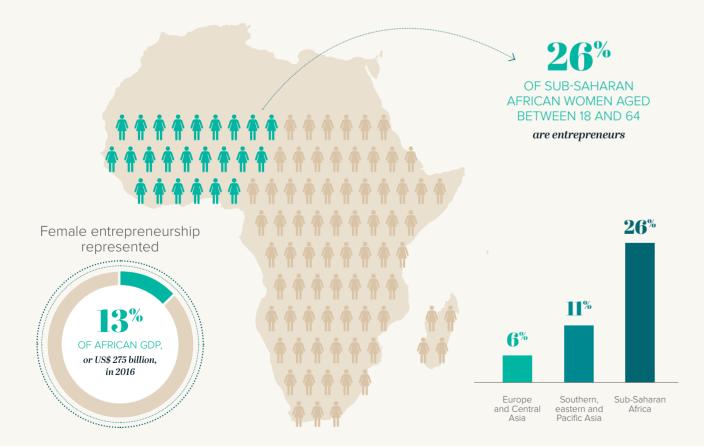




Source: McKinsey Global Institute, The power of parity: how advancing women's equality can add \$12 trillion to global growth, 2015

Sub-Saharan Africa: fertile ground for female entrepreneurship 🔻

According to data published by *Global Entrepreneurship Monitor* for 2017, female entrepreneurs generated nearly 13% of Africa's GDP, i.e., approximately \$275 billion. 26% of sub-Saharan African women aged between 18 and 64 are entrepreneurs. This is 15 percentage points higher than in southern, eastern or Pacific Asia (11%), and 20 percentage points higher than in Europe and Central Asia (6%).



Source: Global Entrepreneurship Monitor (GEM), Women's entrepreneurship report, 2017.



US\$ 95 billion V

This is the amount in dollars of total annual economic wealth lost for 2010-2014 in sub-Saharan Africa as a result of gender inequality. These losses peaked at US\$ 105 billion in 2014, according to a report by the United Nations Development Programme (UNDP).

Source: United Nations Development Programme, Africa Human Development Report 2016: Advancing Gender Equality and Women's Empowerment in Africa, 2016

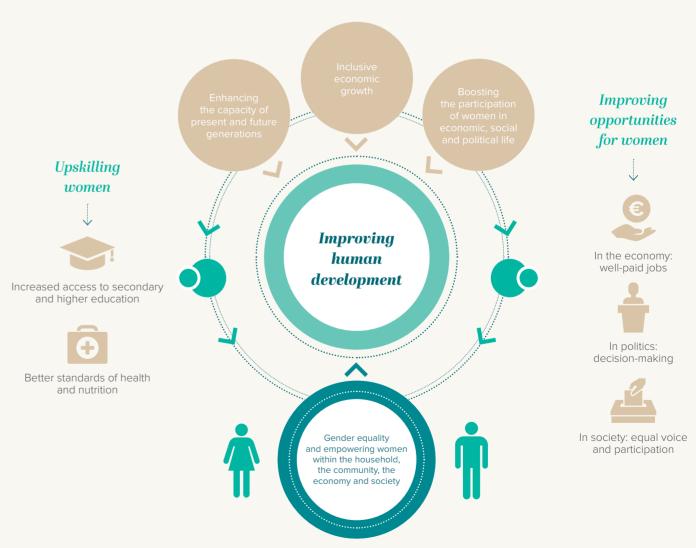


What is the dedicated financing gap for MSMEs? ▼

US\$ 1,700 billion. According to International Finance Corporation (IFC), this is the amount of the funding gap for SMEs run by women throughout the world.

Source: IFC, MSME finance gap: Assessment of the shortfalls and opportunities in financing micro, small and medium enterprises in emerging markets, 2017.

Gender equality: a human development issue ▼



Source: United Nations Development Programme, Africa Human Development Report 2016: Advancing Gender Equality and Women's Empowerment in Africa, 2016



Women and men have the same obligations, but not the same rights $\overline{}$

"On a global scale, women only have three-quarters of the rights of men"



Source: World Bank, Women, business and the law, 2019

Women and unpaid work throughout the world **v**

Women spend between one and five hours every day doing unpaid domestic work, minding children and other family chores; and one to six hours less on paid work. On a global scale, they perform 2.5 times more unpaid work than men.





THIS IS **TIMES MORE UNPAID WORK** THAN MEN



Source: Unicef, 2017; World Bank, 2018

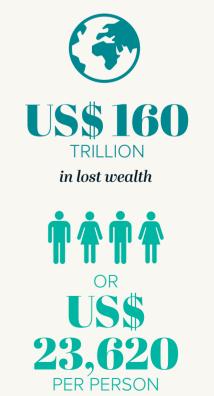
Income disparities are still as wide as ever 🔻

70% of the 1.2 billion people in the world living on less than \$1 a day are women. They also earn 25% less than men for equal skills. Finally, lifelong income disparities between men and women reduce countries' wealth by US\$ 160 trillion, or an average of US\$ 23,620 per person*

*In the 141 countries covered by the World Bank report.







Source: UNDP, Poverty figures, 2014; 2017 update; World Bank, Unrealized Potential: The High Cost of Gender Inequality in Earnings, World Bank, 2018



Gender and climate: levers for sustainable development

16 Ouafae Sananès, Gender issues expert, AFD

Women are first in line when it comes to tackling climate change. Whether they are involved in producing and managing resources or in climate negotiations, women are fully-fledged stakeholders in the quest for climate solutions. However, they must contend with specific types of vulnerability that exacerbate the impact of climate change both on themselves and on their communities.

AN ARTICLE BY © OUAFAE SANANÈS

Gender issues expert, AFD

Ouafae Sananès is an expert in gender issues who focuses on institutional and strategic relations at Agence Française de Développement (AFD). Working successively in Morocco, Pakistan, Haiti and Lebanon, Quafae has acquired extensive international experience around the themes of gender, population and sustainable development in the course of her teaching, research, project management and public policy evaluation activities. Quafae has a PhD in social anthropology and ethnology from Ecole des Hautes Etudes en Sciences Sociales.

aced with the urgency of climate change, many organisations have committed to the Paris Climate Agreement, including AFD Group, which has adopted a "100% climate" posture in its POS IV strategic focuses for 2018-2022. The goal is to promote "low-carbon" practices that help combat climate change and promote eco-friendly and pro-biodiversity norms of behaviour. At the same time, AFD has made "social ties" a central focus of its policy and one of the key underlying components of this policy is gender equality. Therefore, both gender and climate are now key focuses of a major international development agency.

Moreover, both of these themes were tackled at COP25, in which AFD participated.

Despite the lack of progress in commitments made by the Parties, COP25¹ at least unanimously adopted the second Gender Action Plan (GAP2)² for the next five years. GAP2 broadly reflects the concerns of civil society, particularly in relation to climate justice and incorporating human rights into all UNFCCC processes³. It accords major importance to female leadership and women's access to green finance. However, while GAP2 sets out recommendations, they are not legally binding and governments are free to implement them (or not).

GENDER AND CLIMATE: CONSIDERABLE INTERSECTIONALITY

To understand the links between climate and gender, we need to grasp the reality of intersectionality, otherwise it would be hard to assess the differentiated impact of climate change. Therefore, while we need gender-specific data that makes it possible to assess this impact, little such data currently exists that is capable of highlighting such wide-ranging intersectionality.

Just like in other international processes, women are still ignored when climate and environment public policies are being prepared, especially in Africa. Historically, in most countries, women have been restricted to producing the lowest-margin foodstuffs – higher-value products have generally been left to men. The same applies to land access (and not just land for agricultural production – see insert), which remains central to the empowerment of women in developing countries.

^{1.} Held in Madrid, from 2 to 13 December 2019

^{2 •} The first Gender Action Plan was adopted at COP23.

^{3 ▶} UN Framework Convention on Climate Change



Access to cemetery land in Tanzania

In Tanzania, access to land is a crucial issue for women, and not merely in terms of the resources it provides. In certain regions, women must find a husband if they want to be buried with dignity after they die: men own the land so a woman without a husband may not be able to get a proper burial. In such cases, they are put in a common grave which represents a highly undignified end.

The indigenous Amerindian women who travelled to COP25 wished to highlight a number of challenges currently faced by their people: the increasing scarcity of seeds that now cost a fortune to buy, unemployment and migration, and urbanization that is gradually encroaching upon the forest under the impetus of agribusiness and transforming the traditional way of life of indigenous people. Hundreds of thousands of hectares of Amazonian rainforest are disappearing – especially in Brazil – and with them the medicinal plants traditionally used by women.

Private sector water management is a hot topic for women, notably in Chile. In developing countries, women are often in charge of the supply and day-to-day use of water, but water companies are draining rivers and lakes when this common resource should be enshrined in public policy. Water shortages have numerous consequences on socio-economic and envi-

ronmental equilibria that can trigger massive population flight.

Because of their role in society, climate change affects women a lot more than men. In the Philippines, civil society is battling to have the no-harm rule – characterised by its "neutrality" in project management terms – replaced by the loss and damage mechanism. The climate emergency is dictating an approach that mainstreams the situation of women already impacted by climate change and, above all, provides some solutions.

Obviously, women are not just victims and they are also important stakeholders in the fight against climate change. There are numerous examples of their role in promoting socio-ecological system resilience by contributing to food security, economic value chains or climate solutions.

FOCUS

AFD

AFD is a public and solidarity-based development bank and the central actor in France's development policy. It supports projects that improve the everyday lives of people in developing and emerging economies and in French overseas territories. It operates across many sectors (energy, health, biodiversity, water, the digital economy, training, etc.) to partner the transition to a safer. fairer and more sustainable world for everyone. Its action is focused firmly on achieving the UN's sustainable development goals (SDGs). Through its network of 85 agencies, AFD operates in 115 countries, supporting over 4,000 development projects. In 2019, this represented a financing commitment of nearly €14 billion.

GENDER AND CLIMATE IN AFD'S OPERATIONS

It is therefore important to recognize the key role played by women in battling climate change. For example, AFD-sponsored projects are evaluated using the OECD "gender marker". Even though AFD is much more focused on investment in infrastructure, renewable energies and biodiversity, as the following examples show, it is just as important to mainstream gender and the climate variable into projects that are designed to enhance adaptation, mitigation and resilience.

SPECIFIC FINANCING SOLUTIONS

The Adapt'Action Facility is a study and capacity-building fund designed to support the implementation of the nationally-determined contributions of 15 countries and regional organizations (Africa, least developed countries and small island developing states). As the preferred instrument for continued cross-cutting mainstreaming of gender and climate issues, this facility has been allocated €30 million over four years (2017-2021) and reflects the commitments given under the first Gender Action Plan adopted at COP23.

Among several gender mainstreaming solutions, a gender-based mechanism providing venture capital and project preparation and monitoring (FAPS) was rolled out in 2019 with a budget of 5 million euros. It includes project support field studies and technical assistance. The aim is to identify women's practical and strategic needs through detailed analyses of socio-economic, demographic and ecological realities on the ground.

With €75 million in loans and a €7 million grant, Mauritius-based Sunref III enables local banks to finance projects with a climate change adaptation and professional gender equality focus. It provides financial incentives to companies that invest in climate change and/or gender equality solutions by offering an additional investment premium of 1% of the loan amount.

Mauritius-based Sunref III enables local banks to finance projects with a climate change adaptation and professional gender equality focus. 35

PROJECTS BACKED BY CIVIL SOCIETY

The AFD-sponsored Solutions prize awarded to Women Engaged for a Common Future (WECF) recognized this NGO's role in promoting local solutions for a global cause. This award recognises initiatives by and/or for women to reduce current inequalities in the battle against climate change. In 2019, the three projects awarded prizes included the Univers-Sel Deduram project, which aims to improve the living conditions of mangrove dwellers in Guinea-Bissau by exchanging know-how with salt workers from Guérande, France.

Another project, headed up by Agrisud, focuses on Khmu communities living in the mountainous area of northern Laos and aims to build and rehabilitate water supply networks. In Khmu communities, fetching water is an exclusively female task so this project directly reduces the

hardship involved in this work by allowing the women time to attend technical agroecology training.

44 Mainstreaming gender into private sector-backed initiatives continues to be a guarantee of their effectiveness and sustainability. 33

A resilient agriculture project set up by Oxfam is helping to boost the capacity of local communities and organizations affected by Hurricane Irma, which severely damaged livelihoods, basic services and infrastructure in the centre of the country. The project aims to raise awareness of the role of women in these reconstruction and resilience processes and to strengthen their leadership.

CONCLUSION

These few examples provide an overview of the approach and the solutions being deployed by AFD in order to get "gender and climate"-labelled projects off the ground. Mainstreaming gender into private sector-backed initiatives continues to be a guarantee of their effectiveness and sustainability and while there is still quite a way to go, AFD Group has made considerable strides in this area. For example, nearly €4 billion worth of project volumes incorporate DAC gender

equality policy markers 1 or 2⁴. Loan and grant projects dedicated to gender equality (DAC 2) alone amount to €500 million, including €250 million worth of subsidies.

Aside from the realisation that the links between gender and climate are fundamental to building climate justice, recognising women as fully-fledged stakeholders in change is essential to any sustainable development project.

Women's investment: financial instruments promoting inclusive economic development

Despite having one of the highest levels of women entrepreneurs in the world, the economic potential of women in Africa remains undervalued. This is in particular due to a range of financing that does not necessarily meet actual needs or structures that remain inadequate. Yet by working on these two aspects, it is possible to make a significant contribution to women's empowerment and the reduction of gender inequalities.

AN ARTICLE BY MBERRY SECK

Program Officer, WIC Senegal

Mberry Seck is a Program Officer at the Women's Investment Club (WIC) Senegal and a Consultant at Dalberg Advisors. She has worked on structuring and operationalizing the first investment fund syndicated by and for women in Senegal, WIC Capital. She is currently setting up a business support entity led by women in Senegal, WIC Académie. Mberry Seck has supported several projects promoting entrepreneurship, including one on the national entrepreneurship strategy in Senegal.

frica is the flagship continent for women's entrepreneurship, with the highest proportion of women entrepreneurs in the world (24%). Yet issues

related to gender disparities cost Sub-Saharan Africa some USD 95bn a year.² Beyond entrepreneurship, it is clear that an optimal participation of women in Africa's economy generates more added value, especially in the field of business management. For example, African companies in the top quartile for women's representation in their executive committees achieve better financial performance. This performance is

shown by a gross operating surplus (GOS) 14% above average.³

It has also been proven that leadership by women managers is the most suited to fair decision-making. They are thought to be more responsive, delegate more and manage conflicts better. In addition, women in companies are more likely than men to work together and cooperate to reach a consensus.⁴ Finally, they invest more in society than their male counterparts: for example, in developing countries, women spend 90% of their incomes on the household's education, health and food, against 30 to 40% for men.⁵

¹⁾ Roland Berger, African Continent Makes Entrepreneurship a Factor of Emancipation, 2018. Available at: http://bit.ly/2QCQraO

^{2 •} UNDP, Gender gap costs sub-Saharan Africa \$US95 billion a year, 2016. Available at: http://bit.ly/356kTPK

^{3 •} McKinsey, Women Matter Africa, 2017.

^{4 -} Serge Simen, Ibrahima Dally Diouf, Entrepreneuriat féminin au Sénégal : vers un modèle entrepreneurial de " nécessité " dans les pays en développement, 2013.

^{5 -} Albright & Borges, Women Empowered: Inspiring Change in the Emerging World, 2007.

FINANCING DOES NOT MATCH NEEDS

Despite all these facts, the economic potential of women remains largely untapped. For example, in Senegal, companies run by women account for just 32.8% of the economic fabric. Over 99% of them have a sole proprietorship, microenterprise or small business.⁶ Access to sustainable and appropriate financing is the main barrier to the development of strong businesses led by women.

In developing countries, there is an annual credit gap of some USD 320bn for SMEs led by women.⁷ Senegal is not an exception: only 3.5% of women entrepreneurs who borrow money do so from financial institutions,⁸ as existing financial products do not match the needs of the businesses they run. The financing conditions of commercial banks lack diversification and are mainly confined to short and medium-term loans. Furthermore, constraints related to guarantees automatically limit women, who do not generally hold land titles or assets to

guarantee their loans. Microfinance and mesofinance institutions largely support women's projects, but the amounts invested limit the long-term growth prospects. Finally, there are private equity funds that offer more prospects for sustainable growth. However, the investments put up by these funds are much higher than the needs of small-scale businesses, meaning nearly all the businesses run by women. All these factors explain why 43.9% of Senegalese women entrepreneurs who borrow do so from their families,⁹ which explains the barrier to the growth of businesses run by women.

FOCUS WIC SENEGAL

Women's Investment Club (WIC) Senegal is the first women's investment club in Senegal. It currently has 83 members and aims to provide women with preferential access to modern financial instruments in order to support inclusive economic development. In March 2019, WIC Senegal launched the first investment fund dedicated exclusively to businesses run by women in Senegal and Côte d'Ivoire, WIC Capital. WIC is currently working on setting up a business support program run by women in Senegal, WIC Académie.

The economic potential of women remains largely untapped. For example, in Senegal, companies run by women account for just 32.8% of the economic fabric.

AN INVESTMENT FUND DESIGNED BY AND FOR WOMEN

It is in this context in Senegal, and more generally in West Africa, that the Women's Investment Club (WIC) Senegal led by four Senegalese women came into being. Its objective is to extend the range of financing accessible to businesses run by women in order to support inclusive economic development in French-speaking West Africa. It was launched in 2016, following a year of reflection on the best support products, and was initially established as an investment club

to mobilize and grow the savings of women from diverse backgrounds who want to invest in women's entrepreneurship. The mission of this investment vehicle is to promote the role of women in the national economy by giving them the possibility of investing. The club currently has 83 women who have mobilized over USD 1m of savings, which have gradually been built up since March 2016 and invested in the Regional Stock Exchange (BRVM).

^{6 •} National Statistics and Demography Agency (ANSD), Summary of the results of the project to overhaul the national accounts (PRCN), Summary of the results of the general business census (RGE), conducted in 2016 and released in 2017, of all the economic units in the formal and informal sectors with equipped premises, with 407,882 counted nationwide in Senegal.

^{7 •} World Bank Group, World Development Report: Gender Equality and Development, 2012.

^{8 -} National Statistics and Demography Agency (ANSD), Idem.

⁹ Idem.

Setting up this type of initiative is not a barrier-free path, in particular due to the regulatory gap in the subregion which holds back investment activities. In Senegal, Teranga Capital was the first fund based in the subregion. It took almost two years to set up, following strong lobbying of the competent authorities 75

WIC is based on the tontines that everyone in Senegal knows, whatever the level of income, education or business sector. The savings are community-based, with a fixed amount set aside regularly every month. The model is slightly different as it includes an investment objective overseen by one or several modern financial platforms. For example, the funds mobilized are managed by a financial intermediary, CGF Bourse, and a gradual approach is taken to strengthen the financial education of women members. The aim is to position them as actors and not spectators in financing the national economy at all levels: stock market investment, angel investment, venture capital investment, etc. The long-term objective is to set up a private equity fund.

The launch of WIC Côte d'Ivoire in 2018 is also part of a subregional approach and is in line with a move towards a future African network, which would support the ambition of companies on the continent to develop and represent a new generation of top companies headed by women. Other African countries are working to set up associations that would join the network. They currently benefit from the sharing of experience

and all the documentation of WIC Senegal, with the aim of providing, more extensive technical assistance for these countries.

In Senegal, the first investment fund by women was launched in March 2019 thanks to the savings collected to date. It has been designed to meet the actual needs of women entrepreneurs in West Africa. WIC Capital aims to finance and support Senegalese and Ivorian high-potential companies that meet well-defined "gender" criteria: companies set up by women, with a minimum of 50% owned by women, or which have a managerial team with a majority of women. The fund invests amounts tailored to the size of companies, i.e. FCFA 25m to FCFA 125m (EUR 38,100 to EUR 190,500), with the aim of building "top companies".

In addition to financing, it also involves supporting the businesses run by women via a support and technical assistance program. WIC Académie, which is currently being structured with the launch set for the first quarter of 2020. It intends to capitalize on the expertise of WIC members to provide individual support to companies that meet well-defined gender criteria.

PROMOTING THE CREATION OF INNOVATIVE STRUCTURES

Setting up this type of initiative is not a barrier-free path, in particular due to the regulatory gap in the subregion which holds back investment activities. In Senegal, Teranga Capital was the first fund based in the subregion. It took almost two years to set up, following strong lobbying of the competents authorities. The creation of WIC Capital had to go through an equally complex process which also took time. The fund is currently incorporated as a simplified joint stock company pending the creation of an appropriate legal structure for investment companies in the

subregion. It is by no means waiting passively, as the structure has undertaken advocacy activities for the development of a regulatory framework concerning the entire WAEMU (West African Economic and Monetary Union) region, providing more incentives for entrepreneurship and investment. The aim of this advocacy is to promote the creation of innovative structures, adapted to the realities of our economies and societies, without which the development of the subregion could not be sustainable.

CONCLUSION

It is important that all the players in the subregion, both public and private, join in with this reflection. Gender is the gateway of WIC, but a strong mobilization by all the players, without exception, for common reflection is essential. It

involves transforming the framework for setting up financing mechanisms based on international good practices, but also giving free rein to new and properly regulated models made by and for the local context.

Overall structure of Women's Investment Club (WIC) Senegal V





How can general impact investors tackle gender-related issues?

Samuel Monteiro, Head of ESG and Impact Investment, Investisseurs & Partenaires (I&P)

Gender equality is a crucial component in achieving the UN's sustainable development goals (SDGs) and more and more investment funds and stakeholders in the finance arena are starting to factor it into their business models. Although progress has been made in this area, a much more proactive approach is still needed.

AN ARTICLE BY

Head of ESG and Impact Investment, Investisseurs & Partenaires (I&P)

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ustainable development targets will only be reached if gender inequalities are drastically reduced. These inequalities are specifically highlighted in goal No. 5 (Gender equality) of the UN's sustainable development goals (SDGs) and in certain targets of education-related goals (e.g., SDG 4.5). However, they are also indirectly present in most of the other goals even though they are not specifically mentioned. Menstrual hygiene management is difficult in the absence of soap and water and suitably adapted sanitary amenities, which in turn raises the challenges of clean water and sanitation (i.e., SDG 6).

Climate change (SDG 13) will have a greater impact on women and they are also the first concerned by issues of adaptation and resilience. The increasing scarcity of natural resources particularly affects the women who have to fetch water or wood, who are forced to go further and further afield. This leaves women with less time for paid work and young girls often have to help out, to the detriment of their education. For example, in Senegal women spend 17 hours every week fetching water. In brief, no development goals can be achieved without attacking gender inequality or the specific types of vulnerability faced by women.

The increasing scarcity of natural resources particularly affects the women who have to fetch water or wood, who are forced to go further and further afield. This leaves women with less time for paid work.



FACTORING GENDER INTO BUSINESS MODELS

More and more thematic funding is focusing on gender inequality and obviously this trend needs to be commended and encouraged, however, the needs are so great that the issue requires concerted action across the board. Investisseurs & Partenaires has devised a gender strategy that clearly sets out its commitments and tracks them on an annual basis. From an internal perspective, it is deployed via recruitment policy and by promoting gender diversity in corporate governance bodies, senior management and investment teams as well as through team-based awareness-raising initiatives. The strategy is also pursued at investment portfolio level by factoring gender-sensitive policies into the key investment pillars of I&P's partners, as well as at SME corporate officer, employee, client and sub-contractor level. Businesses commit to making progress and sometimes spearhead initiatives in this area. For example, a Ghana-based business provides childcare facilities that make it easier for women to work there.

It can sometimes be difficult to understand how a general investor – who never felt they were guilty of any sort of discrimination whatsoever – can make a difference in this area. No project was ever refused because it was sponsored by a business run by a woman and no female job applicant was ever turned down because of her gender. So how can progress actually be made in this area?

The under-representation of women in businesses financed by I&P has much deeper roots: under-representation in science and finance often leads women to submit less financially-detailed projects. But should we be put off by a business plan because it is not as well presented or has a less sophisticated grasp of technical and financial jargon? Investors who have not yet devised a specific gender policy may well answer "yes" and

have probably not yet even realized that this bias exists. I&P's investment teams have adopted a pro-active approach. When necessary, they spend more time analysing projects submitted by women to enable the latter to structure these more effectively. A pro-active approach is vital if we wish to fund more projects spearheaded by women.

Gender strategies are often adapted to specific investment vehicles. The smaller the company, the higher the proportion of women-led projects. For example, in one of I&P's venture capital funds where the average investment outlay is only a few thousand euros, 60% of investees are women. These microbusinesses have to surmount even greater obstacles if they wish to operate in the formal sector or get access to land and this is where we need to act if we want tomorrow's big corporations to be run by women.

FOCUS INVESTISSEURS & PARTENAIRES (I&P)

Investisseurs & Partenaires (I&P) is a dedicated investor in Sub-Saharan African and Indian Ocean SMEs, mostly in poor and vulnerable African countries. Since its creation in 2002, I&P has been investing in projects with a major social impact on the real economy and partnering socially-responsible companies committed to inclusive growth with a high potential impact on their own local stakeholders.

More and more thematic funding is focusing on gender inequality and obviously this trend needs to be commended and encouraged, however, the needs are so great that the issue requires concerted action across the board.

These developments have also led I&P to reorganise its investment metrics by gender to ascertain the proportion of female entrepreneurs, senior executives, employees and customers. We also track 2X Challenge criteria, the development institution-sponsored initiative to define women-friendly investments: the fact that 70% of our investments comply with these criteria is a clear statement of I&P's commitment to gender equality.

Having a woman at the helm was initially a "bonus" in impact ratings, which consist in a SWOT analysis¹ of projects and how they fit with our impact criteria. We wanted to support projects headed up by women without penali-

44 We also track 2X Challenge criteria, the development institution-sponsored initiative to define women-friendly investments. 35

sing those submitted by men. To go that extra step, I&P broadened its concept of leadership by considering not just the gender of the business owner, but that of its senior executives as well. When we invest in these African SMEs and help them to grow, these partner businesses frequently take advantage of this opportunity to restructure their top management by including more women. Because this applies to all of our businesses - regardless of whether they are run by women - the "bonus" has become a fully-fledged indicator in its own right. Our different investment pillars focusing on enterprise or employees used to comprise a question or a bonus concerning the proportion of women. "Gender" is now a pillar in itself that must be analysed for any project. Simply devoting a specific section to this criterion heightens awareness of gender-related issues and CSR performance and makes it easier to factor in opportunities for improvement and reducing gender inequality into action plans devised with our partner businesses.

RETHINKING THE PLACE OF WOMEN

Clearly, tackling challenges as big as these raise questions about the place of women in our societies. We are well aware that the French language contains a lot of bias. How can you promote female leadership when there is a debate about how to feminise the word "entrepreneur"? Should we talk about an "entrepreneure" or an "entrepreneuse"? As this article shows, inclusive writing can be a tricky thing and words and symbols are very important for the emancipation of women.

For an impact investor like I&P, one of the pillars of gender policy has been rethinking the place of women in advocacy work and communication. For example, there were far too few profiles of female entrepreneurs in quarterly newsletters. This was not a deliberate policy but probably more a result of an unconscious bias or the lower proportion of women among entrepreneurs as a whole. However, a more proactive approach has highlighted the trajectories of inspiring women who could serve



as role models for thousands of young girls and convince them that they too can have the same sort of careers. Tracking the proportion of women who appear in publications or at organised events has now become a reflex.

This gender policy is reflected at I&P which also needs to be exemplary. There is no shortage of actions to promote the inclusion of women: tracking the proportion of female employees, particularly at senior management level and in the investment teams; striving for gender parity in our various committees; working to promote a healthy work-life balance; and raising awareness of these issues and providing training for all of the teams. For example, during recruitment drives, recruiters must sys-

We are definitely guilty of perpetuating these inequalities if we decide neither to act nor to be proactive in this whole area. Gender inequalities should not only be tackled by thematic funds and we all have a role to play in weeding them out. 33

tematically interview women applicants. In the absence of these explicit guidelines, there would probably be too few women candidates due to bias and the overtly male networks of the consultants in question.

CONCLUSION

Too many stakeholders feel that these issues don't actually concern them. Obviously, we would hope that most of them do not intentionally discriminate against women and the causes of these inequalities often lie much deeper than simple actions. Howe-

ver, we are definitely guilty of perpetuating these inequalities if we decide neither to act nor to be proactive in this whole area. Gender inequalities should not only be tackled by thematic funds and we all have a role to play in weeding them out.

This gender policy is reflected at I&P which also needs to be exemplary. There is no shortage of actions to promote the inclusion of women. 55



The private sector: a key player in reducing gender inequalities

16 Zainab Saeed, Head of Market Research and Product Development, Kashf Foundation

Enabling women to become agents of social and economic change in Pakistan is the main objective of the Kashf Foundation. Since 1996, it has been providing microcredit and loan offers specifically for women, as well as financial education and vocational training.

AN ARTICLE BY

Head of Market Research and Product Development, Kashf Foundation

Zainab Saeed is the Head of Market Research and Product Development at Kashf Foundation. She has been with Kashf since 2008 and has worked on multiple facets of the organization's work including core business, training and development, external engagement and business development, grant raising, and media and advocacy. Zainab has also served as Adjunct Professor at the Lahore University of Management Sciences and been a Visiting Faculty Member at the Lahore School of Economics.

ender mainstreaming as a driver of growth has been an attractive proposition for policymakers; research suggests that improving female participation rate in the labour force can have a significant impact on economic growth. According to a report by McKinsey¹, \$12 trillion can be added to global GDP by 2025 by advancing women's participation in the economy. Similarly, a study by the International Labor Organization reported that by closing the gender gap in participation by 25% by 2025, global GDP can increase by US 5.3 trillion². That said, despite the strong business case for gender mainstreaming, global gender inequality persists. Women face inequities in access to health, education, economic opportunities, and political inclusion. According to the Global Gender Gap report³ under the businessas-usual scenario gender equality will not be achieved for the next 99.5 years. The report also states that overall gender parity stands at

68.6% and the bottom 10 countries have closed just 40% of the gender gap. In terms of political empowerment, women account for just 25% of the available positions. Moreover, only 55% of women compared to 78% of men participate in the labor market.

In the current situation, the private sector can play an innovative and disruptive role to address gender parity. Successful examples from across the world are demonstrating the catalyzing potential of private companies with respect to inclusive growth. In the developing world, microfinance institutions such as Kashf Foundation in Pakistan, are playing a pivotal role in mainstreaming women through targeting social norms around women's economic participation via their gender focus in terms of access and mind-set change in communities through role-modeling, gender centric marketing, advocacy campaigns, and social interventions.

^{1.} Mckinsey Global Institute, How Advancing women's equality can add US\$12 trillion to Global Growth, September 2015.

² International Labor Organization, Economic Impacts of Reducing the Gender Gap, 2017.

^{3 -} World Economic Forum, Mind the 100 Year Gap, 2019.

The private sector can play an innovative and disruptive role to address gender parity. Successful examples from across the world are demonstrating the catalyzing potential of private companies with respect to inclusive growth.

PAKISTAN AND WOMEN EMPOWERMENT

Gender equality is a big concern in Pakistan, a country with a population of nearly 207 million, 103 million of whom are women (about 49% of the total population). According to the World Economic Forum's Global Gender Gap Report, Pakistan ranks 151th out of 153 countries⁴. This report places the country 150th in economic participation and opportunity, 143rd in educational attainment, 149th in health and survival and 93rd in political empowerment⁵. To address issues of gender parity, Pakistan has to adopt an 'all-hands-on-deck' approach

with both the public and private sector working together.

Founded in 1996, Kashf Foundation is Pakistan's first microfinance institution entirely dedicated to women's empowerment, developing a comprehensive and impactful model with respect to mainstreaming women. True to its raison d'être Kashf works toward a more gender inclusive society via women centricity with respect to its programs and operations, and its internal policies.

KASHF'S WOMEN-CENTRIC PROGRAM AND OPERATIONS

Women centricity is part of Kashf's institutional culture and is distinctive as it has been mainstreamed through all aspects of our work. Since inception, we have disbursed over 4.4 million loans amounting to over 1.2 billion⁶ USD to over 2.7 million women from low-income households.

Kashf's approach goes beyond the sole provision of microcredit for women and is considered a holistic change program that aims to build an enabling environment for women micro-entrepreneurs to thrive. To achieve this, we provide a myriad of products and services to address the multiple needs of low-income women. These include different types of microloans

for businesses, emergency needs, livestock, specialized Shariah-compliant loans for the more conservative North Western province of Pakistan, and dedicated loans for more than 4000 low-cost-private schools. Complementing our loans offer is a host of capacity building

To address issues of gender parity, Pakistan has to adopt an 'all-hands-on-deck' approach with both the public and private sector working together.

^{4.} Pakistan has been ranked in the bottom five for the past four years.

^{5 -} World Economic Forum, Global Gender Gap Report 2020, 2019.

^{6 •} With a conversion rate of 1 dollar=PKR 100



FOCUS

KASHF FOUNDATION

Established in 1996. Kashf Foundation is a leading microfinance institution (MFI) in Pakistan with a social mission and a focus on women, for whom it works towards their economic and social empowerment. Its mission is materialized through the granting of microcredits and microinsurance but also through financial education programs, support for young women entrepreneurs and gender awareness programs for the partners and children of its clients. To date, the organization has served more than 500,000 clients and disbursed more than USD 4.4 million loans interventions aimed at enhancing capabilities and bringing innovation. They include financial education, business development training, and vocational skills training.

To help women with 'voice' and 'space', we undertake numerous participatory and praxis oriented capacity building interventions at the individual, community and societal level. They include gender justice training with clients, their husbands, and young boys from local communities, social theatre performances on pertinent social issues, and mainstream media campaigns that generate awareness on issues faced by women from low-income households.

Through various policies and programs, Kashfhas been successful in creating equal opportunities for women and men. We are the only microfinance institution in Pakistan with a 50% gender ratio in its staffbase across all tiers.

To help provide formal social safety nets, Kashf mediates women-centric and pro-poor insurance programs which offer a comprehensive in-patient health insurance program, a hospital-cash product for rural and remote areas, and a credit-for life insurance. Kashf holds a leading position in the provision of micro-insurance in Pakistan with over 2.5 million policy holders.

An assement made by Semiotics in 2019 of our programs showed that over 43% of our clients reported an increase in profits due to their loans and 61% of our clients reported an increase in savings as a result of improved business performance. Moreover, 83% of self-employed clients felt that their capacity to handle their business has improved after the training courses and 78% of business training beneficiaries experienced an increase in sales. With respect to social indicators; 50% of women cited an improvement in their relationship with their husbands, 69% of clients reported enhanced capabilities as result of the Kashf loan, and a similar trend was reported by clients with respect to their perception of self-worth.

GENDER PARITY FOR OUR STAFF TOO!

Aligned with Kashf's mission of women empowerment, our institution has demonstrated gender inclusion and diversity with respect to our workforce. Through various policies and programs, Kashf has been successful in creating equal opportunities for women and men. We are the only microfinance institution in Pakistan with a 50% gender ratio in its staff base across all tiers; this is almost twice the labor force participation rate for women in the country⁷. Moreover, 50% of

our employees report to a female boss and our institution has 37% female representation on our Board of directors. This is a testament to our commitment to recruiting, retaining, and developing women's careers. In the last year, 50% of employees hired institutionally were female and the attrition rate for females was 3.7% and for males 3.8%. In terms of internal promotions, 5% of all promotions were given to women in 2019 and around 50% of all Kashf staff reported to a female manager.

Some salient policies in place for gender mainstreaming and diversity management include equal opportunity recruitment which is done in the field via college drives and presence at career fairs in both womens' and mens' educational institutions. Once hired, both female and male employees undergo an extensive orientation process which includes sessions on Kashf's values and gender centric approach. This is followed by on-job training for both women and men after which they are certified via a testing process. Once an employee becomes a permanent member of our company there are also multiple programs to help address life-cycle changes. A salient initiative in this regard for women is the "not without my mother-in-law" program where prospective in-laws of Kashf female employees provided with an overview of the institution, and counsel is provided to our staff on how to manage new demands that will emerge as they embark on a new phase in their lives.

Additionally, Kashf is one of the first institutions in Pakistan to offer paternity leave to allow fathers time off with their newborns. We also offer a day-care facility at our Head Office and all individual branches⁸. To ensure equality in leadership positions, Kashf has a comprehensive gender responsive training program in order to pipeline staff for internal promotions specifically segregated by the leadership gaps of each gender: for women it is mostly about decision-making and negotiation, while for men we focus on delegation and work-place management. Breaking the glass ceiling for

women employees is another key imperative which is reviewed annually through the compensation and performance management system in order to remove inherent assessment bias.

Some salient policies in place for gender mainstreaming and diversity management include equal opportunity recruitment which is done in the field via college drives and presence at career fairs in both womens' and mens' educational institutions.

In addition to the above, one of the key environmental and logistical constraints for women in the long run is access to transport. To address mobility constraints, Kashf has started a female motor bike/scooter scheme by offering interest free loans to our female staff; this is again a first, as it will encourage women to use a cheaper form of transport which is hitherto denied to them as it is not considered culturally appropriate. Launched two years ago, the WoW program has provided scooters to 30 women to date, and there are applicants still in various stages of obtaining one.

Kashf Foundation is committed to serving and empowering female entrepreneurs from low-income households and designing policies and programs that cater to an ever changing, dynamic environment to strengthen the role of women in Pakistan.



What the 2X Challenge is teaching us about gender lens investing

10 Anne-Marie Lévesque. 2X Challenge and FinDev Canada

Almost two years after its launch, we look back at the 2X Challenge initiative, which aims to increase capital flows towards private sector initiatives that benefit women.

> he 2X Challenge, launched during the 2018 G7 Summit in Canada, started with a simple, yet powerful question: Can the development finance institutions (DFIs) of the G7 countries collectively

mobilize US \$3 billion by the end of 2020 to invest in women? As we enter the final year of this initial commitment, I am very proud to share some results, and a few key lessons we have learned along the way.

MAKING FINANCE WORK FOR WOMEN

Women entrepreneurs for example face a large and well-documented finance gap: over US \$300 billion for small to medium-sized enterprises (SMEs). 📲

> Economic participation and opportunity is one of the areas where inequalities between women and men are the widest globally. According to the World Economic Forum's most recent Global Gender Gap Report, this is the only area where gender gaps have recently increased. We can now expect to wait another 257 years before gender parity can be achieved

in the economic sphere¹. In practice, these economic gender gaps mean that women are less present than men on the labour market, generally earn less, are concentrated in lowerskilled positions and sectors, and have fewer prospects for advancement or growing their businesses than men.

Women entrepreneurs for example face a large and well-documented finance gap: over US \$300 billion for small to medium-sized enterprises (SMEs), which means approximately 70% of women-owned SMEs cannot obtain the financing they need². If we include microentrepreneurs in this calculation, the total credit gap for women is estimated to be valued at US \$1.7 trillion3.

^{1.} World Economic Forum, The Global Gender Gap Report 2020. More information: http://bit.ly/36TsP8F

^{2 -} World Bank, Women-owned SMEs: a business opportunity for financial institutions - a market and credit gap assessment and IFC's portfolio

gender baseline, 2017. More information: http://bit.ly/2ReT6HT
3 International Finance Corporation (IFC), MSME Finance Gap. Assessment of the shortfalls and opportunities in financing micro, small and medium enterprises in emerging markets, 2017. More information: http://bit.ly/2QR48Eg

As the 257 year figure tells us, the status quo is not an option if we want to see meaningful change within this generation. Achieving gender parity requires a concerted effort from various actors – governments, private sector, civil society – and investors can play a significant role by choosing to allocate their capital to opportunities that contribute to women's economic empowerment. The 2X Challenge is our public pledge to harness the power of

The status quo is not an option if we want to see meaningful change within this generation. Achieving gender parity requires a concerted effort from various actors – governments, private sector, civil society.

finance for gender equality by investing in women's access to finance, quality jobs, and products and services that benefit them.

YES, WE CAN - AND WE ARE JUST GETTING STARTED

A year and a half after the launch, I am very proud to say that 2X Challenge is making significant strides in moving capital towards women's economic empowerment. According to our estimates, 2X Challenge members have so far committed and mobilized US \$2.47 billion in investments that will benefit women. In 2019, we also welcomed 6 new DFI members, and gained one Multilateral Development Bank (MDB) supporter, expanding the initiative well beyond the G7 countries⁴.

To help us decide what counts as a "good" investment for women, we developed the 2X Criteria,⁵ which assess an investee's contribution to women's access to entrepreneurship, leadership positions, quality employment, and products and services that specifically or disproportionately benefit women. One important lesson from our first 18 months is the invaluable contribution of the 2X Criteria to the 2X Challenge, but also the field of gender-lens investing more broadly. This simple, yet robust, framework is fast becoming the go-to standard for what it means to invest in women and is now being adopted by DFIs and other investors at an impressive rate.

While there is a lot to be proud of, 2X Challenge members also recognize we have only scratched the surface of what we can do. When we analyze our achievements to date, we see that take-up for the 2X Challenge is higher in certain sectors, such as financial services, than in others, like renewable energy. While this is great news in the efforts to close the gap in access to finance, this tells us there is still much to do in order to encourage gender inclusion in companies or industries where women are typically under-represented, which is key if we want to engender meaningful change and close economic gender gaps.

Looking ahead, DFIs want to increase the amounts of capital we are mobilizing towards investments that benefit women, particularly from the private sector. We also want to encourage more co-investments between 2X members are other like-minded investors, to send a clear signal to the market that gender lens investors mean business. This will require deepening internal processes and mainstreaming gender in how we build pipelines, carry out due diligence and structure deals, all the way to evaluating risk, managing our portfolio, and impact measurement and reporting.

AN ARTICLE BY ANNE-MARIE LÉVESQUE

2X Challenge and FinDev Canada

Anne-Marie Lévesque is the Gender Lead at FinDev Canada, Canada's bilateral development finance institution (DFI), where she is responsible for the development and implementation of FinDev Canada's Gender Equality Strategy. Since August 2019, Anne-Marie is also the Chair of the 2X Challenge Working Group. Prior to joining FinDev Canada, Anne-Marie worked as a consultant in London and New York at Ergon Associates, a consultancy firm with a focus on human rights, gender equality and development.

^{4 •} The founding members of the 2X Challenge are: CDC Group, CDP, DEG, JBIC & JICA, FinDev Canada, OPIC and PROPARCO. The additional members that joined in 2019 are: Bio-Invest, Finnfund, FMO, IFU, SIFEM and Swedfund. In October 2019 the European Investment Bank (EIB) endorsed the 2X Criteria.

⁵ https://www.2xchallenge.org/criteria



As a result, FinDev Canada, together with our 2X partners at OPIC, CDC Group, Proparco, and the Mastercard Foundation, launched in 2019 2X Invest2Impact, a business competition aimed at growth ready, women-owned businesses in East Africa. 🥊

REACHING WOMEN ENTREPRENEURS WITH 2X INVEST2IMPACT

Another key lesson from these first 18 months is that the 2X Challenge platform is an incredible space to test new ideas and innovate. One idea we wanted to test was that there were women entrepreneurs in our markets that were ready for, but could not access investment capital, and that there was an opportunity as gender lens investors to be more proactive in reaching out to them. As a result, FinDev Canada, together with our 2X partners at OPIC, CDC Group, Proparco, and the Mastercard Foundation, launched in 2019 2X Invest2Impact, 6 a business competition aimed at growth-ready, womenowned business in East Africa.

The competition received nearly 800 entries, spread across Kenya, Ethiopia, Uganda, Tanzania and Rwanda, and culminated in the selection of 100 winners, the first ever Invest2Impact cohort. In November 2019, these 100 inspiring women entrepreneurs came together in Kigali, Rwanda, to celebrate their success and the beginning of the Invest2Impact program. Four entrepreneurs also received a cash prize for their exceptional

impact on women's economic empowerment, youth employment, climate action and innovation. With four different tracks aimed at different types of businesses, the Invest2Impact program will offer throughout 2020 an innovative and personalized approach to providing support and encouraging the growth of these businesses, including exposure to various types of investors, investment-readiness support and capacity building.

The 2X Invest2Impact initiative has taught us that there is value in having a very focused approach on pipeline building and reaching out directly to women entrepreneurs in our markets. Through this, we are gathering important lessons on supporting women's entrepreneurship in East Africa and piloting an investment prospecting model that could be replicated in other regions and markets. In 2020 we aim to share the lessons learned from this experience and further contribute to making finance work for women entrepreneurs.

FOCUS 2X CHALLENGE

The 2X Challenge is a DFI initiative aiming to mobilize \$3 billion by 2020 to invest in women. It aims at increasing access to finance for women-owned, women-led and women-supporting enterprises in developing and emerging countries.

WHERE TO GO FROM HERE?

As we enter the last year of our collective commitment to foster women's economic empowerment, it has become evident that we need to be more ambitious, challenge ourselves even more and ramp up the pace of our efforts to pump unprecedented amounts of capital into gender equality.

I strongly believe that partnerships are key to getting more investors onboard with our initiative and our vision. Having more partners join the 2X Challenge will allow us to reach higher, be bolder, and innovate in our approach to closing the gender gap. We do not have all the answers, but with partnerships we can take risks and find new ways of doing business. Only through partnerships can we hope to disrupt "business as usual" and bring the change we need to close the gender gap.

While 2020 may be the final year of the initial 2X commitment, in many ways it is also just the beginning. The 2X Challenge is now a movement which has inspired other investors to put more money in the hands of women. If we want to achieve the United Nations' 2030 Agenda, we need to accelerate the pace of progress towards gender equality, because women are key to sustainable development.

It has become evident that we need to be more ambitious, challenge ourselves even more and ramp up the pace of our efforts to pump unprecedented amounts of capital into gender equality.



Reducing gender inequality: approach by a bank

🕪 Antonio Gonzalez Castillo, Manager of Capital Emprendedor, Capital Bank

Gender inequalities in Panama are still prevalent and women's participation in the country's economy is still low. Despite government intervention to address these inequalities, private sector involvement is crucial and Panamanian banks have a role to play. This is the case of Capital Bank, which contributes to the financial inclusion of women who own or manage SMEs.

Manager of Capital Emprendedor, Capital Bank

Antonio González manages the training programs and initiatives for Entrepreneurs, Small and Medium Enterprises in Capital Emprendedor, a subsidiary of Capital Bank Inc.
Antonio studied Industrial Technology in the Technological University of Panama and for 12 years he has managed training in microfinance, telecommunications, banking and public transport companies.

anama has a population of approximately 4 million. Of the population, 49.8% are women; 51% are labourers, and there is a 15% employment gender gap.

A 29% of women participate at the executive level, on boards of directors³ and women in business management is gaining momentum.

Currently, there are companies acting individually and, in some cases, collectively to reduce gender inequality. However, these actions could have greater reach and impact if the sector participants worked in an organised manner. While

there are laws protecting women in the workplace – Panama is a signatory to international labour-gender agreements – a shared private sector agenda of implementation is required.

The private sector has the potential to promote gender equality by leveraging its position as an employer, the reputations of its participants and their brands, and its collective status as a value generator in society. However, years of history will require a common and focused effort to minimise biases and stereotypes that are reflected in practices of unfairness and inequality between women and men.

CAPITAL BANK AND ITS TRACK RECORD

Since its founding, Capital Bank has promoted the active and equal participation of women in the workplace, and has empowered female entrepreneurs. While there is still a long way to go, the bank is committed to a better future, with women and men as equal actors. Within the bank 62% of employees are women, and 61% of employees in leadership positions (assistant managers, managers and vice presidents) are also women. These figures project the bank as a company where women have a place to grow and occupy leadership positions, enabling it to communicate and extend its social credibility.

PROMOTING WOMEN ENTREPRENEURSHIP

The UNDP states on its Panama website: «It has been proven time and again, that empowering women and girls has a multiplier effect, and helps drive up economic growth and development across the board» (Excerpt from Sustainable Development Goal 5).

Through its subsidiary Capital Emprendedor, Capital Bank broadcasts a radio program nationwide – in addition to training – on business sustainability and small and medium enterprise growth. Among the invited panelists are success-

ful entrepreneur and professional women, who share their business best practices and provide inspiration for other women.

Among them, those involved with technological and innovative enterprises are promoted, inspiring women to engage in specialised enterprises previously dominated by men. Women have been inspired by the program to become entrepreneurs, to face challenges, and to start their businesses and make them grow.

FOCUS

CAPITAL BANK

Capital Bank was founded by Moises Cohen and a group of young Panamanian entrepreneurs in 2008. It is the fifth-largest Panamanian-owned bank in terms of assets (USD 1.5 billion balance sheet), currently providing commercial banking services to small, medium and large businesses, as well as premium retail banking.

COMMITMENT TO SUPPORT WOMEN IN BUSINESS

Capital Bank is positive about reducing gender inequality. A credit facility of 20 MUSD, signed in the third quarter of 2019, is aimed at providing credit of 14 MUSD to SMEs, as well as credit of 6 MUSD for women-owned and -managed SMEs ("SME women"). These funds enable the bank to use its expertise to serve SME women – including female entrepreneurs – both financially and non-financially; this has been Capital Bank's strategy for the past 11 years.

According to initial analyses, 32% of the bank's existing portfolio comprises SMEs managed or owned by women. In recognition of the bank's will to develop this segment, and its allocation of 30% of its funds to the financing of women-owned SMEs (SMEs owned or managed by women in accordance with the criteria of the 2X Challenge), Proparco has provided support to the bank with technical assistance. This technical assistance aims at creating financial

and non-financial products aimed especially at companies where women play a leading role. The technical assistance includes gender bias analyses in granting credit, enabling the financial empowerment of women. This, among other initiatives, will contribute towards progress in terms of gender equality in Panama, which in turn will contribute towards the sustainable growth of the country.

The private sector has the potential to promote gender equality by leveraging its position as an employer, the reputations of its participants and their brands, and its collective status as a value generator in society.

By Romain De Oliveira, Deputy Editor of Private Sector & Development

A hundred years. This is the time it would take, at the current rate, to close the gender gap completely around the world and at all levels. If we only focus on achieving parity in the world of work, this gap rises to 257 years. These two sobering statistics from the World Economic Forum could almost in themselves illustrate the key issues and challenges for the reduction of gender inequalities. Strides have admittedly been made in recent years, but there is general agreement that the efforts are too slow in coming and that there is a pressing need to scale them up.

Empowering women by reducing gender inequalities is unquestionably a sustainable development issue. The notion of "gender mainstreaming" in the various Sustainable Development Goals (SDGs) is often referred to in this issue. In fact, back in 1995, the 4th World Conference on Women already called for a "cross-cutting approach to guarantee the empowerment of women and gender equality", points out Pascale Bracq, Vice-President of UN Women France, in this issue (pages 16 to 19). The economic issue is also of major importance and the participation of women in the global economy is largely undervalued. In addition to the obvious contribution of knowledge and labor, the full participation of women in the labor market and global economy could increase world GDP by between USD 12,000bn and USD 28,000bn by 2025.1

What role do private sector players have in reducing these gender inequalities? This issue

is inevitably raised throughout the pages of this review. As Magali Barraja points out in her article (pages 6 to 9), "the private sector plays a key role in respecting and promoting women's rights". Entrepreneurship is a powerful driver: while many women are still widely penalized by the absence or lack of paid employment offered to them compared to their male counterparts, women's entrepreneurship can provide a way to overcome the persistent barriers to entering the world of work. Many women are thereby given the "capacity to provide oneself with a predictable and regular source of income [...]. But it is also the freedom to create, act, innovate, trade, earn a living, participate in economic life, create value, and be recognized for this by other members of one's community", notes Soazig Barthélémy, founder of the Empow'Her organization (pages 10 to 15).

As we have read, international donors obviously have to do their bit in this fight. For Samuel Monteiro, from the investment fund Investisseurs & Partenaires (I&P), the financing needs for the reduction of gender inequalities are so great that it "requires concerted action" by all stakeholders, in a proactive manner and at all levels: "It is deployed via recruitment policy and by promoting gender diversity in corporate governance bodies, senior management and investment teams as well as through team-based awareness-raising initiatives" (pages 40 to 43).

In this field, things are tending to move forward in a positive way. For example, in 2018, the G7 development finance institutions launched the

1 McKinsey Global Institute, The power of parity: how advancing women's equality can add \$12 trillion to global growth, 2015.



"2X Challenge – Financing for Women" initiative, which aims to raise USD 3bn in 2020 to provide women entrepreneurs with access to sources of financing and help them access

management positions or simply decent jobs. It is a huge challenge and, alongside its Canadian, American and British counterparts, PROPARCO is itself committed to taking it up!

PS&D

Since 2009, PROPARCO has coordinated the *Private Sector & Development (PS&D)* initiative, examining the role of the private sector in southern countries.

Issued as a quarterly themed magazine and specialist blog, the PS&D initiative presents the ideas and experiences of researchers and actors in the private sector who are bringing true added value to the development of the countries.



The last five issues of the review

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Issue 31

Scaling up the development impact of agro-industry

Issue 30

Corporate governance: a driver for growth

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Private Sector & Development (PS&D) is a quarterly publication that provides analyses of the mechanisms through which the private sector can support the development of southern countries. Each issue compares the views of experts in different fields, from academia to the private sector, development institutions and civil society. An extension of the magazine, the PS&D blog offers a wider forum for discussion on private sector and development issues.

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