

Proparco Ex-Post Gender Portfolio

Theme Gender	Geography Multi (19 countries)	Sector Private sector	Evaluation year 2024
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Evaluator : *Kore Global*

Background on Proparco gender portfolio

Number of projects sampled: 27

Dates of signature: Between 2018 and 2022.

Amount signed: Around €300 million (30% of gender portfolio in that period).

Types of clients: 6 companies, 7 microfinance institutions, 7 banks and 6 funds.

Sectors: Multi sector, with a majority (59%) within the banks and financial services sector, reflecting Proparco's investment portfolio.

Gender profile: 16 investments that qualified under the 2X Employment Criteria at the time of investment and 11 that met the Criteria in 2022 during Proparco's monitoring.

Strategic context

Reducing gender inequalities and promoting women's empowerment are central to Proparco's 2023-2027 Strategy, aligning closely with France's feminist foreign policy and the Agence Française de Développement (AFD) Group's commitment to Sustainable Development Goal 5 (SDG5). In line with these priorities, Proparco has set a target for at least 25% of new investments to qualify under the [2X Challenge](#) – an international benchmark for gender-lens investing.

The [2X Criteria](#) serve as a gender-lens investing standard designed to ensure that investments go beyond typical practices in empowering women within specific sectors and regions. Between 2018 and 2022, Proparco qualified over 77 projects under the 2X Criteria, channelling nearly €1 billion toward gender equality.

This evaluation focused on Proparco's investments meeting the **2X Employment Criteria**, meaning that they are denoted by a share of women in the workforce between 30-50% depending on the sector, and having at least one 'quality employment' indicator beyond compliance.¹

Objectives of the evaluation

The objectives of this evaluation were two-fold:

1. to **assess the gender-related impacts of Proparco's investments** meeting the 2X Employment Criteria, and
2. to use these findings to recommend **ways to improve** Proparco's gender-smart investment practices.

Guided by **four key questions** aligned with OECD-DAC criteria, the evaluation focused on:

- *the extent to which* the sample of investments supported women's economic and social empowerment,
- *the pathways through which* these investments reduced gender inequalities for women,
- *the factors that enabled or hindered* the achievement of gender outcomes, and
- *how Proparco can improve* its operations to better manage the gender-related impacts of its investments.

Approach and methodology

Evaluation Framework: The evaluation was framed by a Theory of Change (ToC), which examined how Proparco's investments can empower women through different impact pathways like employment, leadership, and/or access to products and services.

Mixed-Methods: Both qualitative and quantitative data were used. The evaluation included **four case studies** which illustrate Proparco's client's gender related journeys, highlighting lessons learned.

Performance Ratings: Investments were rated through a scoring system which exceeded the basic 2X Criteria thresholds, allowing for a more in-depth examination of Proparco's sampled portfolio and their outcomes.

¹ Previously covering recruitment, retention and career development, the updated 2024 2X Criteria definition of 'quality' employment has been expanded to include five categories of diversity, equal pay, equal care, wellbeing and GBVH.

Key findings

Overall sample performance

- **Most (81%) show strong evidence of supporting development outcomes for women** in more than one area and/or level of the ToC, such as improving job opportunities or enhancing financial access for women.

Outcomes for women

- **The sample was found to primarily contribute to two key gender outcomes:** (i) socio-economic empowerment, by increasing women employees' access to quality jobs, and (ii) enhanced financial inclusion, by improving women customers' access to finance.
 > This finding is in line with expectations, given that all investments in the sample meet the 2X Employment Criteria, and the sample is heavily weighted towards financial institutions.
- However, **there is no sign that these investments, through supporting improved employment opportunities for women, automatically lead to outcomes in other areas,** such as increasing women's roles in leadership.

Role of 2X Criteria

- Projects that met **both 2X Employment and Leadership Criteria** achieved more comprehensive and transformative gender outcomes.
 > The 2X Employment Criteria serves as an important entry point for improving the socio-economic conditions of women employees. However, the 2X Leadership Criteria enables a more transformative approach, driving deeper and more comprehensive gender outcomes within companies by fostering inclusive decision-making and policy advocacy.
- Projects with a **strong and intentional focus** on gender equality outperformed those with only a basic focus.
 > Projects that qualified under the 2X Employment Criteria performed better than those that met the Criteria during monitoring, supported by early commitment from senior management and support from Proparco and other development finance institutions (DFIs).

Conclusions and learnings

Proparco's investments have positively impacted women's economic and social development by increasing access to quality jobs, especially in the financial sector. However, limited support for career progression for women employees has restricted further gender equality progress at the leadership level. Also, the small sample of non-financial companies showed limited impact on women consumers.

The 2X Employment Criteria are effective in predicting gender-related outcomes primarily relating to women employment and, to a lesser extent, financial inclusion. Also, the findings highlight the need for early gender-focused commitments, leadership involvement, gender capacity and internal accountability mechanisms to drive meaningful and sustainable gender-related impacts.

Overall, the evaluation emphasised the **importance of supporting gender diversity at all levels of an organisation**. The fact that the most impactful projects met both the Employment and Leadership Criteria, highlights the need for Proparco's portfolio to expand opportunities for women in leadership in order to achieve more holistic and far-reaching gender impacts.

The report's recommendations advise Proparco to set more ambitious gender goals beyond the 2X Criteria in line with efforts to increase Proparco's contribution to the OECD DAC marker.

> This includes a recommendation to focus on gender-transformative investments; expand impact in non-financial sectors by supporting companies with gender-disaggregated data systems and gender-sensitive product and service design strategies; and prioritise deals meeting both Employment and Leadership Criteria. To enhance gender equality outcomes, it is also recommended that Proparco explore providing tailored gender TA coupled with incentives.