

INTER-AMERICAN DEVELOPMENT BANK

OPERATING POLICY ON WOMEN IN DEVELOPMENT

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PREFACE

Women in Development is intended as a further step in reinforcing Bank-supported, beneficiary-oriented policies and projects. It recognizes that development is a process that must fully involve both men and women. It endeavors to identify key areas and the means by which women's more active participation and greater access to benefits could be enhanced.

Higher productivity of all women as part of the general project population signifies a more efficient use of resources invested and greater project success. At the same time, taking the disadvantaged position of women in the lower-income strata and their increasing economic responsibilities for the upkeep of their families into account, this policy pays attention to supporting activities that address their needs in both rural and urban areas.

Such a policy is by its very nature multisectoral. It includes directly productive activities as well as those related to training and institutional organization, stressing elements to be pursued within the general framework of normal Bank operations in the various sectors as appropriate.

WOMEN IN DEVELOPMENT POLICY

A. INTRODUCTION

Participation of Women in Latin America

- 1.1 The situation of women in Latin America and their social and economic roles must be seen in the perspective of historical and current patterns of socioeconomic development, demographic changes and the rapid process of urbanization which have characterized the region as a whole.
- 1.2 Levels of women's participation in economic activities and in the decision-making process, and the way in which they in turn have been affected by the social and technological consequences of economic growth, vary greatly among and within countries of the region. In virtually all Latin American countries women are rapidly entering the urban work force and are making some progress in achieving positions at technical, professional and administrative levels. Nevertheless, there are still attitudinal, legal, institutional and socioeconomic barriers to women **at all levels** which need to be identified and overcome if they are to be afforded full opportunity to contribute to and benefit from developmental progress.
- 1.3 Women, especially those in the low-income strata, have traditionally contributed to

productive activities such as agriculture (mostly small-scale), agro-processing, crafts and home industries, trade and commerce, but there has been a tendency to underestimate their economic roles and to undercount their participation due to inadequate data, prevailing definitions of economic activity and current sampling and interviewing procedures employed in obtaining national statistics. More attention has been focussed, especially in national plans and programs, on their reproductive and child-nurturing roles.

- 1.4 In general, women have benefitted increasingly from programs in the social sector, as evidenced by the large increases in school enrollment of the female population at all levels of education and a rise in life expectancy. However, severe health, nutritional and educational problems still remain to be resolved, especially in the case of women in the rural areas and low-income women in the urban centers. Studies have shown that the whole family's health and nutrition improve when women's incomes increase. A strong positive correlation has also been demonstrated in Latin America between levels of education of women, their incomes and reductions in morbidity and mortality rates for infants. This implies that by providing women with more opportunities to acquire skills, knowledge and increased incomes, several developmental goals can be achieved at the same time.

Major Constraints Faced by Low-Income Women

- 1.5 While modernization has opened up economic opportunities in some areas, on the other hand it has led to a decline in traditional sources of income for many women, e.g., those engaged in the production of handmade and homemade items. In the agriculture sector the introduction of mechanization and new technologies generally has displaced small producers and disrupted traditional systems of production and complementarity between the roles of the two sexes in the smallholder family. Moreover, women have experienced difficulty in obtaining access to credit, improved technologies and extension services. These programs usually have not taken into account women's specific needs and multiple role responsibilities, as a result of which their productivity has generally remained at a low level.
- 1.6 Low productivity in the *campesino* economy on the whole, the displacement of small producers, and lack of income-generating opportunities and social services in rural areas have caused both men and women to emigrate to the cities. These migratory flows have deeply affected women's roles in two ways. In the urban centers there has been a rapid entry of migrant women into the work force, with females being concentrated in low-level or unskilled jobs and services. Women are involved in the urban informal sector, largely in retail trade and in small scale enterprises. In the rural areas, wherever male outmigration has been strong, women who remain had to increase their workload and assume important decision making roles and full responsibility for carrying out both agricultural and household duties.

Female-Headed Households

- 1.7 It is also within this context that one observes within the region a growing number of female-headed households (15-40% of all households), particularly in the low-income strata. Recent studies emphasize the disadvantaged position of female heads of households: They are most likely to be living below the poverty line, they score lower than low-income men on educational attainment and are more apt to be unemployed or employed in low-skilled or service occupations. This implies that while female income-generators and heads of households need better-paid and high-productivity jobs in order to support their families, they have, due to family obligations, less time available as well as less flexibility and mobility for the necessary training and acquisition of skills.
- 1.8 Moreover, the current economic crisis in Latin America and the hitherto unprecedented levels of unemployment and underemployment which have adversely affected particularly the poorest segments of the population, have had serious repercussions for women in particular. In the present situation, there are relatively fewer income-generating opportunities available on an overall basis, and inadequate training of the female population reduces their ability to compete on the formal job market. On the other hand, cutbacks in social services seriously affect women's level of health, nutrition and education, important determinants for their productivity and effective participation in the economy and society as a whole. The interaction of these factors creates a vicious circle in which low-income women in particular are caught. The mounting economic responsibilities of these women thus make combating their poverty a crucial development goal.

The Need for Further Action

- 1.9 The Bank recognizes that if women are to be effective agents of human capital development, particular attention should be paid to enhancing their contribution and taking into account their needs, multiple roles and changing economic and family situations. This means that more recognition must be given to their current and potential contribution as producers, as decision-makers and as income-generators. At the same time their role as participants in the organization of the family group, as principal factors in the development, education and guidance of children and as participants in social and community activities should not be disregarded. The Bank, therefore, endeavors to support strategies and programs which are designed to facilitate women's access to income-generating activities, credit, and training and extension services within its project and technical cooperation financing activities.
- 1.10 By systematically addressing women's specific needs or any legal, socio-cultural or financial constraints which could hamper their full participation in projects, especially those where they play a significant role, many goals may be achieved: By identifying factors which heighten the positive impact on women, both the spread of benefits as well as the success of the project itself can be enhanced. For example, the feasibility of many projects in which women carry out major tasks such as agriculture, marketing, fuelwood and water supply and maintenance, health and education, can be strengthened if women are integrated more fully into all stages of the project cycle. At the same time, any

negative side-effects of projects could be foreseen at an early stage and appropriate mitigating measures could be taken.

- 1.11 It stands to reason that by placing more focus on improving skills and incomes of the female population, a shift must be made away from associating women primarily with social welfare-oriented projects and towards directly aiming at recognizing and addressing their long-term economic and specific educational and training needs.
- 1.12 With regard to the above, many Latin American countries are making significant efforts, as evidenced by the establishment of Women's Desks, Bureaux and both national and regional planning units to promote the integration of women into the national development process. Recent legislative and policy reforms of many governments aim at ensuring equality between the sexes, enhancing women's participation in society at all levels, and achieving their more effective integration into key sectors of the economy. Recognizing the pressing situation of poor women within the region, the Bank will pay attention to supporting activities that address their needs in both rural and urban areas.
- 1.13 The fields of action proposed within this policy are thus formulated with a view of assisting national efforts and leading to a more effective participation of women in development.

B. OBJECTIVES

- 2.1 Within its general objectives of promoting social and economic development, the Bank through its lending and technical cooperation programs will assist member countries in their efforts to bring about the fuller integration of women into all stages of the development process and improvement in their socioeconomic situation. The Bank will support initiatives aimed at:
 - a. Recognizing and enhancing women's actual and potential role in productive and social activities and their contribution to the national development process;
 - b. Facilitating women's access to productive resources, services and to social and economic benefits derived from Bank operations;
 - c. Reducing social, legal and economic constraints that depress women's ability to effectively participate in and benefit from productive and other development-oriented programs.
 - d. Improving the effectiveness of institutions responsible for fostering the social and economic participation of women in the development process.

C. AREAS OF EMPHASIS

In accordance with the objectives of this policy, special emphasis will be placed on the following areas of activity:

Employment Opportunities

- 3.1 One of the objectives of Bank's operations has been to increase job opportunities and to raise the level of income of project participants. With a view to the fact that women increasingly bear economic responsibilities but tend to be concentrated in low-productive and low-paid jobs, the Bank will support efforts that aim at generating employment, upgrading women's productivity and promoting their access to productive employment or other income-earning activities. In line with the criteria established within the Urban and Rural Development Policies (GP-110-2, GP-108), the Bank will cooperate in increasing and improving both the financing and management of small enterprises, endeavoring to mobilize the efforts of women entrepreneurs.
- 3.2 Bearing in mind that the issue of generating employment for women is not only related to their need for training and skills acquisition programs, but also to the demands on women associated with family and household responsibilities, the Bank will support existing programs or the establishment of appropriate ones and other incentives aimed at reducing or eliminating obstacles to women's participation in income-earning activities. These may include the financing of child day care centers or other project-related arrangements to assist women in their child care responsibilities, and the support of special employment programs which offer flexible schedules and/or take into account women's daily and seasonal burden of domestic and productive tasks.

Education, Training and Extension

- 3.3 To ensure that women benefit fully from investments in project-related training programs, the Bank will give special consideration to training programs in any sector which promotes and/or facilitates the participation of women, the upgrading of their skills and the development of their productive potential. Programs in both rural and urban areas should take into account the specific factors that affect the availability and effectiveness of educational and training programs to women working in the agricultural sector or in urban-based enterprises: location of training centers, convenience of the hours of courses and the relevance of curricula and teaching materials and use of appropriate methods to transfer technology. Within this context, the Bank will support:
 - a. the development and establishment of extension programs, programs at technical and vocational centers, formal and non-formal educational programs and literacy campaigns appropriately designed to facilitate women's access as well as active promotion and outreach efforts to disseminate information on these courses;
 - b. the setting up of training courses for technical personnel to sensitize them to women's specific educational needs and problems and to increase their capacity to implement appropriate plans and projects;
 - c. efforts to increase the number of female extension agents;

- d. efforts to identify and remove limitations to women's participation in project-related training programs; and
- e. training programs connected with the maintenance and administration of project-related facilities.

Credit

- 3.4 One of the principal constraints facing low-income groups, in particular women, is the lack of adequate financing. Access to credit is one of the keys to an improved standard of living and higher productivity for small farmers and entrepreneurs in both rural and urban areas. Women's participation in formal credit programs particularly has been constrained by legal barriers, cumbersome application procedures, relatively high opportunity and transaction costs, socio-cultural constraints or by their lack of secure title to property and other forms of collateral, even if they play a major role in production and marketing in the agricultural sector. In urban areas women experience similar difficulties in their efforts to establish or expand their own enterprises and sources of selfemployment, so that they are often forced to turn to informal, high-cost sources of credit.
- 3.5 The Bank will therefore pay special attention in its credit programs to the support of programs or other mechanisms which facilitate women's access to credit and thus raise their productivity, either individually or through groups organized into productive units. These measures can include:
- a. the appropriate training of employees of formal credit institutions;
 - b. the support of financial extension services specifically geared to reach out to potential female borrowers;
 - c. the strengthening of intermediary credit institutions and associations such as formal or informal savings cooperatives where women are predominantly involved;
 - d. the use of active outreach and promotion efforts to inform women of the availability of credit programs; and
 - e. measures that would remove or ameliorate legal or other inhibitions to equitable treatment for women in obtaining credit.

Technical Cooperation

- 3.6 Through its technical cooperation operations the Bank will support the strengthening of the effectiveness of national and local institutions and their legal frameworks to formulate, coordinate and implement equitable policies, programs and projects to foster the social and economic participation of women and to improve their status in society. The Bank will support efforts to train personnel and/or to strengthen institutions to implement resulting

reforms or policies as well as to disseminate information pertaining to such reforms.

- 3.7 Emphasis will be placed on training programs which aim at improving the administrative and entrepreneurial skills of women. This is especially important for female entrepreneurs and women employed by formal institutions in areas such as extension work and project identification, preparation and evaluation. The Bank also supports the following activities:
- a. the institutional strengthening of associative-type economic organization for production and marketing and other women's groups whose activities are relevant to Bank-financed projects;
 - b. community promotion; and
 - c. the training of female beneficiaries and technical personnel in the planning, organization, distribution and operation of services, particularly in areas where women's contribution is crucial and where the impact on women is judged to be significant.

Research and Studies on the Participation of Women

- 3.8 As the information and statistical data available on the involvement of women in economic and social development and other related topics is still limited, the Bank will support and encourage the collection and publication of sex-disaggregated data and qualitative information on the participation of women, especially research on women's actual and potential participation in productive activities, decision-making structures and social activities; and on mechanisms to enhance their contribution. Knowledge of these roles and of the factors that enhance or limit women's ability to carry out these roles can contribute to the improvement of project design so that women can actively participate in and reap more benefits from the development process. The Bank will also assist in: carrying out research to reappraise concepts, approaches and practices associated with gathering statistics in order to improve data-gathering on the role of women; studying solutions for dealing with the obstacles restraining women's participation and ways of promoting income and employment for low-income women; and studying means to adapt and transfer appropriate technology to women. As far as possible, any studies undertaken will be coordinated with and complement the actions of national institutions and other international organizations.

D. CRITERIA AND GUIDELINES FOR THE BANK'S OPERATIONAL STRATEGY

- 4.1 In order to enhance the implementation of this policy, the following sections provide specific pointers on operational instruments and mechanisms for Bank action in the programming, analysis, administration and evaluation of loans in key sectors.

The programming process

- 4.2 As part of the programming process, when the Bank is developing a strategy and identifying operations in a particular country, attention should be given to gaining an informed understanding of women's roles in the economy and society as a whole.
- 4.3 Although due to a general lack of baseline and disaggregated data, only approximations may be obtained in some cases, an assessment--however general--of women's real contribution to the economy and identification of any key issues affecting their participation at an early stage is a prerequisite for:
- a. ensuring the efficiency, effectiveness and the success of operations where women's participation would be a significant contributing factor to the achievement of project goals, and
 - b. more effectively involving women in specific programs and projects, thus enhancing their advancements.

Specific Steps

- 4.4 Within programming activities consideration should be given to addressing women's roles, identifying the institutional framework of organizations involved in the issues of women's participation, and addressing any linkages between these and the programming of Bank operations.
- 4.5 Within sector analyses and strategies in relation to a specific country, as contained within the CPP, women's participation should be addressed. As a general rule, the sector analyses are based on the socioeconomic report for that specific country, so that any key issues with relation to women's involvement should also be addressed in the socioeconomic report. In addition, relevant issues should be given special consideration in the preparation of general and sectoral studies carried out by pertinent divisions of the Bank.
- 4.6 Relevant issues should be integrated into orientation and preparatory documents (TWPs) prepared for Programming Missions by Interdepartmental Working Groups. These issues should also be addressed by Field Offices within the project identification process.

Project analysis

- 4.7 Based upon the available information on women's participation, as indicated within the Background Paper, Bank action would be mainly concentrated in such areas as water supply and sanitation; income-generation and small-scale enterprises; shelter and urban development; forestry and agricultural development; education and training; health and nutrition; and any other areas 1) where women's contribution is significant, and/or 2) where the project's benefits or impact on women are judged to be significant. Within the project analysis stage, specific tools and steps are intended to enhance the integration of gender-relevant aspects within overall operations in the sectors mentioned above. The focus here is not to promote women's activities in isolation, but to find ways and means to

enhance women's participation in a given sector and to more effectively link the activities of both men and women within the project with a view to ensuring optimum overall project benefits. In most cases, this does not necessarily involve additional major financial inputs, but is intrinsically related to the following:

- a. an early identification of gender-related roles, interests and constraints and
- b. the adjustment of project design and preparation to facilitate women's access to project activities, benefits and facilities, wherever necessary.

Specific Steps

- 4.7 Improve baseline data through gathering of disaggregated data and information on women's roles in key areas, not only within socioeconomic reports, general and sectoral studies, and CPPs, but also by requesting such information from borrowers in the DES and PRA guidelines and other relevant manuals for the preparation of loan requests. These guidelines should be updated to reflect key issues in relevant sectors.
- 4.8 Prepare a set of main points for each key sector (see annexes for examples) to be used at Headquarters, at Field Offices and in orientation and other missions, in order to facilitate the work of Bank staff and consultants involved in project analysis in addressing relevant issues.
- 4.9 Consider technical cooperation and short-term missions as instruments to assist in enhancing data gathering, studies and project preparation activities, relevant project design, institutional strengthening, etc., in operations where women's participation is likely to be significant and/or where there is an early identification of gender-related issues -- as a result of the programming process or through missions.
- 4.10 Within the overall analysis of a project, make more frequent use of consultants and/or Bank missions to help gather more information and/or assist borrowers in integrating pertinent issues into project design and preparation. Such issues are: identification of any constraints --legal or otherwise-- which could inhibit achievement of project goals; compatibility of projects with socio-cultural factors affecting the participation of women; consideration of the needs of women as perceived by them (through surveys, studies, local consultations, etc.) in relation to project objectives, location and potential benefits; promotion of their active participation and organizational skills within project activities; and use of appropriate methods for transferring technology and skills. Assess the project's potential impact on women wherever relevant with the aim of enhancing positive impacts and avoiding negative impacts on women. Integrate these issues specifically into terms of reference for missions and into project documents whenever pertinent.
- 4.11 Encourage the development and use of specific methodological tools to analyze and evaluate women's participation in project benefits and the project's impact on their socioeconomic situation within the general project analysis methodologies. This task

should be assigned to the Methodology Unit of the Bank in consultation with other Departments. Any relevant experience already gathered within the Bank, e.g. small projects operations should be drawn upon.

- 4.12 Make use of control points along the project cycle (e.g., CAMs and Loan Committees) to address the issue of women's participation and the appropriate implementation of this policy.
- 4.13 In projects involving education, training, extension, credit, productive, and social infrastructural activities, the Bank should take steps to assure that the design and execution of the project allows for the full participation of women. In those operations where women have been identified as key beneficiaries, the borrower should be required to present periodic progress reports on the increasing involvement of women. This may be enforced through the use of provisions in the loan agreement.
- 4.14 Initiate a systematic program of staff training seminars and other activities at both Headquarters and Field Offices to raise consciousness of staff on women in development issues and to acquaint them with these policy guidelines and mechanisms for their implementation.
- 4.15 Designate a high level staff person within the Bank who would assist staff members to better integrate women in development aspects into the project cycle and help coordinate Bank efforts to implement this policy.

Ex-post evaluation

- 4.16 The ex-post evaluation should identify factors that contributed to or detracted from the participation of women in the project and the achievement of overall project goals, hence providing valuable lessons for improving the effectiveness of future operations. For this purpose, it is necessary to be able to rely on adequate baseline information and disaggregated data collected on an ex-ante basis, and to establish criteria to measure and evaluate effects within the framework of existing methodologies. The guidelines and criteria for ex-post evaluation of projects in all key sectors previously identified should be revised to reflect the main issues outlined within this policy and the eventual improvements in qualitative and quantitative project evaluation methodologies resulting from the Bank's experiences.

General

- 4.17 After this policy has been approved, Management will start preparing an action plan, outlining the specific steps and administrative arrangements to implement this policy. This plan will be distributed to the Board for information.
- 4.18 Once the action plan is presented, Management will inform the Board every two years of the status of implementation of the policy and the progress achieved.

4.19 As far as possible, the actions resulting from this policy should be coordinated with actions of other organizations.

ANNEX I

Framework of issues to be used in project appraisal in specific sectors

When considering how to improve the efficiency of projects and how to ensure that women can participate in and benefit more fully from development programs, one should begin by identifying circumstances and mechanisms which stand in their way, and what openings exist for promoting and enhancing their roles. The following set of questions can be asked for any sector and are meant to provide an example of appraising women's roles, the constraints affecting them and possible action to overcome those constraints. Specific guidelines based on these points have been prepared for one sector (credit) as the example in Annex II shows, and will be prepared for other key sectors which have been identified in this policy.

General Questions

Question #1

What is the extent of women's roles in this particular sector or activity? (quantitative and qualitative)

Question #2

What is their access to resources and services? (land, income, labor, credit, extension, training, facilities, organizations and channels of information, etc.)

Question #3

What are the constraints (legal, attitudinal, social, economic, cultural, distance, time, skills, etc.) that cause access to be restricted?

Question #4

How could access be enhanced and/or restrictions be overcome to improve project outcome?

Question #5

What would be the product's potential impact on women and on improving their access to resources and services, and on their socioeconomic situation. If judged to be potentially negative, (e.g. excessive workload, displacement of women, etc.): how could this be reduced? and if positive (health, energy saving and time-saving, greater productivity, higher income, etc.): how could this be enhanced?

ANNEX II

Question in relation to credit

Question #1

What is the extent of women 's real participation in the agricultural sector (if agricultural credit), in small-scale industry, urban informal sector or services (if credit for microenterprises)?

Notes: Attempt to obtain a clear picture as possible on the real participation of women in the relevant sectors, and occupational groups, including seasonal occupations through surveys, interviews with key persons, use of labor force statistics, census data, household surveys, etc.

Question #2

What are women's needs and/or demand for credit, and to what extent is their access to credit limited?

Notes: Could be assessed by knowledge and data of women's participation in specific economic activities and any observations or reports on how women have traditionally met their needs for credit e.g. moneylenders, informal savings and loan associations, family, etc.

Question #3

What are the specific factors and constraints that cause women 'e access to credit to be restricted?

Notes: Usually, these could be grouped as follows:

Constraints

- | | |
|------------------------------|--|
| a. Legal: | In many countries, women still cannot borrow in their own names; need permission or co-signature from husband or father; this severely limits widowed, divorced or single heads of households, |
| b. Financial: | Strict collateral requirements (collateral and other such as title to land or requirements, high property, registration of transaction costs) businesses, permanent jobs; other constraints such as literacy, certain level of education, high transaction and travel costs, lengthy cumbersome and complicated procedures. Repayment schedule not flexible enough, some loans only for fixed capital. |
| c. Time, distance, location: | Hours of operation of credit location institutions may be inappropriate for women borrowers with heavy domestic and farm duties. It also may be considered inappropriate for |

women to travel long distances alone in rural areas to banks in towns. (Location inappropriate).

- d. Socio-cultural/Attitudinal: Generally, women lack awareness, experience with formal institutions, experience difficulties in approaching banks; banks and credit institutions also not geared to reach out to potential female clients. Also, channels for distribution of information about credit and application procedures more accessible to men. Promotion may also be through written mechanisms; for illiterate women or those only speaking indigenous languages difficult access.

Question #4

How could access be enhanced and/or restrictions be overcome?

Notes: Once identified, certain steps could be taken. Examples are:

- a. Allow women to request loan independently or as a group.
- b. Make collateral requirements more flexible and use other means to guarantee loan, e.g. business's track record, solidarity group credit guarantee, borrower's reputation in the community, low minimum savings requirement.
- c. Offer courses in literacy and technical assistance in filling out forms and understanding procedures.
- d. use flexible repayment requirements, reduce private transaction costs by making application procedures shorter and more simple.
- e. Set up flexible hours of operation to reach women.
- f. Set up contact points near family planning, health clinics, etc. Promote credit opportunities through word-of-mouth in market places, churches, organizations, or radio programs where women are to be reached.
- g. Train staff of financial institutions to be sensitive to women's issues and develop innovative outreach mechanisms.

Question #5

What would be the project's impact on women and on improving their access to resources and services, and on their socioeconomic situation?

Notes: Obtain sex-disaggregated baseline data and establish criteria to enable measurement of women's access to credit programs and evaluate success of programs, e.g. number of loans,

increase in productivity, more volume of business, increase of production, etc.