



Canadian International
Development Agency

Agence canadienne de
développement international

GENDER AND PRIVATE SECTOR ☐

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DEVELOPMENT

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Summary

GENDER & PRIVATE SECTOR DEVELOPMENT

This study examines the gender equality (GE) dimensions of CIDA's Private Sector Development (PSD) programming over 10 fiscal years from 1989/90 to 1998/99. It presents recommendations to improve the gender equality results in PSD programming, and suggestions for further study.

CIDA has had guidelines or policies on gender equality for more than 25 years. CIDA's stance on PSD has been more implicit than explicit as *draft* PSD policies were prepared in 1988, 1994, and 1999, but not officially adopted. Yet at the operational level, the absence of a formal PSD "policy" has not limited PSD programming. In fact PSD is more prominent than gender equality issues, particularly in the Country Program Frameworks. Gender equality issues are addressed in only a small number of PSD projects.

The extent to which gender equality concerns are addressed in a project or program appears to depend on:

- ***strong pressures from within a country or region, and external pressure on CIDA***
- ***the commitment and capacity of individual CIDA staff who are involved at the beginning of the project***
- recognition in a particular project that achieving results depends on addressing gender issues.

The challenge of combining GE and PSD encounters a set of *systemic constraints* which include:

- insufficient "incentives" to address gender equality concerns in PSD
- biases against both PSD and GE
- the fact that few men are involved in promoting gender equality issues

Lack of clear direction on how to address gender equality issues limits the effectiveness of PSD initiatives. The term private sector development covers a range of projects types, and in some types gender issues are not readily apparent. CEAs and other partners do not understand specifically how to address GE issues. In addition, other factors, such as a weak database and expanded programming with fewer resources, hinder dialogue and learning in the Agency.

Recommendation #1 : The systemic constraints to integrating gender issues at the operational level should be studied by PRB.

Profile of CIDA Experience in Combining PSD and GE

On an aggregate basis, GE is a relatively small priority coded proportion of PSD projects from 1989/90 to 1998/99, and weakly integrated into CIDA INC projects. Relative to PSD, GE has a much lower priority in the Regional and Country Program Frameworks (R/CPFs).

Of the 3,410 projects in the PSD database, only 13 % are priority coded with both PSD and GE codes. No INC projects have GE priority coding. The beneficiary and participant fields in the PSD database show that women “benefited” in about 45% and “participated” in about 29% of 1000 bilateral projects. Depending on the indicator used, the measurement of the GE or WID content in projects varies significantly. This highlights a general Agency issue regarding the quality of project information systems.

Branch, Program and Partners

An INC study (1989-95) found that only 13% of the final reports from firms were rated “good/excellent” in their social/gender analysis. More current information shows similarly low GE dimensions.

Partnership Branch has funded almost half of the GE projects in the PSD database. CEE has the least number of GE projects (5%). The Branch distribution for GE projects for Asia, America and Africa follows the distribution of overall PSD projects. That is, the number of GE projects is a function of the overall number of PSD projects in the branch. In contrast, CEE, the branch with the highest number of PSD projects (41%), has the lowest percentage of GE projects (5%). Partnership Branch, with only 22% of the PSD investments, has 49% of the GE and PSD projects.

NGOs and NGIs in general tend to place more emphasis on gender issues than private firms. NGOs and universities/colleges account for about 71% of the GE and PSD projects, and about 18% of PSD disbursements. In contrast, private sector firms account for about 13% of projects, and about 50% of disbursements.

Significant Increase in PSD Projects with GE Priority Coding in 1995 and 1996

GE projects tripled by number and by budget in the calendar years 1995 and 1996, followed by a similar decrease in 1997 and 1998. The increase may be attributable to publicity surrounding the 1995 UN Conference on Women in Beijing, a renewed focus on microfinance, and interest by CIDA senior management in microfinance issues. The subsequent decline may be attributable to limited capacity in Canada and overseas to maintain the investment levels, new sector priorities in the Agency, and a reduction in CIDA’s budget. These findings may indicate that a combination of different factors has an impact on the timing of Agency investment in PSD and GE projects.

This increase in number of GE and PSD projects was detected using project budgets and approval dates. Other studies in the PSD evaluation assessment, and in CIDA, use annual project disbursement figures. These significantly weaken any measurable link between investment decisions and internal policy or external influences.

Correlating PSD and GE in Regional/Country Program Frameworks (R/CPFs)

A review of 84 R/CPFs was used to estimate the proportion of R/CPFs where both PSD and GE programming are emphasized. Compared to GE, an implicit PSD “policy” or perspective is more strongly embedded in the R/CPFs.

GE has a “high” priority in 22% and PSD has a “high” priority in 56% of the R/CPFs. R/CPFs with high priority assigned to *both* GE and PSD are rare (8%), mainly in poorer countries. No R/CPFs explicitly state that GE will be part of PSD projects. These findings suggest that the GE policy has not been effective in integrating gender equality issues into the “fabric of CIDA”.

Recommendation #2: *R/CPFs should clearly state how GE will be incorporated into all projects, including PSD projects. Adequate resources should be allocated to the task.*

Recommendation #3: *CIDA should outline clear expectations regarding GE in different types of PSD projects.*

Improving Data, Databases and Evaluation Research

Projects with “excellent”, “fair”, and “no gender equality” components need to be more clearly identified. The existing data system is not designed to produce this information easily. This information should be more readily available to people inside and outside CIDA.

The standard CIDA practice of using annual disbursement figures for each priority theme, rather than project budgets and approval dates, tends to mask any measurable link between investment decisions and internal policy or external influences.

Recommendation #4: *CIDA officers should code projects using short, easy to apply guidelines. In the database, space should be provided to document the processes used to address gender equality issues. Project budgets and approval dates should be used more frequently in aggregate analysis to track investment decisions and their links to policy decisions.*

Review of the Findings from Other Sources

A PRB evaluation of INC infrastructure projects, found that “claims of expected beneficial impacts for women were not substantiated” and that performance in incorporating gender equality is low. Another PRB study of WID/GE best practices, which examined a number of PSD projects, found that project managers recognized the importance of gender issues to the success of the projects. The study also found there is reluctance in CIDA highlight successful projects.

A review of data in recent APPRs shows that gender equality is not significantly integrated into the majority of projects. In general, sex disaggregated data is not provided and only women's participation rates in projects are mentioned.

These reviews recommended that gender equality indicators be specified in the design stage of projects and in CPFs, that CIDA make more extensive use of case studies in in-house training, and that projects include specific budgets to address gender equality issues.

Research on GE and PSD and Case Studies in Microfinance

Gender-aware research increasingly shows that gender inequality limits economic growth, the effectiveness of broader economic policy, and private sector development. Addressing constraints to gender equality through PSD programs can play an important role in promoting economic growth and poverty alleviation.

A summary of the recent literature is provided, addressing issues at the macro, meso and micro levels. Given the wealth of research and information available, the challenge for CIDA is to make the key findings available to CIDA officers in a way that is practical for designing and implementing projects.

Case Studies in Gender and Microfinance/Microenterprise

Three case studies explore how GE and PSD are combined. The findings include:

- ▶ Reaching large numbers of women with microfinance services does not necessarily require an explicit gender policy. Women want effective, affordable, easily accessible services.
- ▶ Different women want different services and different relationships with the organization delivering the service
- ▶ Organizations with broad empowerment goals can be successful if they combine well-managed financial and socio-economic components.

Recommendation #5: *CIDA should define clear operational guidelines for the main areas of PSD programming recommending how to address gender equality issues. These should include: MFD/MED, INC, small and medium enterprise development, cooperatives, regulatory/legal environment reform .*

Alternative Framework to Combine GE and PSD Results

Neither the GE Policy, nor the draft PSD Policy, contains a clear framework for evaluating combined GE and PSD results. The PSD coding structure has limited utility for evaluation purposes. A simpler, more effective framework for evaluating gender equality in PSD is presented with examples of results at different levels. The key gender issues in PSD occur at 4 levels: the global and national macro policy level, within the organizations providing services to businesses (meso level), and within the businesses themselves (micro level). The framework is also useful for policy making and programming in the PSD sector.

Recommendation #6: That the proposed framework for evaluating gender equality dimensions of PSD be adopted.

Evidence indicates that PSD and GE results can reinforce one another. Both dimensions have to be considered.

Recommendation #7: PSD and GE objectives should be integrated in project design. CIDA should highlight the complementarities between GE and PSD results in discussions, reports, guidelines and evaluations, and use this information to inform project selection and design.

Farming is an important private sector activity, and a high proportion of the entrepreneurs that CIDA supports are women farmers. The PSD Draft Policy should explicitly recognize the important economic contributions made by women farmers.

Recommendation #8: Make specific reference to farmers (women and men) in the PSD policy and make efforts to integrate agriculture, PSD and GE in programming.

Gender Equality in the Draft PSD Document

A section on gender equality is proposed for the draft PSD Policy (see Section 6.3). Included are a framework and general results, designed to help CIDA officers and partner organizations focus on gender equality results. The PSD Policy should consider setting mandatory minimum requirements to reach a percentage of women in a project , and to address gender issues in organizations or firms.