

Two-page abstract

Gender Equality as Smart Economics: A World Bank Group Action Plan (FY07-10)

“Forget China, India and the internet: economic growth is driven by women.”
The Economist¹

Objective

The World Bank Group Gender Action Plan seeks to advance women’s economic empowerment in client countries as a way to promote shared growth and accelerate the implementation of the third Millennium Development Goal (MDG).² The Action Plan commits the World Bank to intensify gender equality work in the economic sectors over four years, in partnership with client countries, donors and other development agencies.³ The full implementation of the Action Plan over the FY07-FY10 period is expected to cost \$24.5 million, to be shared by the Bank and interested donors.

Rationale

To promote economic development and attain the MDGs—especially the overarching poverty reduction MDG and the gender equality MDG—the global community must renew its attention to women’s economic empowerment and increase investments in women. Gains in women’s economic opportunities lag behind those in women’s capabilities (health, education). This is inefficient, since increased women’s labor force participation and earnings are associated with reduced poverty and faster growth; women will benefit from their economic empowerment, but so too will men, children and society as a whole. In sum, there is a business case for expanding women’s economic opportunities: it is smart economics.

Guiding Principles

- Focused on selected countries and areas
- Tailored to individual country needs
- Grounded in empirical evidence on gender inequalities
- Incentive-based (rather than based on mandates and obligations)
- Results-oriented
- Focused on building and replicating success
- Promoting development effectiveness, aligned with the Paris Declaration⁴

Framework

Economic empowerment is about *making markets work for women* (at the policy level) and *empowering women to compete in markets* (at the agency level). The Action Plan targets four key markets: land, labor, product, and financial, chosen because of their potential to produce sustained, measurable increases in women’s productivity and incomes. The plan identifies and implements policy measures to level the playing field and improve the policy and institutional environment for women, increase women’s ability to compete in these markets, and reduce transaction costs through infrastructure interventions that increase women’s basic access to the four markets.

¹ April 15, 2006.

² Promoting gender equality and women’s empowerment

³ Economic sectors include agriculture, private sector development, finance, and infrastructure (energy, transport, mining, ICT, and water and sanitation).

⁴ The Paris declaration, endorsed on March 2, 2005, commits more than 100 countries and development organizations to increase efforts in harmonization, alignment and managing aid for results with a set of measurable actions.

Action Areas and Expected Results

Through endorsement of this Plan, the World Bank commits to actions in four areas, each one expected to have catalytic and synergistic effects within a short time frame. Expected results include:

- **Action 1: Intensify gender mainstreaming in Bank and IFC operations and in key regional economic and sector work.** A significant increase in gender mainstreaming in economic and sector work and lending operations in infrastructure, agriculture, and financial sector operations, as well as Development Policy Operations. Main implementers of Action 1 are the World Bank's Regions and Networks, and the International Finance Corporation.
- **Action 2: Mobilize resources to implement and scale up Results-Based Initiatives that empower women economically.** An increased number of initiatives in client countries that have produced tangible results in giving women access to economic resources and markets. With support from the Development Grant Facility, this action funds results-based initiatives in low income countries and fragile states. The United Nations Development Fund for Women executes this component, and the International Center for Research on Women are designing and conducting the evaluations.
- **Action 3: Improve knowledge and statistics on women's economic participation and the relationship between gender equality, growth, and poverty reduction.** A strengthening of the analytical foundations for gender and development work, a growing body of knowledge, and greater in-country research capacity on the links between gender, poverty reduction, and growth. Increased number of evaluations of Bank Group projects that measure the impact of interventions on gender equality. Main implementers are the Bank (the Development Economics Vice Presidency and the Poverty Reduction and Economic Management Network) and non-Bank researchers and statisticians, including research institutes in developing countries.
- **Action 4: Target Communications and Training.** Increased client country support of women's economic activities, improved project execution through in-country ownership, and increased World Bank group staff capacity to engender economic operations. Main executors of Action 4 are all the Action Plan's partners, including the implementers of the first three action areas, and, where relevant, the Bank's External Affairs Vice Presidency and the World Bank Institute.

Complementarity with current mandate

The Action Plan implements the World Bank's Gender Mainstreaming Strategy (September 2001) in the economic sectors, where progress has been slower.

Focus countries

In selecting focus countries, the plan gives priority to countries that show promise of generating tangible results, as indicated by client demand. Other criteria for selection of focus countries include consistency with the Bank's Country Assistance Strategy, and synergy with Bank analytical and in-country institutional capacity. The Plan hopes to address the need to harmonize development efforts by catalyzing coordination between donors and others in the development community both at country and global levels.

Governance

An internal Bank Group Executive Committee will oversee the Plan, consisting of six to eight members from the Regions, Operational Policy and Country Services, the Legal Department, the International Finance Corporation, and the Poverty Reduction and Economic Management Network. The Committee is guided by an Advisory Council of 8–10 members that will include representatives of donor partners and civil society.