

DFI INSIGHTS



EVALUATING GENDER

IMPACT: GETTING STARTED

ON CONDUCTING

A GENDER ASSESSMENT

THE BASICS

A gender assessment is the process of examining and analysing an institution's operations, policies, and practices from a gendered viewpoint, i.e. considering the unique requirements, prospects, and challenges faced by both women and men on account of their gender. This process encompasses gathering and examining sex-disaggregated data, engaging with stakeholders, and pinpointing gaps and possibilities for improvement.

When embarking on a journey towards gender inclusivity, institutions often start with a gender assessment. Gender assessments serve as an essential tool for institutions seeking to understand the gender dynamics in their operations and develop strategies for gender equality.

Gender assessments are not one-time activities: they represent a snapshot of a given situation at a particular moment, so they should be carried out regularly to maintain a current understanding of the institution's progress in promoting gender equality. In fact, they need to occur periodically in order to monitor advancements.

WHY DO DEVELOPMENT FINANCE INSTITUTIONS NEED TO CONDUCT A GENDER ASSESSMENT?

In general, conducting a gender assessment is a critical step for any Financial Institution (FI) in achieving gender equality and inclusion of women entrepreneurs. This is also beneficial for the FIs' performance since it enables them to:

- **Understand the gendered impacts of their operations**, identify barriers to women's participation and access to finance, and develop targeted interventions to address these issues.
- **Better understand the needs and preferences of their clients**, design products and services that meet those needs, and improve their outreach to women-led businesses.
- **Create a more inclusive and equitable work environment** by addressing gender disparities in their internal policies and practices.

Conducting a gender assessment is additionally important for Development Finance Institutions (DFIs) because it enables them to report on gender equality to international development partners and investors who are increasingly focusing on this topic. As funds are made available for related initiatives, DFIs that can demonstrate their commitment and progress in this area are more likely to improve their standing with donors and secure funding, consequently enhancing their development impact and financial sustainability. Moreover, a gender assessment can demonstrate to the government and responsible ministries that your DFI is fulfilling its development mandate.



CONDUCTING A

GENDER ASSESSMENT IN YOUR DFI

Conducting a gender assessment is a multi-step process that requires careful planning and execution. Here are the key steps for implementing a gender assessment in your DFI:

1. DEFINE THE GENDER ASSESSMENT'S OBJECTIVES AND SCOPE

Your DFI can choose to conduct an overall assessment, encompassing both internal and external aspects, or concentrate on specific areas, such as internal policies and practices or external operations and client outreach. This decision should be guided by your DFI's objectives (e.g. the specific gender equality challenges and opportunities your DFI wants to analyse and address) and available resources.

2. SECURE MANAGEMENT SUPPORT

Once the focus and scope have been determined, securing support from senior management is paramount for the success of the gender assessment. Without management buy-in, it may be challenging to obtain the necessary data and resources and, ultimately, to ensure the implementation of the recommendations. Engage with senior management early in the process, communicate the importance and benefits of the assessment, and solicit their commitment and support.

3. INVOLVE ALL RELEVANT TEAMS

Involving all relevant departments in the gender assessment is also crucial to ensure a comprehensive and accurate analysis. For internal assessments, Human Resources (HR) should be closely involved in the process, as they are responsible for developing and implementing personnel policies and practices. For external assessments, the operations department should be engaged, as they are responsible for designing and delivering financial products and services. Additionally, other departments, such as IT or monitoring and evaluation, also play a critical role in data collection and analysis. While the departments mentioned play a significant role in leading the assessment and ensuring accurate information collection and processing, it is essential to engage all departments for a more comprehensive assessment, as diverse perspectives and expertise contribute to a deeper understanding of the current situation.

4. DEFINE THE ASSESSMENT METHODOLOGY

Decide on the data collection and analysis methods, the indicators, and the metrics to be used.

This is a critical step in ensuring a comprehensive and accurate analysis of your institution's gender dynamics. Whatever methods, indicators, and metrics you choose can and should be reused in every subsequent gender assessment, in order to be comparable over time, allowing your institution to track its progress towards gender equality.

When defining the methodology for a gender assessment, it is important to use both qualitative and quantitative data to capture the complexity and nuances of gender dynamics. **Qualitative data**, such as interviews, focus group discussions, and case studies, provide insights into the experiences, perceptions, and attitudes of stakeholders, while **quantitative data**, such as sex-disaggregated indicators and statistical analysis, allow for comparisons and identifying trends over time.

For external assessments, your DFI could choose the following steps:

- **Document analysis:** reading the credit policy, risk management policy, business plan, operations manual, product and services' descriptions, loan application modules, social impact audits, to assess whether the policies in place are gender-inclusive.
- **Process analysis:** consider the loan application process, the product development process, and the customer acquisition process to assess their gender-inclusiveness.
- **Portfolio analysis:** analyse portfolio data, such as the number and types of products and services offered to women and men, the loan approval rates, and the default rates. If your institution distributes funds through projects, analyse sex-disaggregated data on the recipients of such funds and the impact of projects on women and men in their community.
- **Staff interviews:** interview staff in branches as well as in the risk team, or any other relevant department, to better understand their gender awareness and how they perceive women clients or beneficiaries, and whether they have suggestions for improvement in the way that women clients or beneficiaries are served.
- **Client interviews and surveys:** take the time to learn more on how your DFI's clients or beneficiaries (men and women) perceive the institution, whether it addresses their needs, and whether they report any discriminatory practices.

For internal assessments, your DFI could look at the following:

- **Document analysis:** analyse the HR policy manual checking whether it contains dispositions on anti-discrimination, on parental leave, on fair hiring and compensation, etc. and whether these are gender-responsive. Your DFI should also assess the organisational chart, governance manuals, and list of board members on whether the organisation is gender-balanced at all levels.
- **Process analysis:** check the internal processes of recruitment, retention, compensation, career growth and performance review, professional development, and health and safety, to understand how gender inclusion is taken into account.
- **Collect data:** gather sex-disaggregated data to check policies and processes against reality, e.g. turnover and promotion rates, gender pay gaps and representation in leadership and management positions.
- **Staff survey:** consider running an internal anonymous survey to better understand women and men's staff perception of gender equity in the institution.

There are several standards and frameworks available to help your DFI conduct gender assessments. One of the most complete ones is the [Gender Equality Mainstreaming \(GEM\) Framework Toolkit](#), which includes a rapid assessment questionnaire considering ESG criteria and producing a report on where the organisation stands on a spectrum from gender-blind to gender-transformative.

While these standards provide useful guidance, **DFIs should tailor their methodology to their specific context, mission, and resources**. Also consider specific needs for reporting to international development partners and investors, which might require your DFI to follow a certain methodology or gather particular data.

EXAMPLE OF GEM QUESTIONNAIRE RESULTS



Thank you for completing the Rapid Assessment Survey!

Your overall total score in Gender Equality Mainstreaming is 33.0

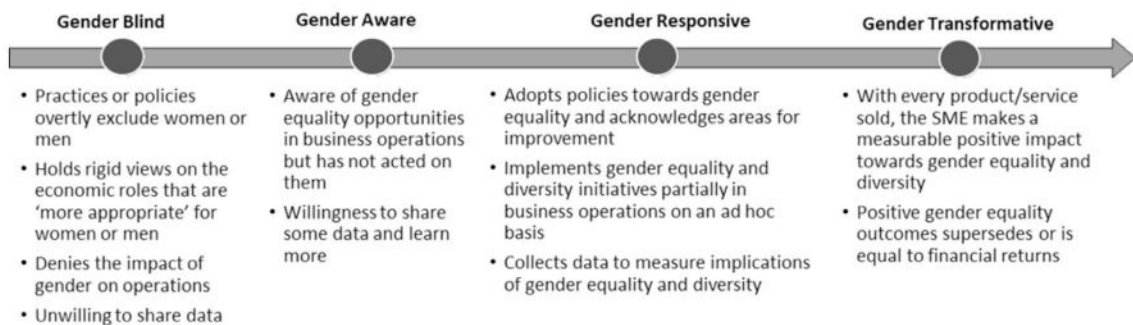
Based on your score above, please use the below criteria to assess where your company falls along the Gender Equality Mainstreaming Spectrum:

0-11 = Gender Blind

12-29 = Gender Aware

30-55 = Gender Responsive

56-70 = Gender Transformative



5. COLLECT THE DATA

The success of a gender assessment relies on the quality of the data collected. Therefore, it is essential to ensure that the data is reliable, accurate, and relevant to the assessment’s objectives. Gather the relevant information according to the methodology your DFI chose. In general, data should be sex-disaggregated, meaning that it should be collected and analysed separately for women and men. This allows for a more accurate understanding of the potential gender differences and inequalities. While some information may already be accessible, there might be some data that is not readily available, which your DFI may need to start tracking right away, or plan on gathering for the next assessment.

It is essential to establish clear data collection procedures and tools. This may involve adapting existing data collection forms or creating new ones that capture sex-disaggregated data. It is also important to **train staff on the data collection process** and ensure that they understand the importance of accurate and complete data. For assessments focusing on client-facing operations, a **clear definition of women-led businesses** is crucial for accurate data collection. If your Central Bank or Ministry of Economy/SME has developed a definition, or if one is used by most of institutions in your region, it is advisable to adopt that one to ensure coherence. However, if these are not available or do not fit your institution’s reality, your DFI can decide to design one adapted to your own processes.

Another option is to use the criteria developed by the **2x challenge initiative**. The 2X Challenge was launched at the G7 Summit in 2018 as a commitment to inspire DFIs and the broader private sector to invest in women’s businesses and women-led sectors. It aims to demonstrate that innovative financing can result in the advancement of gender equality. In fact, 2X refers to the multiplier effect of investing in women. To provide guidance on the identification of businesses advancing gender equality, the 2X challenge has identified criteria to be applied both at initiation of an investment and for ongoing monitoring. A 2X – aligned institution needs to respect at least one direct criterion and one indirect criterion from the list in the image below.

THE 2X CHALLENGE CRITERIA

		Criteria	Threshold
Direct Criteria	1	Entrepreneurship	1A. Share of women ownership 51%
			1B. Business founded by a woman Yes/No
		OR	
	2	Leadership	2A. Share of women in senior management 20-30%
		2B. Share of women on the Board or IC 30%	
	OR		
3	Employment	3A. Share of women in the workforce 30-50%	
		3B. One “quality” indicator beyond compliance Yes/No	
	OR		
4	Consumption	4. Product or service specifically or disproportionately benefit women Yes/No	
	OR		
Indirect	5	Investments through Financial Intermediaries	On-Lending facilities: Percent of the DFI loan proceeds supporting businesses that meet direct criteria 30%
			Funds: Percent of portfolio companies that meet the direct criteria 30%

For internal assessments, be sure to thoroughly analyse the gender pay gap: women tend to be paid less than men for the same position and level of expertise. A good tool for pay gap calculation has been developed by the Australian Government and is available here: [The gender pay gap calculator | WGEA](#). It might be difficult to gather such information due to privacy reasons. If this is the case, let your DFI's HR team run the analysis and only provide the person in charge of the assessment with the results.

6. ANALYSE THE DATA TO IDENTIFY PATTERNS AND TRENDS

Examine the data for any differences or disparities between women and men in the institution's operations, policies, and practices. One important approach is to compare the results with averages in the industry and international standards, where available.

When analysing portfolio data, it is important to consider not just the number of loans disbursed to women and men but also:

- **The volume of loans**, which can provide insights into the institution's lending practices and potential biases towards certain groups. For instance, if women-led businesses are receiving smaller loan amounts than men, this may indicate a need to review the lending policies and criteria.
- **Repayment rates**, as they can impact the institution's financial sustainability. For instance, if women have higher repayment rates than men, this may highlight an opportunity for your DFI, and indicate a need to concentrate resources to ensure better repayments from men borrowers.
- **Access to finance**, the types of financial products and services offered to women and men and their access to them. For instance, if women have less access to credit than men, this may indicate a need to develop targeted financial products and services to address this gap.

When analysing HR data, it is essential to consider both horizontal and vertical representation:

- **Horizontal representation** refers to the distribution of women and men across different occupations and sectors, for example, women being more represented in HR or in the position of cleaners may point to a division across gender roles.
- **Vertical representation** refers to the distribution of women and men across different levels of an organisation, such as management or leadership positions. For instance, it may be common to find more women in the workforce, but not at management levels.

Pay attention to these patterns of horizontal and vertical segregation, as they can perpetuate gender stereotypes and limit women's opportunities for career advancement.

When analysing data on compensation, remember to also control for education level and tenure (e.g. is this employee being paid more because he is a man, or because he has a longer tenure? Is this woman employee being paid less than a man colleague in the same position, despite a higher educational level?) as this will give your results more weight (e.g. results showing that for the same position, tenure, and level of education women are paid less than men).

During the analysis phase, consult regularly with key stakeholders to gather their perspectives on your findings. This will help inform the findings with more context and prioritise data as needed.

7. REPORT ON YOUR FINDINGS AND MOVE TO THE NEXT STEPS

Document the findings, conclusions, and recommendations in a clear and concise report. Present the report to senior management and the board of directors. Choose the areas that are more urgent to address and have the potential to provide a high positive impact to gender inclusion. Set concrete objectives to achieve in each area, and the actions to be undertaken to achieve these objectives and their timeframe. Also agree on a date to repeat the assessment to track progress.

Accountability and inclusion of both men and women in such discussions is key to ensure everybody is on board and gender inclusion measures are perceived as fair. If you want to know more about the next steps and possible measures you could take to make your institution more gender equal, have a look at our other paper in this series, "Unlocking potential: getting started on financing women entrepreneurs and creating an inclusive work environment in your DFI".



KEY QUESTIONS AND IMPLEMENTATION STRATEGIES

- **What are the objectives and scope** of our gender assessment?
- **Have we secured management support** for the gender assessment?
- **Which departments** should be involved in the gender assessment process?
- **Which assessment methodology** should be used?
- **What data collection methods** will we use for sex-disaggregated data?
- **How can we ensure** sound data collection and cleaning processes?
- **What data are we not tracking** at the moment and should start tracking?
- **What are the gendered impacts** of our operations?
- **What are the barriers** to women's participation and access to finance in our DFI?
- **Do our products and services** meet women's needs?
- **How successful is our outreach** to women-led businesses?
- **What gender disparities can we identify** in internal policies and practices?
- **How inclusive and equitable is our work environment**, according to employees?
- **How do our results compare** with industry averages, international standards, the results of a previous assessment?
- **What areas for improvement should we prioritise?** What concrete objectives should we set to achieve them?
- **How can we ensure accountability and inclusion** of both men and women in gender inclusion measures?
- **When will we run** the next gender assessment?

DEEP DIVE: RUNNING A GENDER ASSESSMENT STEP BY STEP

The Environmental Investment Fund of Namibia

The Environmental Investment Fund (EIF), established in 2001, provides sustainable financing for environmentally sound projects, collaborating with public and private sector organisations. EIF's funding mechanisms include grants for civil society, the private sector, and individuals, and green concessional loans for commercial projects.

Accredited by the Green Climate Fund in 2016, EIF initiated their gender inclusion journey by developing a gender policy, revised in 2022. In 2023, EIF, recognising that gender equity is a continuous effort, secured the ICR Facility's support to review their gender policy, strategy, and action plan and to conduct workshops for effective implementation.

Gender assessment at EIF

The methodology employed in this assessment, orchestrated by a team of three experts in financial inclusion for women entrepreneurs, combined qualitative and quantitative approaches, relying on data and document analysis, as well as stakeholder engagement. It followed these steps:

- 1.** EIF selected a gender focal point based on a job description provided by the consultant. The focal point played a vital role in gathering information, organising interviews, focus group discussions, and arranging project visits.
- 2.** The assessment started with a rapid appraisal using MEDA's Gender Equality Mainstreaming (GEM) questionnaire. This tool swiftly evaluates the governance, gender, social, and environmental policies of an institution, providing a comparative score against global gender equity benchmarks.
- 3.** A thorough document review followed, scrutinising EIF's background documents and policies. This examination assessed the existence and quality of gender inclusion approaches within the provided materials.
- 4.** The consultants used an adapted version of the pay gap calculator tool cited above to analyse EIF's compensation data. This tool calculated the gender pay gap as a percentage, providing a quantifiable measure of pay disparity based on gender, controlling for tenure, years of expertise, level of education.
- 5.** An anonymous online staff survey was conducted, capturing employee perceptions of gender inclusion and their satisfaction with EIF's gender approach and other relevant policies. The survey was open for two weeks and disseminated via an email from EIF's CEO to encourage maximum staff participation.

6. A portfolio outlook was established, with EIF providing data for analysis. This enabled an understanding of the overall portfolio, assessment of women's representation, and identification of areas requiring a gender inclusion focus.
7. Interviews and focus group discussions were conducted with EIF senior management and grantees. The interviews captured staff expectations regarding gender integration, while focus group discussions garnered grantees' insights on EIF's gender inclusion strategy, their inclusion, and community gender equality needs.

The results

Through the initial rapid assessment and document analysis, the DFI could already gather important information on the most important areas to explore. The MEDA questionnaire results suggested that EIF, while already gender-responsive, could still increase its internal gender inclusion efforts.

Through staff interviews, the internal survey, and gender pay data, EIF was able to highlight how, while gender balance was achieved at management level, more needed to be done to avoid horizontal segregation. EIF also gained valuable insights on the impact of its remuneration processes and on staff's perception of inclusion at EIF. This information guided EIF towards implementing targeted strategies, including a mentoring programme open to all genders, aiming to improve retention and performance.

The institution already demonstrated commendable progress in gender inclusion in their grant activities: EIF had put in place a robust monitoring system for collecting sex-disaggregated data on grant activities and gender awareness trainings organised for grantees. There were also clauses promoting gender balance in the projects' decision-making committees. However, EIF was also aware that there were still challenges because of deep-rooted traditional gender roles in the communities receiving grants. Through staff interviews, reading project reports and interviewing grantees, EIF was able to confirm the impact of the inclusion clause and to consider additional measures to improve women's participation, for example through women-only projects, suggested by the communities themselves.

The concessional loan analysis unveiled the need for specific women's inclusion measures, despite ongoing efforts to track loan distribution. Moreover, the average loan amount for women exceeded that for men, showcasing the potential for further development in this sector. To address these challenges, EIF acknowledged the need for enhanced tracking mechanisms, clearly defined Key Performance Indicators (KPIs) for gender balance, and gender training for Partner Financial Institutions (PFIs).

Through this assessment, EIF displayed a strong commitment to continuous improvement in their gender inclusion journey, and leveraged the insights gained from the assessment to implement targeted strategies addressing identified challenges.



FURTHER READINGS

- [Gender Analysis/Assessment and Gender and Social Inclusion Action Plan Template](#) (GCF)
- [Gender Impact Assessment Methodology](#) (UN Women, 2021)
- [Gender pay gap interactive page](#) (ILO, 2018)
- [Gender-responsive evaluation](#) (EIGE)
- [How to conduct a gender analysis – A guidance note for UNDP staff](#) (UNDP, 2016)
- [Manager Guide to Gender Diversity](#) (GIZ and Econowin, 2015)
- [Women’s Empowerment Principles Gap Analysis Tool](#) (WEP)
- [Women’s World Banking Online Gender Assessment Methodology – General Gender Diversity Survey](#) (WWB)

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