

Gender Scan

BIO Portfolio Financial Institutions

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Belgian Investment Company
for Developing Countries



BIO's mission

To support sustainable and inclusive economic growth in developing countries by investing in the private sector in these countries, thereby contributing to the realisation of the Sustainable Development Goals. Through each of its interventions, BIO aims to achieve a positive developmental impact.

Gender

BIO has recently adopted a Gender Strategy, defining a set of concrete actions to create and promote economic opportunities and capacity building for women.

This has led to every new project being assessed with regards to the clients' policies, practices and activities impacting gender (in)equality. In parallel, BIO made SDG5 Gender Equality a priority objective and signed up to the "2X Challenge", an ambitious target that calls on DFIs to mobilise funds to support the economic advancement of women through products and services that increase their participation.

Alongside these efforts, BIO ran a **gender scan of the Financial Institutions (FIs) in its portfolio**, which represent about two-thirds of BIO's direct investments. As these FIs involve most of the leaders, entrepreneurs, workers, and consumers directly impacted by BIO, they represent a huge potential to improve gender equality. The objective of this survey is to better understand where our clients stand in terms of gender equality, to raise awareness about the topic and to find out to which extent BIO could further support them in promoting gender equality.

39 out of the 46 FIs in BIO's 2019 portfolio¹ participated to the survey. Among the respondents, there were 20 microfinance institutions (MFIs – institutions providing microloans), 11 commercial banks (institutions providing all banking services, but which are usually ring-fenced to SME loans) and 8 non-banking financial institutions (NBFIs – institutions mainly providing leasing microloans).

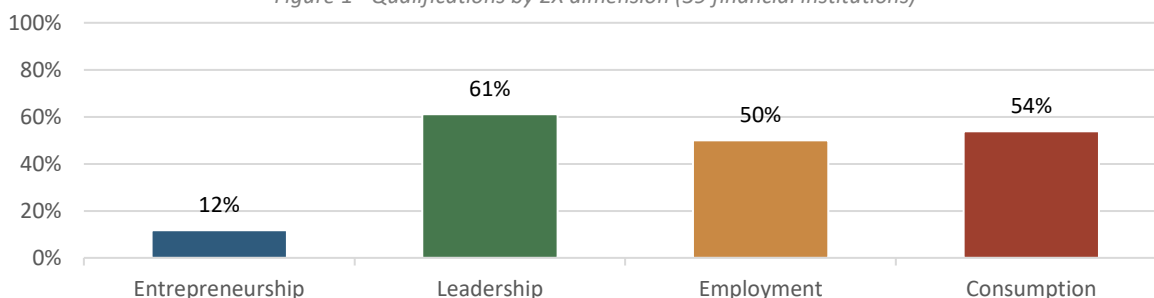
¹ Although two of these institutions were not actually BIO's clients individually, they belonged to a group in which BIO did invest. It was decided to include them, as the info they provided is interesting.

Global results

On the whole, **35 of the surveyed institutions qualify for at least 1 2X dimension, corresponding to a total of EUR 252,108,701 mobilised towards the 2X challenge.** Moreover, out of these 35, 5 qualify in 2 dimensions and 6 in more than 2.

Looking into each one of the 2X dimensions, Figure 1 shows that the dimension in which FIs qualify the most is **leadership (22 FIs)** – specifically on the senior management criterion. The low score of **entrepreneurship²** can be explained by the lack of data/knowledge on female ownership/shareholding and by the difficulties faced by women entrepreneurs.

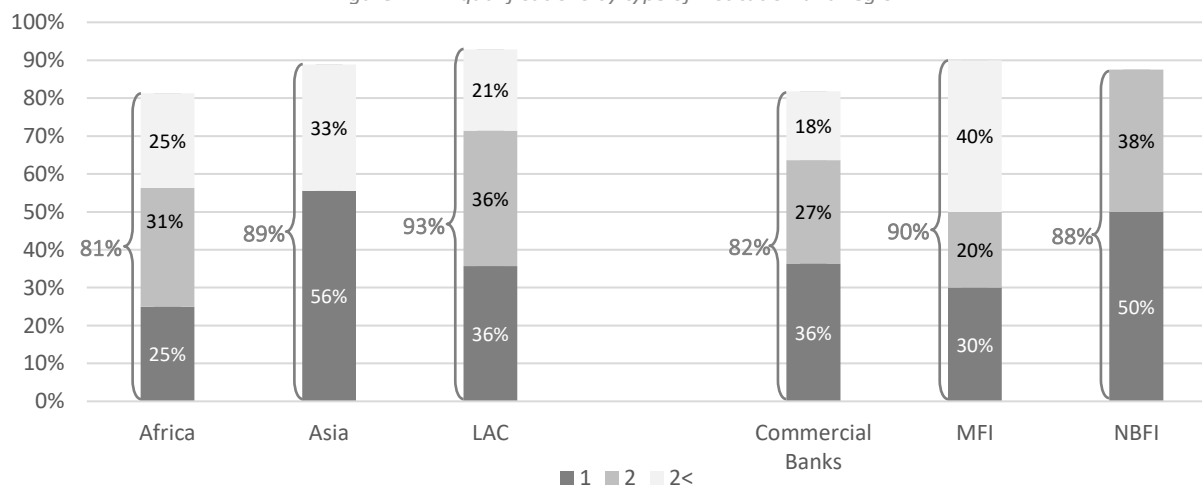
Figure 1 - Qualifications by 2X dimension (39 financial institutions)



As shown on Figure 2, the 2X eligibility varies across the different types of FIs that are financed by BIO. MFIs appear as the gender champions in terms of qualifications, since 18 out of 20 are 2X, 8 of which qualify in more than two criteria.

The FIs do equally well across regions, although there are some differences with regards to the number of qualifying criteria per region.

Figure 2 - 2X qualifications by type of institution and region



² The Entrepreneurship section covers the ownership of the FI itself, whereas the Consumer section covers the clients of the FIs.

While it would be interesting to compare the performance of BIO's FI portfolio with the rest of our portfolio, or with that of other DFIs, this information is unfortunately not available yet. For now, the only comparison that can be made is internal, with the 23 projects – across all sectors – assessed in 2020, out of which 78% qualify as 2X.

Limitations

If you want to look at a limited number of pertinent criteria on gender, the 2X criteria can be useful. However, having women in the workforce or a product benefiting them do not entail awareness of gender inequality, nor a drive to counter it. **The intentionality behind each criterion should be included, to ensure the 2X qualification is the result of a deliberate choice, rather than a coincidence.** Without the intention, the criteria can quickly revert.

This argument is corroborated by the absence of all-round gender champions. Very few institutions are doing well in all the dimensions, there are always points that can be improved. There are 3 FIs in the BIO portfolio that are eligible in all the 2X criteria – an MFI in North Africa, an MFI in Southeast Asia and a commercial bank in South Asia. However, analysis revealed that these institutions are not role models in terms of policies and practices; they have biases in the recruitment process, lack appropriate grievance procedures or provided a low percentage of training to women. This shows the **need for an assessment that goes beyond the 2X challenge, to identify weaknesses and potential improvements.**

A simplistic, quantitative approach also has severe limitations when looking at horizontal and vertical segregation.

That is why additional – qualitative – questions were included in this survey, taking the limitations of the 2X challenge criteria into consideration to reach a more complete view.

Conclusions and next steps

The main objective of the multi-dimensional and systematic scan was to **raise awareness** on the different dimensions of this topic and **gather information**, as the basis for discussions within BIO and with the clients. This objective was met and has already led to several positive conversations.

Despite the lack of benchmarks, it can be said that **BIO's FI portfolio is performing quite well against 2X criteria**.

The scan provided us with **insights** on some of the most important obstacles and barriers faced by women, as well on the **limitations of a simplistic quantitative approach**.

Finally and more importantly, this exercise showed the **interest of FIs** in this topic and their wish to move towards greater gender equality.

The next step is to look at the projects individually in more detail. There will be **an in-depth diagnose of each project**, identifying the **strengths and weaknesses** and trying to **address the latter, potentially through grant support of the BDSF**.

[The full report can be downloaded on the website.](#)