

# Women's Economic Empowerment – Practice and Policy Implications from the Enterprise Challenge Fund

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## Introduction

As AusAID and other donor policies emphasise, economic growth is the most powerful driver of poverty reduction. It is also critical to achieving development outcomes, including the United Nations Millennium Development Goals (MDGs). More recently, and to this end, donor policies have also sought to deepen their engagement with the private sector.

Challenge funds contribute towards economic inclusion,<sup>1</sup> that is, the process of overcoming barriers to men and women participating in or contributing fully to the economic system. These barriers can include a lack of awareness and understanding, accessibility to products and services, and confidence in the system at large.

Though models differ in focus and scope, the overall aim of most challenge funds is to stimulate pro-poor growth by offering the private sector incentives to find innovative ways to engage the poor as employees, suppliers and customers. Challenge funds provide a unique opportunity to build public-private sector development partnerships that are pro-poor. Lessons from the Australian Government's Enterprise Challenge Fund (ECF) suggest that challenge funds can

also promote gender equality, and in particular, empower women economically.

This paper seeks to identify promising practices in women's economic empowerment achieved through the design and implementation of the ECF, including the private sector's own initiatives that resulted in women's economic empowerment outcomes. It uses the definition of the International Centre for Research on Women (ICRW) for women's empowerment:

- "A woman is economically empowered when she has both the ability to succeed and advance economically and the power to make and act on economic decisions.
- To succeed and advance economically, women need the skills and resources to compete in markets, as well as fair and equal access to economic institutions.
- To have the power and agency to benefit from economic activities, women need to have the ability to make and act on decisions and control resources and profits."<sup>2</sup>

The paper begins by considering women's economic empowerment and its links to economic growth and development. It outlines the policy

emphasis that donors – in particular AusAID – have given women's economic empowerment. Women's economic empowerment was not an explicit objective of ECF but this review nevertheless identifies entry points in the design, application and implementation process that have allowed consideration of gender equality, and have also positively impacted women's economic empowerment.

The paper then examines ECF case studies retrospectively applying ICRW measures of women's economic empowerment such as:

- new skills; adapted business practices to accommodate women
- increases in, and expenditure of, women's income
- changes in women's and men's attitudes to the role of women in the workplace
- increases in decision making by women in businesses
- changes in women's self-reliance, self-confidence or status as a result of increased access (reported by women and/or men beneficiaries)
- changes in gender relations between men and women in the household and/or the business.

The paper then offers some observations and conclusions on promising practice for women's economic empowerment through challenge funds, and some suggestions for further research.

## Objectives of the review

This review has two key objectives:

- inform stakeholders' (in particular the private sector, AusAID and other donors) understanding of how private sector programs can support women's economic empowerment
- identify promising practices in women's economic empowerment that can be achieved through the design and implementation of the ECF, as well as from the private sector's own initiative.



## Background

### About the Enterprise Challenge Fund

The ECF is fund of A\$ 20.5 million funded by the Australian Government and managed by AusAID. This competitive opportunity for businesses to obtain grants for commercialising business projects operates in the Pacific and South East Asia. It is currently funding 21 projects in seven countries. ECF is a pilot initiative and will reveal significant lessons in developing and managing private sector programs in the region by providing 'matched' grants to enterprises. The key intended impact of ECF grant funding is to reduce poverty through employment and income generation, sustainability of initiatives, and creating wider systemic change. For more information please visit [www.enterprisechallengefund.org](http://www.enterprisechallengefund.org)

### Methodology and limitations of the review

This paper draws on:

- a desk review of key policy and practice literature including ECF monitoring and evaluation frameworks and reporting
- semi-structured interviews with the five in-country and technical monitoring staff of the ECF
- results from the ECF Grantee Perception Survey 2012 (sent to all 24 grantees; detailed responses received from 13 (55%))
- targeted information on women's economic empowerment through a supplementary questionnaire to, and purposive interviews of, program staff.

It examines how a gender equality focus within the ECF allowed an at least partial consideration of women's economic empowerment. The paper adopts the ICRW definition of women's economic empowerment to consider retrospectively both women's power and agency, and women's economic advancement, within ECF case studies, and offer some lessons.

Women's economic empowerment is not an explicit objective of the ECF, thus the findings of this review should be considered as promising, rather than leading, practice. Obviously, an explicit inclusion of women's economic empowerment within challenge fund

design and monitoring frameworks would allow the international development community to better explore their potential as a vehicle for gender equality, and measure the business impact of this effort.

Work in support of women's economic empowerment in the informal economy is urgent but challenge funds seek primarily to engage the formal economy.<sup>iii</sup> A focus on women's economic empowerment appears to have led to improved business outcomes for ECF grantees, but further empirical exploration of this important issue is outside the scope of this paper.

### Policy context – women's economic empowerment and economic growth

Significant links between improving women's economic empowerment and overall economic growth are well-recognised in the international development practice and research communities. Economic empowerment means ensuring women have the opportunity to participate in, contribute to and benefit from growth, as well as negotiate respectful treatment. Higher female income and bargaining power also tend to catalyse improved outcomes in children's education, health and nutrition, which lead to poverty reduction in the long term.<sup>iv</sup> The UN has noted a growing recognition among governments globally, as well as in the private sector, that "investing in women and girls has a powerful multiplier effect on productivity, efficiency and economic growth".<sup>v</sup> It

has further estimated that low female participation in labour markets in Asia, for example, costs the region up to US\$47 billion each year.<sup>vi</sup> The World Bank has noted that while real gains have been made in recent decades in women's health and education, little has improved in women's economic empowerment, despite its significant potential development impact.<sup>vii</sup> This is quite apart from the importance of women's economic empowerment to the achievement of the MDGs,<sup>viii</sup> and as a human right.<sup>ix</sup>

The Australian Aid Program has recognised the importance of women's economic empowerment, describing it in the 2011 AusAID Gender Equality Strategy<sup>x</sup> as one of four pillars around which its work on gender equality and women's empowerment has been structured. It is also explicitly linked to economic growth in the 2012 AusAID private sector development strategy, *Sustainable economic development: private sector development*, which notes, "underpinning Australia's support for private sector growth is a focus on improving women's economic empowerment".<sup>xi</sup> Future challenge fund designs should include this important policy reference.

We also note the continuing challenge that donor agencies (including AusAID) can face in bridging the gap between policy and practice. The policy recognition of women's economic empowerment, now



also given in AusAID's private sector development strategy, has not yet led to discernible increases in budgetary allocations for women's economic empowerment. Neither has it led to the latter's thematic inclusion even in development initiatives focused on economic growth (the ECF is an example of this omission, although gender inclusion is among ECF design principles).

ECF reporting nevertheless demonstrates some encouraging, though qualified, lessons for the Australian Aid Program in impacting women's economic empowerment.

## Gender in design and implementation of the Enterprise Challenge Fund

Challenge funds award grant funds to the private sector to achieve development outcomes. The grant process i) targets and awards grants to the private sector based on a set of eligibility and assessment criteria and ii) continues to engage private sector companies through grant implementation and during collection of monitoring and evaluation data.

AusAID's ECF is a pilot program of A\$20.5 million over six years that distributes grants to businesses in selected countries in the Pacific and South East Asia. It has sought to encourage the private sector to undertake pro-poor projects which they might otherwise perceive as too commercially risky and, for business projects, have been unable to obtain commercial financing. As noted on the project's website, "at least 50% of the project costs must be met by the partner business, and all projects must be commercially self-sustaining within three years".<sup>xii</sup> The initial design of the ECF required that projects demonstrate their main focus to be on commercial viability – without which the project would not be sustainable. Once projects met this criterion, the ECF selection panel assessed projects on criteria that included gender equality. The design did not consider any potential correlation between commercial viability and gender equality.

Women's economic empowerment and the promotion of gender equality were not among fund objectives. However, the design incorporated gender equality

in a number of areas supporting the integration of gender throughout the ECF. As a guiding principle, the program sought to "ensure that women as well as men are able to benefit" from the program. Although quite general, this guidance gave the ECF management team scope to promote gender equality (and somewhat obliquely, women's economic empowerment) at the outreach and selection, implementation and evaluation stages. Staff could engage with potential bidders around gender equality as a development effectiveness concern, require proposals to consider project effects on gender equality, and measure program impacts on male and female beneficiaries. These entry points ultimately had significant bearing on the integration of gender into the targeting of opportunities and the collection of project data. In some cases they also positively impacted the economic empowerment of women.

### Targeting gender equality through outreach and selection processes

#### *Marketing ECF to women's business groups and associations*

As a pilot program, ECF's initial business outreach included general press releases, launches in each target country, workshops, and promotion through business chambers and councils. ECF Country Managers undertook specific targeting of women's business associations – many of which were linked to non-government and microfinance organisations – and invited them to ECF launches and workshops. The ECF also sought out agencies such as the United Nations Development Fund for Women (Fiji), and the National Council for Women (Solomon Islands) for their advice and guidance as to potential grantees. This approach met with limited success because most of their affiliated women's organisations were too small to meet the ECF matched funding minimum of A\$100,000 (maximum A\$1.5 million).

#### *Targeting industries with gender opportunities to enhance pro-poor outcomes*

ECF also sought to engage with sectors and industries where local consideration of gender equality was already evident. Given the wide scope of the ECF, staff targeted a number of industries that interact significantly with the poor,

including poor women. In most countries, women's participation was highest in the local primary industry. Agribusiness projects represented almost one-quarter of all contacts that registered an initial interest in the program. Manufacturing, tourism and retail trade were also marketing targets. These findings suggested an increased women's economic participation through sector and industry targeting.

#### *Prompting for consideration of the impact on women in the proposal process*

ECF included a two-tier assessment of proposals: an initial concept note outlining the proposal and benefits, and, if selected, a detailed application assessing all aspects of the project. ECF concept note and grant application forms sought specific proposal information, which was important in encouraging and assessing gender consideration within projects. Specifically, ECF forms required disaggregated data on anticipated numbers of men and women beneficiaries. They sought information on "the likely impact of the project on women", which prompted applicants to consider gender in their projects at an early stage. A majority of applicants focused on the income generation benefits that women would receive – a critical aspect of economic empowerment. When prompted, many also noted indirect benefits to women and communities such as increased access to schooling and health benefits.

#### *Inclusion of gender expertise in relevant positions*

ECF Country Managers and Assessment Panel members were required to demonstrate sufficient background and training in gender equality to encourage and track positive gender outcomes from the ECF. The process of recruitment specifically targeted women in an attempt to achieve a gender balance in key positions. However, due to the small number of women in senior business roles in ECF target countries and the commitment and travel requirements of the roles, it proved very difficult to appoint women to them. A number of panel members and ECF Country Managers had varied gender expertise. The chair of the Pacific and International Panels were female, and this helped ensure that selection processes considered gender.

## ECF Assessment Panels – gender breakdown

Panel	Membership breakdown by gender	% of female participation
Pacific Panel (covering East Timor, Fiji, Papua New Guinea, Solomon Islands, Vanuatu)	4 women 10 men	29%
Asia Panel (covering Indonesia, Philippines)	6 women 5 men	55%
Cambodia–Laos Panel	4 women 6 men	40%
International Panel	2 women 11 men	15%

Significantly, grant applicants were highly receptive to ECF program encouragement that they increase their consideration of gender – for example by increasing numbers of female employees and beneficiaries (relevant to women's economic empowerment). Their receptivity also suggests that grant selection criteria are a key entry point to engaging the private sector on both gender equality and women's economic empowerment.

### Targeting gender equality during implementation

Following selection, the ECF Country Manager worked with private sector grantee companies to collect information for monitoring and evaluation, and to measure impacts. Monitoring indicators and questions were designed to highlight, among other things, impact on gender equality – and also enabled discussions around gender inclusion with the private sector. Some indicators and questions

were also of relevance to women's economic empowerment.

In some cases, companies were already operating a social inclusion agenda. In other cases, this early monitoring and evaluation engagement on gender equality influenced the design and implementation of grantee programs to improve their inclusion of women. These changes had economic empowerment impacts for women.

The monitoring and evaluation process had key entry points for considering gender.

#### Collecting sex-disaggregated data

The monitoring approach was established by following good practice principles of the Donor Committee for Enterprise Development (DCED) Standard for Results Measurement. The DCED standard requires collection of sex-disaggregated data (at a minimum) and a process of regular monitoring to enable programs to feed results back into program management. Accordingly, monitoring frameworks collected sex-

disaggregated data, with a focus on men's and women's access to, and benefit from, the funded projects.

The monitoring program also sought information about the role of women and impacts on families. It collected information specifically from women participating, and collecting data on unexpected outcomes. As one ECF Country Manager stated:

*Gender (sex) disaggregation was an initial step to highlighting inequality and for companies to focus on gender. If the Challenge Fund reporting was asking for the number of male and female beneficiaries and the numbers (were) not good, this led to further questions of why.*

Several companies later reported that this directly influenced them to consider gender issues more deeply during pre-implementation and implementation of the project.

#### In-depth interviews to assess the change from projects

The monitoring approach also included in-depth field interviews, which included separate interviews for women and men. Two monitoring and evaluation advisers (both women) conducted more detailed evaluation of benefits to communities through women's involvement in ECF. Specific focus groups for women beneficiaries and case studies identified the impact of increased women's incomes on the empowerment of both women and men.

#### Input from specialists

Coffey's Gender Adviser (a co-author of this paper) also reviewed the individual project frameworks and advised on measurement of impact on women. Given the varied nature of the projects, some had the potential to integrate gender more comprehensively than others. The adviser encouraged a greater consideration



of gender impacts across projects. A greater focus on women's economic empowerment in future challenge fund iterations would no doubt see advisers seek to address the issue more directly.

This consideration of gender equality across ECF design and implementation tends to show (also see below) that gender equality or inclusion strategies can positively impact women's economic empowerment, although they are not an adequate substitute for a program focus on the latter.

### Evaluating on women's economic advancement and empowerment

Women's economic empowerment was not an ECF objective, thus the application of the following analytical framework is necessarily retrospective. It nevertheless

provides some interesting findings which could usefully inform future challenge fund or other public-private sector development partnerships. It may also encourage an earlier and more explicit focus on women's economic empowerment that in any case reflects existing policy imperatives.

The ICRW framework defines women's economic empowerment and provides a framework for its measurement.<sup>xiii</sup> ICRW research observed that economic gain and success (**economic advancement**) promotes women's power and agency. At the same time, when a woman is able to control and share in resource use (**power**) and to define and make choices (**agency**), she is better able to advance economically.

The research notes that both women's power and agency, and women's economic advancement are connected,

and both are necessary if women and their families are to achieve better lives. To promote women's economic empowerment, organisations must also address the underlying factors that contribute to it, using individual and community resources (such as human, financial and social capital), and engaging norms and institutions (such as legal, policy, social and economic systems). These key resources form the building blocks that women tend to draw on to succeed economically and/or to exercise power and agency. ICRW research also points out that to effectively measure women's economic empowerment; indicators need to consider *both* components (see Figure 1), which includes sample indicators for women's economic empowerment to show different stages at which results can be measured.

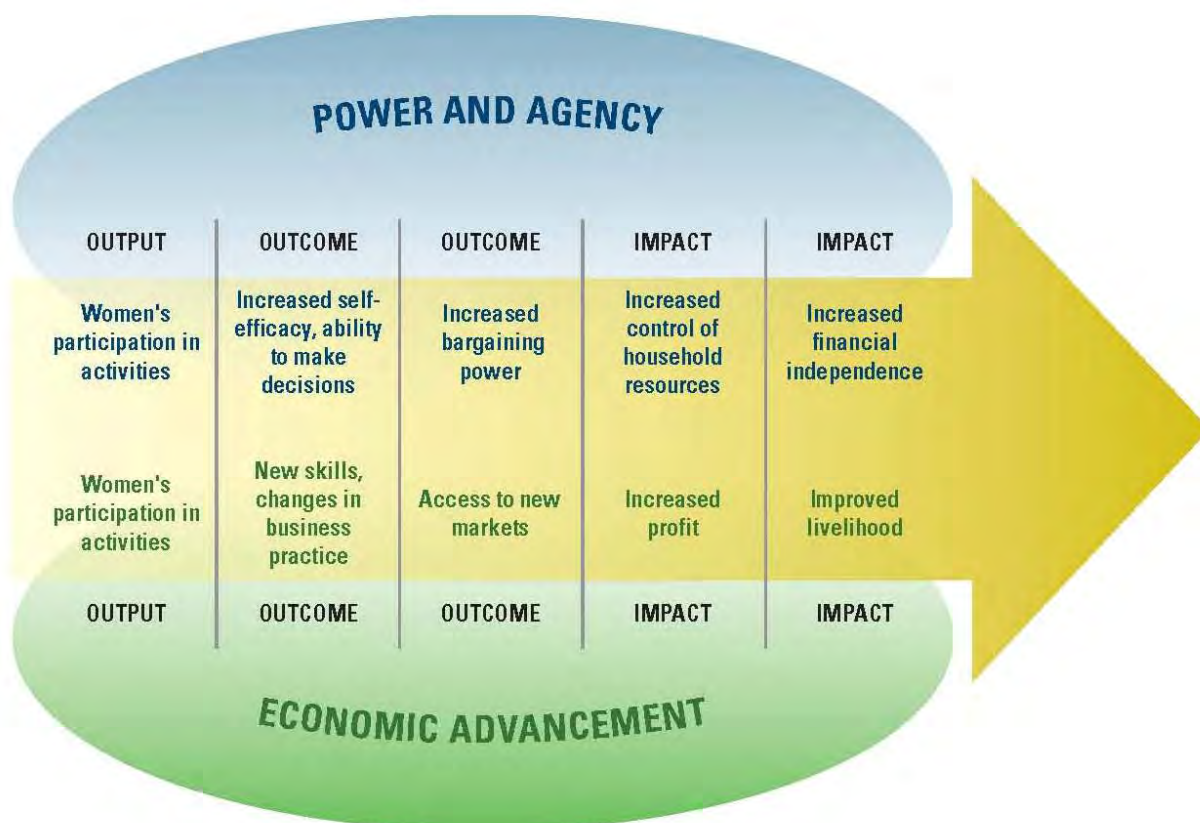


Figure 1: ICRW framework for women's economic empowerment



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Specifically targeted women's employment initiatives [in the ECF] yielded the most encouraging results in increasing women's participation in economic activities. Importantly, businesses made this decision for commercial reasons.

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## Promising practice from ECF case studies – how the private sector can impact on women’s economic empowerment

ECF reporting demonstrates that to date, 22,139 women, or 51% of total beneficiaries, have economically benefited from ECF projects. Benefits included increased access to employment, access to supply chains to sell agricultural inputs and reduced cost of living through access to goods and services such as microinsurance, electricity and agricultural inputs.

Even with the two largest projects<sup>xiv</sup> – WING and SAMIC (both in Cambodia) – set aside, the percentage of women as total beneficiaries in ECF projects is still at 43%.

Women have participated in some cases through individual projects that specifically targeted women. For example, SAMIC (Cambodia) is a microfinance institute targeting women clients, and 80% of primary customers accessing its services are women. Cagayan de Oro (Philippines) recruited 88 women as home-based workers for their paper craft production. However, in agricultural projects women’s and men’s participation is primarily determined by traditional roles. Traditionally male segregated lines of employment include cattle handling in Vanuatu or supply of copra in Papua New Guinea. More information on the ECF funded projects can be found on the ECF website [www.enterprisechallengefund.org](http://www.enterprisechallengefund.org).

Overall there is clear evidence (aligned with the ICRW framework) that the ECF has positively impacted women’s economic advancement (development), and that in a number of case studies this has also led to positive impact in power and agency.

### Contributing to economic advancement

In the 2012 ECF Grantee Perception Survey, all 24 companies were asked whether women in particular were benefiting from their projects and 83% of responding companies<sup>xv</sup> affirmed

this. Benefits included employment or supply opportunities, or the use of goods and services to increase incomes and livelihoods.

These case studies demonstrate women’s economic advancement. They also show that specifically targeted women’s employment initiatives have yielded the most encouraging results in increasing women’s participation in economic activities. Importantly, businesses made this decision for commercial reasons.

### Increased economic participation

- **Flexible working conditions support more women to work** – *Volcanic Earth* (Vanuatu), a soap and beauty products manufacturer, had an existing focus on women as customers and employees. Raw inputs are produced by men and women, and a local company, Nuts and Oils, has created a supply chain for production of the tamanu nut oil that Volcanic Earth processes. Men are employed in the processing of the oil in the factory as the work is physically heavy. Groups of up to 15 women receive the nuts in large consignments near their villages and work in a communal area (often close to the church, an existing community focus) to peel, clean, dry,

sort and pack the nuts for re-collection. In 2011, over 200 women earned cash income of VT2,000 (A\$20) each for the year which equates to 5% above the national poverty line. (It is not clear how this compared to their counterpart male earnings.) The women reported that they used additional income for school fees and also to contribute to community (church) groups.

*Cagayan de Oro Handmade Paper crafts* (Philippines) has developed an abaca supply chain to the handmade paper-making factory that uses abaca. Cagayan de Oro contracts female home-based workers to assemble and construct the cards and paper products as orders arrive. The company has trained 88 local women and 46 work the equivalent of full-time hours on an ongoing basis. In many households, the home-based workers have also trained other family members to help with large orders. The average income for suppliers is up to P95,000 (A\$2,083) per year and this is expected to increase. Cagayan de Oro has also provided 73 of the home-based workers with school supplies and scholarships for their children, a program developed to support employees, many of whom indicated they were working mainly to fund schooling for children.



- **Focus on roles where women excel**

– The factory at *Mainland Holdings* (Papua New Guinea) processes vanilla for export and employs a majority of female workers for vanilla curing. The women mainly work on-call, with greater hours during peak season. They earn K2.30 (A\$1) per hour and on average work three months of the year, or 25% full-time equivalent. This equates to income at around 50% of the national poverty line.

In the fields, ECF-funded extension workers are making an impact on growers and changing the way vanilla is grown. In particular, extension workers have focused training on women to pollinate the vanilla plants, noting their skill in detailed work.

*C-Corp* (Solomon Islands) is rehabilitating run-down cocoa plantations on traditional land in Horokiki in partnership with landowners to export high grade cocoa beans. *C-Corp* trained women in harvesting and brush cleaning, and provided seedling contracts at the field sites so women were able to earn additional income. Women worked around 3 months of the year and on average earned SB\$381 (A\$51) equating to around 70% of the national poverty line. *C-Corp* reported that many of the women workers were valuable and “more reliable” than men.

- **Improved access to labour saving equipment means more women can physically participate** – *Nature’s Way* (Fiji) operates a factory heat-treating fruit and vegetables for the export market in Fiji. Traditionally women were employed in office positions, as the factory floor work was heavy and packing and grading was done manually. Through the ECF grant, the company purchased automated packing and grading equipment to improve factory processing. This reduced the weight of loads and allowed more women to be employed in factory floor positions. Five out of ten employees at *Nature’s Way* are women, compared with none five years ago. They are earning F\$5,000–6,000 per year (A\$2,700–3,250) equating to two times the national poverty line. *Nature’s Way* was encouraged to consider



the impact of women through regular reporting on business outcomes, including disaggregated data for men and women in employment and supply of product to the factory.

### *Improved access to skills, goods and services*

The ECF has also seen an improved access to skills, goods and services that has increased women’s economic participation. It is of note that small program modifications have yielded some excellent results. Reporting suggests that women have had access to training and education in a number of ECF projects, thereby overcoming these significant barriers to economic empowerment.

- **Increased access to education** – *Bright Hope Institute* (Cambodia) allows students to study in the local area. *Bright Hope* targeted poor students and provided scholarships to 316 disadvantaged students, 62% of whom were female. Women could also live in dormitory accommodation constructed with the support of ECF funds. (Men are able to find accommodation in local Buddhist wats.) More women now graduate from the institute and are able to earn on average two times their families’ earnings per month. Ten recent graduates said they were all

sending additional funds back to their villages and two women indicated these funds were supporting brothers and sisters to study.

- **Increased access to agricultural inputs<sup>xvi</sup>** – *Pupuk Alam* (Cambodia) developed an organic fruit fly bait that replaces sprayed fruit fly pesticides. During a monitoring visit, it was apparent that the product had an advantage for women farmers. “In the past when farmers were using pesticides they needed to carry up to 20 litres per trip and women were unable to do this themselves so required men to assist them ... carrying up to 600 litres per field”. The load is much lighter for the baits (only 10 litres if mixed), which women can carry themselves and therefore manage their own farms.
- **Changing business practices through access to new technology** – According to the GSM Association program to address the mobile phone gender gap (mWomen), across all countries a woman is 21% less likely to own a mobile phone than a man. This is linked to barriers to women engaging in banking. Many mobile banking and payment models – particularly those established by

telecommunications companies – have linked the use of banking systems to phone ownership. *WING* (Cambodia) designed its payment system so that it can be accessed on any phone including one borrowed by the client. *WING* also offers a non-*WING* to non-*WING* service which women and men without access to a mobile phone can use. To date, *WING* has 34% female customers, with over 128,000 women signed up. Around 14,900 clients use the service regularly to save on financial transactions. These numbers are still low but they are increasing.

## Contributing to power and agency

There is limited reporting and therefore analysis of ECF's contribution to power and agency. The monitoring program was nevertheless established to measure economic advancement and gain in a meaningful way, and data were sex-disaggregated. Together with the case studies and interviews, we can discern examples of promising practice that contribute to women's power and agency. It is perhaps unsurprising that the social and ethical orientation of the companies funded proved critical here.

- **Increased self-efficacy and ability to make decisions** – *Future Forests* (Fiji) employs women in the nursery operation to maintain teak seedlings. They earn around F\$150 (A\$80) per week, which is 100% higher than the national poverty line for Fiji. During field visits, women indicated that this income has made them feel proud and increased their confidence. They were using the additional funds to purchase better food, look after family members and increase savings. The women also found that the skills they learned in the nursery made them more productive in their home gardens.
- **Increased participation** – When the *Carnival Cruise* ship docks on Mystery Island in Vanuatu, local women earn income by selling traditional crafts and services from market stalls. Carnival has an equal employment opportunity commitment as a social and ethical company. It trained two women and two men in the traditionally

male-dominated field of transit boat operation to ferry passengers between the ship and shore. In the Carnival team public-private partnership video, the women explained that being employed as an operator allowed them to be a role model for other women – a female employee said they want to “show to the other females, girls can do it too”.

- **Increased bargaining power** – *Nature's Way* (Fiji) appointed a female board member in 2010. The member is actively advocating for more extension work for female farmers and increased inclusion of female cooperative members. At present, 14 of the existing 160 members are women; previously there was one.
- **Increased household resources** – Lili Watts, a mother of five, has been selling vegetables to *Wilderness Lodge* (Solomon Islands) to single-handedly support her family for the last three years. Her husband left when she was pregnant with her last child, and living

conditions for her family are basic. The Peava village of Gatokai where she lives has no power supply and the river is the only source of water. Despite often struggling to feed her family, Lili's income has enabled her to send two of her children to primary school. “I had to work hard to manage my family”, Lili explained. In recent years her income has risen to as much as SB\$60 (A\$8) per week, or 50% above the national poverty line, as the lodge has expanded and therefore purchased more of her garden produce. Careful saving of this money enabled Lili to travel to Honiara to give birth to her son. “All I want is to give a good life to my kids.”

- **Providing greater financial independence** – *SAMIC Microfinance* (Cambodia) offers loans to poor and low-income Cambodians to establish and improve small businesses and households. 80% of *SAMIC*'s 11,718 clients are female. “If I had money, I would not need to borrow” one client said. There are no options for saving



money in the village, and no banks or village savings funds. All her assets are invested in a small roadside shop. It sells smallgoods and beer to families living in the village, many of whom work long shifts at the garment factories in the province.

Originally the woman used a loan to set up the roadside stall with a cooler box. With a second loan, she is investing in more stock, and will begin pig-raising in the dry season to supplement her income. She is also

building a toilet for the house which she shares with her husband and two pre-school aged children.

SAMIC offers a microinsurance product that insures loans and lives of clients. For 1.5% of the loan value (~US\$6 for an average loan), the client's family is protected from any debt in the event of death or disability of the client and the value of any repaid loan is provided to family members as well. Up to 94% of clients have taken this out. The woman said that her husband encouraged her to take out loan protection – his salary is

only US\$25 per month so he could not pay back her second loan alone.

The data suggest that private sector initiatives are contributing to women's economic advancement and access to individual and community resources, particularly where gender is integrated through the project. Increasing women's power and agency appears to be more challenging: changing norms and institutions requires a more targeted focus on gender, reflected in analysis of business proposals, selection of partners and design of the monitoring frameworks.



## Ten lessons for private sector development programs

The results of the review and ECF regular reporting on the private sector, when considered against policy and good practice literature, offer some additional promising lessons. They may be relevant for donors planning to work with the private sector, and for the private sector engaging in partnerships with communities.

### 1. Highlight the business case for women's economic empowerment

In interviews and surveys with the private sector for this review, respondents sought reassurance that women's economic empowerment does not discriminate against or prejudice men. They also stressed the importance of choosing the right person for the job, and impact on the bottom line. Emphasising commercial benefit in discussing women's economic empowerment with the private sector was very important. ECF staff found that highlighting industry inefficiency and underuse of 50% of potential customers or suppliers tended to resonate with otherwise sceptical companies.

The ECF case studies strongly suggest a link between gender equality (prompted through the application process) and commercial benefit. This confirms existing research.<sup>xvii</sup>

### 2. Work with companies that already show a social and ethical understanding of the importance of gender equality

Programs need to allow sufficient time to examine the social and ethical commitment of potential grantees. In the event, companies attracted to ECF tended to be interested in development/social outcomes from the beginning, and were therefore receptive to capacity building around gender and development/business impact. Many had existing social inclusion policies or were actively working with disadvantaged communities such as rural women. For example, *Carnival* (Vanuatu) had an existing equal employment opportunity agreement and *Cagayan de Oro*

(Philippines) had developed a work environment conducive for female home-based workers.

Prompting grantees to consider impacts on women during the ECF selection process and ongoing monitoring therefore reinforced an already existing commitment and willingness to innovate: "We are breaking the mould in enabling women to embrace new activities." *Grantee Perception Survey 2012*

### 3. The private sector has niche potential to support women's economic empowerment

The private sector can provide unique support to women's economic empowerment. For example, the good practice literature notes the importance of cash transfers and other financial services to women's economic empowerment:<sup>xviii</sup> it is private sector mobile banking systems (such as *WING* in Cambodia) that enable this. Notably, bank and mobile phone accounts also tend to give women 'official identities' and promote their sense of power and agency, as well as their access to income-generating activities.<sup>xix</sup> ECF used grant funds to stimulate private sector investment but the private sector also responds to demonstrations of success by copying or 'crowding in' to the industry. More research is needed that identifies the unique contributions that the private sector (including in partnership with the public sector) can make to the economic empowerment of women – particularly poor women

### 4. The public sector has niche potential to influence the private sector – careful management of the application process matters

Challenge fund application form wording needs to be strengthened to further prompt consideration of women's economic empowerment. The concept note and application forms prompted ECF to urge the private sector to consider gender equality not only in the formulation of the ECF project but in their business overall. The ECF application form asked about women's participation and expected impact on women, but further prompting questions that better address women's economic empowerment would likely catalyse early engagement.

The ICRW framework indicators could be a useful guide for reworking the application form, and helping address the structural changes needed in many businesses to see meaningful change and reduced inequality.

### 5. Monitoring and evaluation frameworks need to explicitly address women's economic empowerment

ECF case studies suggested promising practice in women's economic empowerment. However, the monitoring and evaluation frameworks were not established to capture the breadth of data needed for drawing more rigorous conclusions. Further research that can draw on relevant monitoring and evaluation indicators will promote a deeper understanding of the interaction of challenge funds with women's economic empowerment. As the ICRW research notes, those indicators need to consider both women's power and agency, and women's economic advancement if they are to capture the breadth of possible gains in women's economic empowerment that challenge funds might offer. Findings could then be reported back to the private sector about what this means for their businesses. Indicators might include:

- increases in, and expenditure of, women's income
- new skills; adapted business practices to accommodate women
- changes in women's and men's attitudes to the role of women in the workplace
- increases in decision making by women in businesses
- changes in women's self-reliance, self-confidence or status as a result of increased access (reported by women and/or men beneficiaries)
- changes in gender relations between men and women in the household and/or in the business.

Also recommended are indicators that consider the correlation between women's economic empowerment and gains against the MDGs including access to education or improved child health. This would also help avoid an over-focus on commercial, at the expense of development or human rights, imperatives.

## 6. Targeting sectors where women's participation is higher and is lacking in resources

Challenge fund grants can be used specifically to target women's economic opportunities. This could be achieved by strengthening the selection criteria or using 'funding windows'. A portion of grant funds could be set aside for projects with a specific objective of increasing women's empowerment – targeting industries where women's participation is higher and lacking resources. It could also identify gaps in accessing skills or financial services for women. Targeting would encourage the private sector to be more innovative about how it can improve women's conditions and participation. Engaging sectors in which women currently are represented would be important to further expanding the scope and potential benefit of challenge funds.

## 7. Consideration of the context in different societies

The ECF operates across eight countries in two regions – the Pacific and South East Asia – and it is clear that opportunities for women's economic empowerment develop differently in the two regions.

- South East Asian women and men tend to have better access to business support and finance than those in the Pacific.
- Women's economic empowerment tends to be greater in Asia, particularly in the Philippines, than in the Melanesian countries in the Pacific.
- Nevertheless, a number of case studies show Pacific women *have* economically benefited, and may therefore be of significant interest to women's empowerment initiatives in that region.

This variance suggests that the relative successes of ECF in empowerment are to a large degree context-specific. Further comparative study is recommended, in particular to assess the progression of opportunity to empowerment across these different contexts.<sup>xx</sup>



## 8. Donor policy supportive of women's economic empowerment is important – but needs to extend to program design and budget allocation

Strong donor policy support for women's economic empowerment can be an important driver of increased funding for such initiatives. As the OECD DAC's Gender Network has pointed out, donor budgets *are yet to make provision for women's economic empowerment initiatives*, despite the policy emphasis. The ECF's achievements in women's economic empowerment are by no means marginal – at the same, an explicit inclusion of women's economic empowerment in the project design is likely to have seen increased, and better documented, outcomes of this kind. Reserving a portion of funding specifically for such projects, and reflecting the priority of women's economic empowerment in monitoring frameworks for example, would allow a fuller picture to emerge of the potential of challenge funds to promote women's economic empowerment.

The OECD Gender Net urges donors “designing programmes ... to ask: will support for women's enterprises result in enhanced employment and self-employment opportunities for women living in poverty – or will it only benefit those who would have prospered anyway?”<sup>xxi</sup> This is an important consideration in using challenge

funds that are targeted at established larger businesses by design – not start-ups or small businesses – as the goal is to achieve scale. However, challenge funds can impact on smaller businesses through supply chain opportunities, and this needs to be better understood in design.

## 9. Motivated staff (public and private sector) can make a difference

Even in the absence of an explicit ECF objective around women's economic empowerment, there was some scope in the design to allow its consideration throughout implementation – namely through the gender equality references. This ultimately enabled ECF reporting to offer some preliminary findings suggesting significant women's economic empowerment. As gender evaluations elsewhere have noted, the inputs of gender-considerate implementing staff who can be supported by monitoring and sector advisers, and including triggers such as sex-disaggregated data in monitoring, are important factors in both mainstreaming and targeting gender. ECF staff consider their efforts to integrate and consider gender to have yielded an improved development outcome for the program. “The monitoring process gives us much more opportunity to have an impact. (We do this) through due diligence and process of asking companies what is the benefit to women?” – ECF Country Manager

## 10. Gender inclusion or mainstreaming efforts are not enough to ensure a targeted focus on women's economic empowerment

The reporting and analysis strongly suggest that challenge fund designers need to directly address the issue of women's economic empowerment if they intend their projects to reap maximum development impact – as well as commercial benefit. Similarly, projects aimed at stimulating economic growth will also need to specifically consider women's economic empowerment. Relying on gender inclusion policies is unlikely to gain the optimal or effective development *and* business outcomes that challenge funds are uniquely placed to achieve.<sup>xvii</sup>

In this respect, for ECF, there is a sense of lost opportunity, although perhaps future challenge fund iterations and private sector development initiatives more generally will reflect the intervening policy emphasis on women's economic empowerment demonstrated in AusAID's private sector development strategy.

## Conclusion

This paper has explored the ECF contribution to improved economic development and women's empowerment outcomes, and offered some observations for the international development policy and practice communities and for the private sector. It encourages a more targeted focus on women's economic empowerment through private sector development partnerships, not least through a greater mutual allocation of funds, and design effort.

The findings suggest that, using the ICRW definition of women's economic empowerment, ECF has contributed both to women's economic advancement and perhaps to a lesser extent, to women's power and agency. ECF has increased women's access to employment, training and income, and access to markets, and supported women-owned enterprises to expand their businesses. Specific initiatives that have impacted on women included: investing in technology that reduced physical workload; allowing flexible working conditions; training women into areas where they are well suited; and improving access to goods and services such as education and financial services targeted at women. Women with increased opportunities

and income reported that they were more confident and acted as role models to other women and girls. Improved incomes in the household also allowed more income to be invested in improving the livelihood of family members. The flow-on development benefits include contributions to the MDGs.

The lessons outlined here are already proving to be of significant interest in the international development community. Although there is a strong donor policy commitment to women's economic empowerment, a relative lack of public sector funding has been allocated to addressing it.<sup>xviii</sup> Design references to gender equality are not sufficient in the ECF to ensure the projects demonstrate good practice in promoting women's economic empowerment. There is a pressing need for design (including monitoring and evaluation) processes to directly consider women's economic empowerment, and to draw on the significant and helpful literature readily available on this issue. A greater funding allocation may follow AusAID's recent policy emphasis (post-ECF design) on women's economic empowerment as 'underpinning' Australia's support for private sector growth. In any case this emphasis should inform future challenge fund design.

ECF reporting also tends to confirm research demonstrating that consideration of women's economic empowerment also increases business profit and sustainability. Private sector interest has increased in the challenge fund model, demonstrating commercial and social impacts that ECF-funded activities have achieved for employees, suppliers or customers. However, the gap remains between existing research and private sector understanding on gender and commercial impact. ECF has seen a growing recognition among grantee businesses of both a strong business and development rationale for supporting women's economic empowerment in their value chains and local communities. This confluence of interests is an encouraging one, particularly as the public and private sectors look for opportunities and incentives to work together for poverty alleviation. This paper is designed to encourage a more targeted focus on women's economic empowerment through private sector development partnerships, not least through a greater mutual allocation of funds, and design effort.







## End notes

- i. 2008 IADI Conference Proceedings Final 2 - IADI Proceedings from the Seventh Annual Conference Washington, D.C., USA, 2008
- ii. Source: International Centre for Research on Women (2011), Understanding and Measuring Women's Economic Empowerment: Definition, Framework and Indicators by Anne Marie Golla, Anju Malhotra, Priya Nanda, and Rekha Mehra
- iii. The OECD DAC network on Gender Equality has observed that several bilateral and multilateral donors and private sector funders have prioritised support for women entrepreneurs by "picking winners" – and that there are other worthy women entrepreneurs who might not otherwise attract private sector funding (2011, p.11). See OECD Issues Paper Women's Economic Empowerment, April 2011, [http://www.ituc-csi.org/IMG/pdf/OECD\\_-\\_Women\\_s\\_Economic\\_Empowerment.pdf](http://www.ituc-csi.org/IMG/pdf/OECD_-_Women_s_Economic_Empowerment.pdf) accessed 04.11.12.
- iv. United Kingdom, Department for International Development (2010), Agenda 2010 – The turning point on poverty: background paper on gender. See also OECD DAC GenderNet Issues Paper April 2011, "Women's Economic Empowerment", pp.6-7.
- v. UN News Centre, "Women's Empowerment Vital for economic development and peace, Migiro says", 17 May 2010 citing UN Deputy Secretary General Asha Rose Migiro, <http://www.un.org/apps/news/story.asp?NewsID=34718&Cr=migiro&Cr1> accessed 28.11.2012
- vi. UN Economic and Social Commission for Asia and the Pacific (ESCAP) cited in UN News Centre, "Women's Empowerment Vital for economic development and peace, Migiro says", 17 May 2010. <http://www.un.org/apps/news/story.asp?NewsID=34718&Cr=migiro&Cr1>
- vii. The World Bank's 2007 Gender Action Plan "Gender Equality as Smart Economics" was premised on this recognition: <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTGENDER/0,,contentMDK:21983335~pagePK:210058~piPK:210062~theSitePK:336868,00.html><http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTGENDER/0,,contentMDK:21983335~pagePK:210058~piPK:210062~theSitePK:336868>
- viii. See OECD webpage "Women's Economic Empowerment" (accessed 30.11.12), <http://www.oecd.org/dac/genderequalityanddevelopment/womenseconomicempowerment.htm>; and OECD Development Centre Issues Paper 2010 "Gender Inequality and the MDGs: What are the missing dimensions?": <http://www.oecd.org/dev/povertyreductionandsocialdevelopment/45987065.pdf> accessed 30.11.12.
- ix. The "Smart Economics" justification for women's economic empowerment initiatives (a so-called "instrumentalist" approach) can be considered as good practice if also aligned with a "rights"/social justice approach – ie it recognises that "basic fairness and decency" (in the words of World Bank President Robert Zoellick) require it: See GenderNet Issues Paper April 2011 "Women's Economic Empowerment", p.10
- x. "Opportunities for All" <http://www.usaid.gov/aidissues/Documents/thematic-strategies/gender-equality-strategy.pdf>. This emphasis is also reflected in "An Effective Aid Program for Australia", which nominates "Empowering women to participate in the economy, leadership and education" is one of its ten development objectives: see <http://www.usaid.gov/aidissues/gender/Pages/home.aspx>. AusAID's ODE has also commissioned a review of AusAID's work to promote women's economic empowerment, due to report in early 2013.
- xi. See AusAID Private Sector Development Strategy, page 6: <http://www.usaid.gov/Publications/Documents/private-sector-development-strategy.pdf>
- xii. AusAID website, Enterprise Challenge Fund for the Pacific and South East Asia: [http://www.usaid.gov/business/other\\_opps/Pages/ecf.aspx](http://www.usaid.gov/business/other_opps/Pages/ecf.aspx)
- xiii. Anne Marie Golla, Anju Malhotra, Priya Nanda, and Rekha Mehra, (2011), Understanding and Measuring Women's Economic Empowerment, Definition, Framework and Indicators, International Center for Research on Women.
- xiv. Two largest ECF funded projects include SAMIC (Cambodia) where women are 80% of the 13,409 beneficiaries due to the policy of the microfinance institute to work with women and WING (Cambodia) where women are 34% of the 22,559 beneficiaries.
- xv. Results from the ECF Grantee Perception Survey 2012. Surveys were sent to 24 grantees and received detailed response from 13 respondents (55%).
- xvi. The FAO reports that closing the gender gap in agricultural inputs alone could lift 100-150 million people out of hunger (FAO report on state of food and agriculture 2010-2011)
- xvii. Lisa Warth, "Gender Equality and the Corporate Sector", United Nations Economic Commission for Europe (UNECE), Geneva, Discussion Paper No.4, 2009, pp.3-5.
- xviii. GenderNet Issues Paper "Women Economic Empowerment", April 2011, p.16
- xix. GenderNet Issues Paper "Women Economic Empowerment", April 2011, p.23.
- xx. The authors thank Margaret Callan for this observation.
- xxi. Women-owned businesses comprise as much as 38% of small businesses registered globally. UK DFID (2010), Agenda 2010 – "The Turning Point on Poverty: Background Paper on Gender"
- xxii. The literature tends to skate over this point: GenderNet's 2011 Issues Paper "Women's Economic Empowerment" notes among key messages: "Start with women by integrating gender-specific perspectives at the design stage of policy and programming" (p.3). In our view this is not specific enough, and that in taking this approach development practitioners seeking to promote women's economic empowerment may be wrongly satisfied when their designs include a focus on gender equality.
- xxiii. Despite their policy focus on women's economic empowerment, OECD DAC donors tend to give lower budgetary priority to gender equality in the economic and productive sectors than in all other sectors combined (including social). See OECD Issues Paper Women's Economic Empowerment, April 2011, p.8 "Where is the donor money going?" [http://www.ituc-csi.org/IMG/pdf/OECD\\_-\\_Women\\_s\\_Economic\\_Empowerment.pdf](http://www.ituc-csi.org/IMG/pdf/OECD_-_Women_s_Economic_Empowerment.pdf)