

GENDER ACTION LINK:

Gender & Commercial Banks



"The Universal Declaration of Human Rights makes clear that 'every organ of society', including business enterprises and therefore banks, has human rights obligations" (BankTrack 2009).

The 'Human Rights' Case for Gender Justice

Commercial banks and the private financial sector have obligations to safeguard women's human rights and ensure gender equality in all investments. Unlike public development banks, such as the World Bank and other regional development banks, most private banks do not make public commitments to reduce poverty and promote gender justice in their activities. Nonetheless, private banks and companies do not operate outside key international agreements, like the Universal Declaration of Human Rights and the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW), which address all actors in society.

Yet commercial banks continue to finance projects and companies that violate global human rights and gender justice principles. For example, the privately financed Phulbari Coal Mine in Bangladesh may displace over 100,000 people from prime agricultural land, forcing predominantly female farmers into informal labor markets where they face physical, sexual and economic exploitation. Many women may be forced to migrate or enter sex work just to survive and will face increased exposure to HIV/AIDS and other sexually transmitted infections. Additionally, commercial investments in projects like Phulbari that can have negative health impacts on local communities often increase women's family health care burdens in countries that lack sufficient public health services. To avoid these negative impacts on local communities, commercial banks must adhere to social and environmental standards (outlined below) when financing development projects.

Equator Principles

Launched in June 2003 and revised in June 2006, the Equator Principles are a set of voluntary social and environmental benchmarks for private project finance activities based on the International Finance Corporation's (IFC's) Performance Standards. The 68 private banks which have already adopted the Principles – called 'Equator Principles Finance Institutions' (EPFIs) – must report on their implementation progress every year. Although the Principles lack an explicit gender perspective, and implementation remains uneven in practice, the Equator Principles are now considered the de facto global standard for managing social and environmental risk in private project finance.

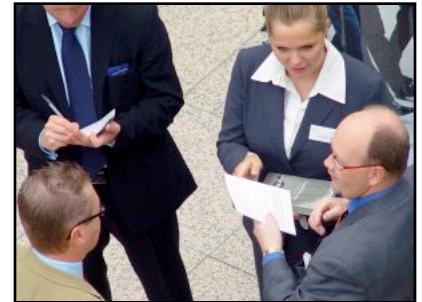
Calvert Women's Principles

The Calvert Women's Principles, launched in June 2004 by Calvert Investments and the United Nations Development Fund for Women (UNIFEM), comprise the "first global code of corporate conduct focused exclusively on empowering, advancing and investing in women worldwide" (Calvert 2009). The seven Principles offer a set of goals, practical tools and concrete indicators for commercial banks to assess their performance and track their progress on gender equality issues.

CEDAW

The Convention on the Elimination of all forms of Discrimination Against Women (CEDAW, 1979) is widely considered the global 'bill of women's rights'. In General Recommendation No. 19, CEDAW outlines the responsibility of any 'enterprise' or 'private actor' to protect women's rights:

It is emphasized, however, that discrimination under the Convention is not restricted to action by or on behalf of Governments (see articles 2(e), 2(f) and 5). For example, under article 2(e) the Convention calls on State parties to take all appropriate measures to eliminate discrimination against women by any person, organization or enterprise. Under general international law and specific human rights covenants, States may also be responsible for private actors if they fail to act with due diligence to prevent violations of rights or to investigate and punish acts of violence, and for providing compensation. (CEDAW Committee 1992, General Recommendation No. 19, UN Doc. A/47/38)



The 'Business Case' for Gender Justice

Although gender justice is a human rights issue first and foremost, it is also good business sense. Project sponsors and their financiers that don't consider the gender implications of their investments face serious business risks. Alternately, those that do integrate gender into project finance planning and implementation can enhance their brand reputation, save valuable time and resources, and ultimately increase their bottom line.

Reputation Risks: Projects that adversely affect women and gender equality can taint investors' consumer brand reputation. For example, in 1996 when news broke that Nike exploited young girls in sweatshops around the world, massive protests erupted that significantly damaged Nike's brand name (Life Magazine, June 1996).

Operational Risks: Projects that exploit women or fail to safeguard gender equality can spur costly opposition in the form of protests, law suits and labor strikes. In 2002, for example, women protesters shut down six ChevronTexaco installations in the Niger Delta while demanding basic public services, better employment opportunities and environmental protections in their communities (Corpwatch.org, 2002).

Financing Risks: Projects that undermine gender equality also carry financing risks, since co-sponsors and financiers may oppose or pull out of projects that could damage their reputation or incur additional operating costs.

WHAT CAN BE DONE?

- Advocate that commercial banks put their promises into practice. Unless banks act on their commitments to uphold social and environmental standards, those agreements remain empty and ineffective.
- Pressure more private banks to adopt codes of conduct, like the Equator Principles and the Calvert Women's Principles. Greater numbers of participating institutions means increased visibility and legitimacy behind the principles.
- Advocate for the explicit inclusion of gender equality and women's rights within the Equator Principles.
- Convince private investors to increase their gender sensitivity by promoting the human rights and business cases for gender justice.
- Educate corporate and public sectors about private banks' women's rights obligations.

POSSIBLE PARTNERS!

- BankTrack: www.banktrack.org
- Calvert Investments: www.calvert.com
- Equator Principles Financial Institutions: www.equator-principles.com
- Gender Action: www.genderaction.org
- International Accountability Project: www.accountabilityproject.org

ACTION RESOURCES:

[Equator Principles](#)

Official site of the Equator Principles. Contains information on the Principles, 'Equator News Coverage', and participating Equator Principles Financial Institutions (EPFIs).

[Calvert Women's Principles](#)

Official site of the Calvert Women's Principles. Contains in-depth information on the Principles, including updates, special reports, indicators and tools.

[CEDAW](#)

United Nations website dedicated to the Convention. Includes the complete text of CEDAW, specific country reports, reporting guidelines, and information on CEDAW committees, meetings and sessions.

[Amnesty International Human Rights Principles for Companies](#)

A document outlining the responsibility of multinational companies to promote and protect human rights in their own operations. A checklist for use by companies forms part of the document.

References:

Calvert 2009, "Special Report: Calvert Women's Principles." (<http://www.calvert.com/womensPrinciples.html>)

CEDAW Committee 1992, "General Recommendation No. 19, UN Doc A/47/38." (<http://www.un.org/womenwatch/daw/cedaw/>)

Corpwatch.org 2002, "Women's Protests Against ChevronTexaco Spread Through the Niger Delta: Initial Demands Met, Issues Remain." (<http://www.corpwatch.org/article.php?id=3428>)

Equator Principles 2009, "A Benchmark for the Financial Industry to Manage Social and Environmental Issues in Project Financing." (<http://www.equator-principles.com/index.shtml>)

Life Magazine 1996, "Six Cents and Hour."

Produced by: Anna Rooke, Gender Action, June 2009