



## **Gender Justice and the International Financial Institutions (IFIs)**

**Presentation at CIDA  
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July 23, 2010**

### **Introduction**

Thank you Soraya and Taslim for inviting me to speak at this CIDA BBL. Thank you all participants for attending. I appreciate Diana Rivington's participation as Diana and I go back a long time and Diana has been a wonderful Gender Action supporter.

For me, coming from the US, it is always delightful to speak in Canada, my country of birth and lifelong citizenship. Honestly, I miss Canada in summer, but not in winter.

I am particularly pleased to be able to share experiences of my organization, Gender Action, with you.

### **Gender and the IFIs**

Gender Action, a unique advocacy campaign, is the only civil society organization in the world dedicated to holding the IFIs accountable for the gender impacts of their investments.

Since the IFIs are the largest public taxpayer-funded international development agencies in the world providing assistance to the world's poorest countries, we must all ensure that our taxes are being spent to truly assist the poor and to keep IFI promises to reduce gender inequalities and empower women.

Today I will discuss to what extent IFI loans and grants help or hinder achieving gender equality and women's rights. BTW, Gender Action always speaks about women's rights but the World Bank and most other IFIs avoid using the word "rights" since they lack human rights policies.

With participants from widely diverse backgrounds, for those needing background on the IFIs, let me start with:

### **A Little Background on the IFIs**

Among the IFIs, you have heard most about the World Bank and the IMF. Other prominent IFIs include the regional development banks such as the AfDB (African Development Bank), ADB (Asian Development Bank), EBRD (European Bank of Reconstruction and Development) and IDB (Inter-American Development Bank). Another less known but massive IFI is the European Investment Bank (EIB) belonging to the EU. The World Bank and IMF each have over 180 member countries which they divide into creditor countries like the US, and borrower or

debtor countries which are concentrated in Africa, Asia, MENA (Middle East and North Africa) and LAC (Latin America and Caribbean).

Canada is a small shareholder in each of these IFIs, having votes ranging from 2.75% in the World Bank to about 5% of the votes in the ADB.

In contrast, the US shares in the IFIs today compose about 17 %. The US has the largest single country voice in the IFIs and is the only country holding veto power in IFI decision-making. At this early stage of the decline of the US empire, the US still lords over the IFIs.

IFI governance is un-democratic. Unlike the one country-one vote in the UN, the IFIs each have about 20-25 voting countries. Take the World Bank. Although it has 187 member countries, its current Board of Directors has 24 voting members. Canada's World Bank Board member represents not only Canada, but also Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines.

Despite the World Bank's strong gender equality rhetoric, Gender Action's work demonstrates that it is also backward on gender in its governance. (About 4 out of 24 Board members are women = 16%, roughly the same proportion as seats held by women in its largest shareholder's, the U.S.' Congress.)

IFIs normally make loans to Least Developed Countries and Emerging Economies. IFI loans have a record of burdening poor countries with debt which significantly reduces poor countries' public funding for health, education and other social needs. Under pressure from civil society, the World Bank, IDB, ADB and AfDB recently started making some grants in addition to its traditional loans. Previously their only grant funding was for small technical assistance projects but now they make some project grants. Still IFIs are mainly in the business of making loans. If anyone wants to know more about IFI loan arrangements such as interest rates and grace periods, just ask me later.

With this background on the IFIs, let me explain why I established Gender Action.

During my career in the IFIs, I was impressed by the vitality of multiplying civil society organizations addressing development issues. In the early 1980s, environmental CSOs established the environmental campaign on the World Bank to try to stop the harmful environmental impacts of World Bank loans. While women's groups also proliferated, I noticed that women's groups hardly focused on the IFIs. Meanwhile, while I reviewed World Bank loans while working in the Bank's gender unit, I saw a disconnect between the Bank's promise to promote women's empowerment and gender equality and the fact that so many World Bank investments across sectors around the world neglected gender issues and even had harmful impacts on women. This disconnect impassioned me to create Gender Action in early 2002.

Gender Action research demonstrates that since founding, the IFIs have spent trillions of dollars in "donor" investments that sometimes contribute to tragic gender impacts among poor "beneficiaries". Despite repeated IFI commitments to gender equality, IFI investments in projects ranging from HIV/AIDS to oil pipelines too often neglect to consider gender roles.

Now I will share information on some specific Gender Action projects, on how Gender Action exposes and tries to improve the gender impacts of IFI investments, especially on women.

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### **Haiti: Monitoring and Holding Massive IFI Spending Accountable on Gender Impacts**

Yesterday, I met here in Ottawa with Sophie Toupin to work on plans to finalize a draft Gender Shadow Report drafted by Haitian and overseas CSOs as a response to Haiti's post-earthquake gender-insensitive PDNA. The PDNA, written in the name of the Haitian government by the World Bank and other external donors, never mentions the word gender, not even once. It mentions women three or four times in passing but does not at all address women's or gender issues. That is one Gender Action post-earthquake project.

I would like to share Gender Action's other Haiti-related activities.

Gender Action research shows that over the past 20 years, more than USD\$5 billion in condition-laden donor aid from three International Financial Institutions (IFIs) -- the World Bank, Inter-American Development Bank (IDB), and the International Monetary Fund (IMF) flowed into Haiti. This massive aid benefited rich contractors, investors, and Haiti's tiny elite, but harmed poor women and men by utterly failing to provide the poor with basic needs such as clean drinking water. Think of Naomi Klein's Shock Doctrine where vulture donors and corporations take advantage of natural disasters like Katrina and wars like Iraq to make a fortune, while living conditions of poor men and women worsens. Haiti is such a case.

In the six months since the devastating earthquake of January 12, 2010, Gender Action has been closely monitoring IFI operations in Haiti. Already, since the earthquake, about 50 IFI loans and grants<sup>1</sup> to Haiti have been either approved or are pending approval for Haiti's recovery needs. Back to IFI activities in Haiti, their loans and grants have ignored women and girls on all levels, from inclusion in the preparation and planning stage to the harmful impacts they will have during and after implementation.

Gender Action is analyzing IFI loans and grants in Haiti for gender, especially to see the extent to which they address the heartbreaking gender based violence thankfully covered by the press.

Gender Action's analysis of IFI post-earthquake assistance demonstrates that, incredibly, it fails to address Haiti's escalating gender-based violence, despite international mandates made by the UN Guiding Principles on Internal Displacement, UN Security Resolution 1325, and other internationally recognized standards. A crucial example of these missed opportunities is a post-earthquake World Bank project in Haiti for solar power generation and lighting which aims to provide security for children and the disabled, but fails to target obvious potential beneficiaries such as women and girls who live with an unacceptably high risk of rape and sexual assault. Hopefully rape victims will diminish if the lighting does reach poor settlements, but how could a World Bank lighting project not deliberately aim to reduce widely reported escalating rapes in Haiti?

It is imperative **that** the World Bank and IDB, positioned as the largest sources of post-earthquake aid, address Haiti's rapes and other gender-based violence and require inclusion and participation of women in all levels of project decision making. It is also imperative that we all fight to end the cycle of crushing debt that prevents Haiti from spending on basic needs –

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<sup>1</sup> This information is current as July 15, 2010.

shelter, water, health, education.

Gender Action is actively partnering in advocacy with many other Haitian and overseas groups. We are asking that:

- IFIs involve Haitian women's groups and grassroots social movements in designing and implementing IFI investments. Local women's organizations and social movements must be involved in participant-driven evaluations of temporary camps, housing, security, police-training, education, agricultural development, water, sanitation, healthcare, and job creation.
- Executive Directors on the IDB, IMF, and World Bank Boards, and that includes the Canadian EDs, oppose any operation which does not mandate a gender analysis nor guarantee full participation and leadership by women. All IFI operations in Haiti must include impact assessments of rapes and other gender-based violence in their recovery and reconstruction operations, as outlined by the U.N. Guiding Principles on Internal Displacement, U.N. Security Council Resolution 1325, and other internationally recognized standards.
- Executive Directors on the IDB, IMF, and World Bank Boards of Directors must oppose any funding in the form of loans to Haiti.

This month I sent a letter to President Obama making these demands of the US administration since the US is the largest shareholder in the IFIs.<sup>2</sup>

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## Debt Cancellation

As Gender Action's Haiti advocacy work exemplifies, Gender Action fights for debt cancellation for poor countries burdened by illegitimate debt owed IFIs which prevents countries from spending on essential services like education, health and water.

Women and girls are the largest losers. In this activity, Gender Action partners with scores of groups belonging to the Jubilee Debt Network. By the end of 2009, through continuous partnership advocacy, we achieved debt cancellation or partial relief for some 35 of the world's poorest countries.

Each year our advocacy results in the IFIs adding a few countries to this list. In 2009, we achieved debt cancellation for Burundi, Haiti and the Central African Republic. This year so far, Afghanistan, the two Congos, and Liberia have received debt cancellation and Haiti received some additional debt cancellation but not enough as we just discussed. To achieve additional debt cancellation for more poor countries, in late 2009, the Jubilee Act for Responsible Lending and Expanded Debt Cancellation (HR 4405) was introduced in the US Congress. This bi-partisan bill aims to expand critical debt cancellation to 22 additional impoverished countries left out of previous debt relief deals and calls for an end to harmful economic conditions and an audit of past odious and illegitimate debt.

Besides canceling financial debt, we are also working to achieve reparations for rich country climate debt owed poor countries.

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<sup>2</sup> See Elaine Zuckerman's July 1, 2010 letter to President Obama on Haiti, the IFIs, gender-based violence and debt, at [www.genderaction.org](http://www.genderaction.org).

**Gender and Climate Change:** In April this year, the World Bank approved a nearly \$4 B loan to South Africa for a new coal mine, one of the largest coal mines in the world. As usual, despite the Bank promises that the coal mine would reduce poverty, actually poor people will be displaced from their homes. Farmers, who are mostly women, are losing farms and sources of livelihood. The new coal mine will also harm the environment and people's health. Just before the Bank approved the coal mine, South African women living near the proposed mine visited Washington DC to protest to the World Bank that their families and communities will be harmed. The World Bank also has several other new coal mines in its project pipeline. In fact, the Bank keeps financing dirty coal and dirty oil pipelines. In response, Gender Action has been exposing the harmful gender impacts of these World Bank fossil fuel generating projects.

For example, based on fieldwork with local partners, a couple of years ago Gender Action exposed how a BP-led consortium including major financing from the World Bank and EBRD, invested in oil pipelines in Central Asia and Russia. Because the IFIs neglected their own gender policies committing them to identify and address negative gender impacts of their investments, the pipelines became conduits for trafficking in women, and dramatically increased prostitution, HIV/AIDS, domestic violence, stillbirths and other ills that did not exist before the pipelines. If you wish to learn more details, please check out our publication *Boom Time Blues*, available on Gender Action's publication page.<sup>3</sup>

Ironically, while the World Bank massively increases its investments in dirty greenhouse gas emitting projects, at the same time the World Bank is the manager of multiplying climate investment funds created by the US and other rich countries. The World Bank manages the Climate Investment Funds from which all MDBs can access funding. To raise literacy and do advocacy on the gender impacts of these developments, Gender Action produced several advocacy items including: (1) *Doubling the Damage: World Bank Climate Investment Funds (CIFs) Undermine Climate and Gender Justice*, a paper which explores the linkages between climate change, gender justice and the International Financial Institutions. We also produced two briefing papers in our Gender Action Link series on *Gender, International Finance and Climate Change* and the other on *Gender, International Finance and Extractive Industries*. These documents form the basis for our advocacy urging CIFs to address gender issues and monitoring CIF implementation for gender sensitivity in the future.

Also, of interest for climate change and for Haiti, in 2008, Gender Action reported our analysis of World Bank-managed post-Tsunami projects in our 2008 report called "**Empty Promises: Gender Scorecard of World Bank-managed Post-Tsunami Reconstruction in Indonesia**".<sup>4</sup> We found that none of these post-Tsunami projects include gender equality goals in project objectives, despite considerable scope for and World Bank promises to do so. This is of interest for Haiti because countries of the world appointed the World Bank to be the Haiti Multi-Donor Trust Fund (MDTF) fiscal agent. Governments have committed \$10 billion to the MDTF. The World Bank has made the Asian Tsunami the model for the Haiti MDTF.

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## Mapping IFI Reproductive Health and HIV/AIDS Spending

<sup>3</sup> See Gender Action and CEE Bankwatch Network. 2006. *Boom Time Blues: Big Oil's gender impacts in Azerbaijan, Georgia and Sakhalin*. Available at: [www.genderaction.org/images/boomtimeblues.pdf](http://www.genderaction.org/images/boomtimeblues.pdf)

<sup>4</sup> Gender Action. 2008. "**Empty Promises: Gender Scorecard of World Bank-managed Post-Tsunami Reconstruction in Indonesia**". <http://www.genderaction.org/images/GAGenderAnalysisMDF-Tsunami.pdf>

Three years ago, Gender Action prepared an introductory report—titled Mapping Multilateral Development Banks' Reproductive Health and HIV/AIDS Spending—examining the quantity and quality of all IFI spending for reproductive health and HIV/AIDS. Mapping demonstrated a decline in World Bank funding for reproductive health and HIV/AIDS in recent years and very little spending by the African Development Bank, Asian Development Bank, and Inter-American Development Bank on RH and H/A. Despite the IFIs' strong commitments to achieving the reproductive health and HIV/AIDS MDGs, we found that IFI RH and H/A investments hardly addressed and basically ignored gender considerations. Mapping mapped unmet IFI funding commitments to reproductive health and HIV/AIDS, and demonstrated neglect of gender concerns and how harmful IFI loan conditionalities such as restricting public spending undermine governments' ability to address these public health imperatives. For example, Mapping reported that a Ghana health sector loan promoted universal fees for anti-retroviral drugs.

GA is now more deeply monitoring World Bank and African Development Bank Spending on Reproductive Health and HIV/AIDS in Sub-Saharan Africa in the hope of improving IFI spending in these areas. GA has a three year project during 2010-12 which includes tracking the quantity and quality of IFI spending on RH and H/A in Africa, doing a gender analysis of this spending, through a desk study, and also conducting capacity building with local partners in two countries, one Anglophone and one francophone. These local partners will lead fieldwork to examine the impacts of World Bank and African Development Bank spending on RH and H/A in Africa.

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**Redressing IFI-Caused Gender Discrimination:** IFIs have semi-independent “accountability mechanisms” permitting communities harmed by IFI investments a possible means to seek compensation or prevent damage from IFI investments. Accountability mechanisms are staffed by independent panels of judges. Past complaints taken to IFI accountability mechanisms raised concerns about harmful environmental impacts but not gender discrimination issues. Gender Action, with our partner, the Center for International Environmental Law, established the legal basis for taking gender discrimination cases to IFI accountability mechanisms.<sup>5</sup> We have worked very hard to persuade the accountability mechanisms to consider gender discrimination cases. The time has come. IFI accountability mechanism judges are willing to consider gender discrimination cases now for the first time in history. Gender Action is doing capacity building with women's groups internationally to spread the news and partnering with women's groups to take the first gender discrimination case to an IFI accountability mechanism.<sup>6</sup> This spring we provided capacity building for groups in five Latin American countries on taking gender discrimination claims to IFI accountability mechanisms, with a special focus on the reproductive health and HIV/AIDS impacts of IFI investments. As we speak Gender Action is providing capacity building for groups in four West African countries. We are actively encouraging partners to identify and take gender discrimination cases to the accountability mechanisms. This is a very exciting prospect. To enable this prospect, Gender Action just launched an advocacy publication called, “Speaking up for Gender: A Step-by-Step Guide to Holding IFIs Accountable”. Speaking up is a user-friendly,

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<sup>5</sup> Gender Action and CIEL. 2007. Gender Justice: A Citizens Guide to Gender Accountability at International Financial Institutions. Available at: [http://www.genderaction.org/images/Gender%20Justice\\_Final%20LowRes\\_2007.pdf](http://www.genderaction.org/images/Gender%20Justice_Final%20LowRes_2007.pdf)

<sup>6</sup> Gender Action. 2010. Speaking Up for Gender: A Step by Step Guide to Holding IFIs Accountable. <http://www.genderaction.org/publications.html>

valuable Guide for southerners needing information, tips and guidelines for submitting a gender discrimination complaint to an IFI accountability mechanism.

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## Coalitions

Besides working on these projects, Gender Action also works actively in a variety of coalitions. A few examples include:

- Successive IDA coalitions. This year we will move onto IDA 16 which will be approved in 2011.
- IMF Working Group
- National Council of Women's Organizations. I chair the Global Task Force.
- Haiti Advocacy Working Group

## Tools

I would like to recommend some Gender Action gender analysis tools:

First, Gender Action's "**Gender Toolkit for IFI-Watchers**": Gender Action prepared this toolkit primarily for our increasing numbers of IFI watcher partners. Many other organizations too, reported increasingly using the Toolkit to integrate gender into their outputs. The Toolkit provides accessible, practical information on conducting different kinds of gender analyses (i.e. policy, project, budget, impact, etc.), finding gender-disaggregated data, and understanding key gender and development (GAD) concepts and terminology. It provides drafts of our Gender Action Links on topics ranging from extractive industries to debt. It is a living, evolving Toolkit that we continuously improve and expand. Gender Action has hosted several workshops around the World Bank-Fund spring and fall meetings to share updated versions of the Toolkit with project partners and all other IFI-watchers wishing to engender their work. Please use our user-friendly toolkit: [Gender Toolkit for International Finance Watchers](#). All sections contain electronic hyperlinks to a vast array of available gender resources. Just click on an underlined word to be directed to the specific tool you need! Oxfam Novib said that this is the best existing gender toolkit in the world.

Second, **Gender Action Links** which you can also find on our website: Out of the Toolkit came a series of 'Gender Action Links,' short freestanding publications containing key information and resources linking gender and different IFI-watcher topics. Gender Action has already produced links on 'Gender, Climate Change & International Finance' and 'Gender, Extractive Industries & the IFIs.' 'Gender & Commercial Banks'; and 'Gender, the IFIs & Debt'. And we just circulated Gender, the IFIs, and Indigenous People.

Third, I recommend using **Annex 3 of Gender Action's Gender Guide to World Bank and IMF Policy-Based Loans**. Annex presents a sector by sector checklist of gender questions to ask in order to complete a gender analysis of poverty issues; macroeconomic issues, agriculture, forestry, industry, tourism, transportation, EIs, and many other sectors.