

# Gender: IMF Strategy Toward Mainstreaming Gender

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- A **Press Release** summarizing the views of the Executive Board as expressed during its July 22, 2022 consideration of the staff report.
- The **Staff Report**, prepared by IMF staff and completed on June 21, 2022 for the Executive Board's consideration on July 22, 2022.
- The **Background Paper**, prepared by IMF staff and completed on June 21, 2022 for the Executive Board's consideration on July 22, 2022.

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## IMF Executive Board Discusses Strategy Towards Mainstreaming Gender at the IMF

FOR IMMEDIATE RELEASE

**Washington, DC – July 22, 2022:** The Executive Board of the International Monetary Fund (IMF) discussed a [strategy paper](#) to support gender mainstreaming at the IMF. The strategy calls for integrating gender into the IMF’s core activities, in accordance with its mandate.

Mainstreaming gender at the IMF starts with the recognition that reducing gender disparities goes hand-in-hand with higher economic growth, greater economic stability and resilience, and lower income inequality. At the same time, economic and financial policies can exacerbate or narrow gender disparities. Well-designed macroeconomic, structural, and financial policies can support efficient and inclusive outcomes and equitably benefit women, girls, and the society in general.

Attention to gender has never been more urgent—the COVID crisis, conflicts, the food and energy crisis and related spike in inflation, and long-standing factors such as climate change have exacerbated pre-existing gender gaps.

The strategy lays out how the IMF can help its member countries address gender disparities in the context of carrying out its core functions—surveillance, lending, and capacity development. This means assessing the macroeconomic consequences of gender gaps where they are macro-critical, evaluating the gender-differentiated impact of shocks and policies, and providing granular and tailored macroeconomic and financial policy advice.

The strategy comprises four key pillars: first, gender-disaggregated data collection and development of modeling tools to enable staff to conduct policy analysis; second, a robust governance framework for an evenhanded approach across members based on the macro-criticality of gender; third, strengthening collaboration with external partners to benefit from knowledge sharing and peer learning, leverage complementarities, and maximize the impact on the ground; and fourth, the efficient use of resources allocated to gender by putting in place a central unit for realizing scale economies and supporting country teams.

### Executive Board Assessment<sup>1</sup>

Executive Directors welcomed the opportunity to discuss the IMF Strategy Toward Mainstreaming Gender. They noted that the strategy is particularly timely given the current economic uncertainties and recent shocks, which are exacerbating pre-existing gender gaps.

Directors recognized that reducing gender inequality can increase economic growth, reduce inequality, and foster economic and financial resilience. Well-designed macroeconomic and financial policies can support efficient and inclusive outcomes and equitably benefit

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<sup>1</sup> At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country’s authorities. An explanation of any qualifiers used in summings up can be found here: <http://www.IMF.org/external/np/sec/misc/qualifiers.htm>.

women, girls, and the society in general. In this light, Directors broadly supported the strategy, with most concurring that narrowing macrocritical gender gaps falls squarely within the IMF's mandate. They noted that the Fund has an important role to play in mainstreaming gender in its core activities when it is deemed macrocritical. A number of Directors considered that, given its mandate and core competencies, the role of the IMF in tackling gender disparities is relatively limited. A few other Directors saw merit in defining SMART goals and objectives in the operationalization of the strategy.

Directors concurred with the strategy's focus on four pillars: (i) empowering country teams to provide tailored and granular policy advice to countries by developing and deepening tools for modeling and data analysis and creating a centralized data hub offering comparable, cross-country gender-related indicators; (ii) establishing a robust governance framework and a supportive internal organizational structure to promote wider buy-in from staff and ownership from country authorities and key stakeholders, and ensure that macrocritical aspects of gender are integrated in country work in an evenhanded manner by relying on a combination of a top-down and a bottom-up approach; (iii) deepening collaboration with other international partners, such as the World Bank Group and UN Women, to benefit from knowledge sharing and peer learning, leverage complementarities, and maximize the impact on the ground; and (iv) efficiently utilizing resources allocated to gender by realizing economies of scale and avoiding duplication of effort. On data, Directors highlighted the importance of supporting members with data capacity constraints, with some cautioning against placing additional resource pressures for data collection on member countries and the Fund. On collaboration, a few Directors expressed reservations regarding the involvement of CSOs and NGOs as external funding partners.

Directors broadly agreed on the importance of integrating gender in the IMF's core functions—surveillance, lending, and capacity development (CD). They noted that member countries may have different challenges and characteristics that are at the core of gender gaps, and that country circumstances require a tailored and granular approach by Fund staff that avoids overly standardized recommendations. Staff will need to engage closely with country authorities on these issues in both surveillance and program contexts while also being mindful of cultural and other sensitivities. A few Directors emphasized that Fund engagement should remain targeted to macroeconomic objectives.

Directors agreed that where gender gaps are judged to significantly influence present or prospective balance of payment needs and domestic stability, staff should include gender in Article IV Consultations. They noted further that this assessment will need to be made on a case-by-case basis, and the coverage in surveillance will be limited to areas in which the IMF has expertise, focusing on key macroeconomic and financial policies. The timing and sequencing of gender-related policy advice need to be carefully considered vis-à-vis country authorities' implementation capacity and policy priorities.

Directors broadly supported introducing gender in IMF program conditionality but stressed that gender-related structural benchmarks should be included only if they are critically important to achieving program goals, and that the measures are within the country authorities' control. Parsimony and prioritization will be important. A few Directors cautioned against including gender-related conditionality at this early stage of implementing the strategy and given the current difficult conjuncture.

Directors noted that CD can be particularly impactful to assist countries in implementing their gender policy objectives. Member countries can benefit from CD that is

provided in coordination with other IFIs, development partners, and IMF Regional Technical Assistance Centers and Regional Training Centers.

Directors broadly welcomed the strategy's ambitious vision coupled with its gradual, measured implementation timeline. They noted that a phased approach is in line with resource availability and accounts for the need to develop an adequate knowledge base and expertise among staff to engage meaningfully with members. Directors urged staff to work expeditiously in articulating clear criteria for assessing the macrocriticality of gender issues and operationalizing this assessment. Most Directors suggested advancing the timeline for the Staff Guidance Note. Directors broadly supported exploring synergies with other Fund workstreams such as climate, digitalization, and fragile and conflict-affected states, with a few Directors stressing the importance of clearly establishing the relevance and connection to these workstreams.

Directors also supported the strategy's call for enhanced internal and external communications to set expectations, build support and ownership, and foster peer learning, and welcomed the plans to conduct a periodic stocktaking and Board engagement on the implementation of the strategy.



July 22, 2022

## IMF STRATEGY TOWARD MAINSTREAMING GENDER

### EXECUTIVE SUMMARY

Mainstreaming gender at the IMF starts with the recognition that many aspects of gender disparities in opportunities, outcomes, and decision-making roles are macro-critical and that economic and financial policies can exacerbate or narrow these gaps. Reducing gender disparities goes hand-in-hand with higher economic growth, greater economic stability and resilience, and lower income inequality. Well-designed macroeconomic, structural, and financial policies can support efficient and inclusive outcomes and equitably benefit women, girls, and the society in general.

Attention to gender has never been more urgent. The increase in fragility across the globe as a consequence of conflicts, the COVID-19 pandemic, and long-standing factors such as climate change have exacerbated pre-existing gaps, disproportionately affecting women's jobs, incomes, and security. The fallout from the war in Ukraine resulting in higher food and energy prices is compounding the suffering.

The vision is to integrate gender into the IMF's core activities—surveillance, lending, and capacity development—in accordance with its mandate. This means enabling IMF staff to systematically assess the macroeconomic consequences of gender gaps where they are macro-critical, evaluate the gender-differentiated impact of shocks and policies, and provide granular and tailored macroeconomic and financial policy advice.

A comprehensive strategy to successfully mainstream gender comprises four key pillars:

- The first is to empower country teams with access to relevant data and modeling tools to conduct policy analysis.
- The second is to set up a robust governance framework to ensure that macro-critical aspects of gender are integrated in country work based on an evenhanded approach across members and create a supportive internal organizational structure.
- The third is to establish collaboration with external partners to benefit from knowledge sharing and peer learning. Working closely with other institutions, such as the World Bank Group and UN Women, will be important to enhance the IMF's efficiency and leverage impact.
- The fourth is to efficiently utilize resources allocated to gender by realizing economies of scale and avoiding duplication of effort.

A good foundation of past work and efforts of a relatively small group of staff members paved the way to mainstream gender at the IMF.

This new, ambitious long-term strategy will help IMF member countries foster resilient and inclusive economies by supporting them in addressing gender gaps and improving women's economic empowerment. Progress is expected to be gradual and measured, given resource availability and the need to build an adequate knowledge base and expertise among staff.

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## Glossary

ADB	Asian Development Bank
AEs	Advanced Economies
AfDB	African Development Bank
AFR	African Department
APD	Asia and Pacific Department
AIIB	Asian Infrastructure Investment Bank
GAC	Global Affairs Canada
CD	Capacity Development
CDB	Caribbean Development Bank
CEO	Chief Executive Officer
COM	Communications Department
CSOs	Civil Society Organizations
CSR	Comprehensive Surveillance Review
DFID	Department for International Development, United Kingdom
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EcOS	Economic Outlook Suite
EIB	European Investment Bank
EMDEs	Emerging Market and Developing Economies
EU	European Union
EUR	European Department
FAD	Fiscal Affairs Department
FAS	Financial Access Survey
FCS	Fragile and Conflict-affected States
FCDO	UK Foreign, Commonwealth & Development Office
FSAP	Financial Sector Assessment Program
FSSR	Financial Sector Stability Review
FTE	Full-time Equivalent
FY	Fiscal Year
GDP	Gross Domestic Product
GWG	Gender Working Group
IADB	Inter-American Development Bank
ICD	Institute for Capacity Development
IFC	International Finance Corporation
IFIs	International Financial Institutions
ILO	International Labour Organization
IMF	International Monetary Fund
IMFC	International Monetary and Financial Committee
ISD	Integrated Surveillance Decision
MAP	Mobility Assignment Program
MCD	Middle East and Central Asia Department



MCM	Monetary and Capital Markets Department
MDBs	Multilateral Development Banks
OECD	Organization for Economic Co-operation and Development
OIC	Office of Innovation and Change
OMD	Office of the Managing Director
RES	Research Department
RTAC	Regional Technical Assistance Center
SDGs	Sustainable Development Goals
SARTTAC	South Asia Regional Training and Technical Assistance Center
SDDS	Special Data Dissemination Standard
SPR	Strategy, Policy and Review Department
STA	Statistics Department
TA	Technical Assistance
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNDP	United Nations Development Programme
WB	The World Bank
WBG	The World Bank Group
WFID	Women's Financial Inclusion Data Partnership
WHD	Western Hemisphere Department

## MOTIVATION

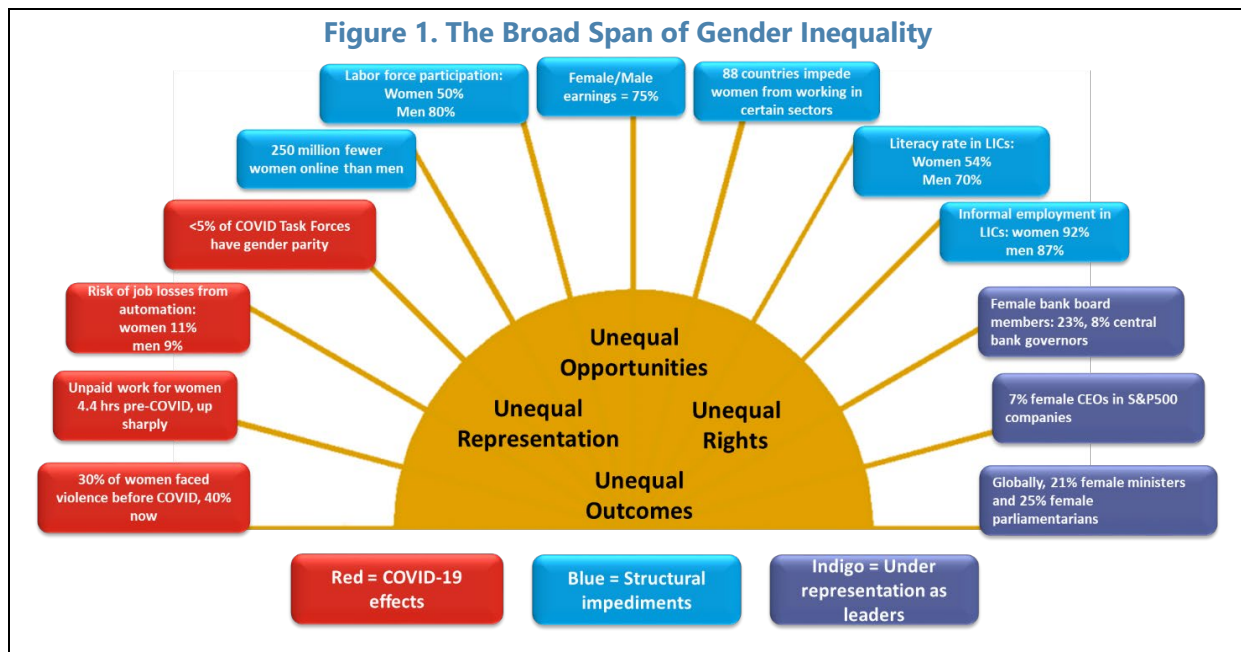
1. **Reducing gender disparities in opportunities, outcomes, and decision-making roles raises economic growth and enhances macro-financial stability.** There is growing evidence that a country's economic growth rises with greater participation of women in the labor force. This happens when women face fewer legal barriers, participate more fully in the formal economy, and have more equal access to education, finance, infrastructure, assets, and technology. Closing these gender gaps can also help lower income inequality and increase economic diversification, which in turn contribute to economic growth and macroeconomic resilience.
2. **This means that many gender gaps are relevant for member countries' macroeconomic outcomes.** The uneven playing field between women and men, and boys and girls disempowers half the world's population, lowers productivity, and exacts large costs on the global economy. Macroeconomic and financial shocks (Ghosh, 2013) and policies (Ghosh, 2021; Portes and Reed, 2018), can exacerbate or narrow gender gaps.<sup>1</sup> Hence, fiscal, monetary, financial, and structural policies that are designed with a deliberate gender focus can support stronger and more inclusive economic outcomes.
3. **Addressing gender gaps is, therefore, macro-critical for many members and, where it is, it falls squarely within the Fund's mandate.** While the Fund is not an institution with a dedicated focus on gender, the Articles of Agreement provide the basis for integrating gender in the Fund's core activities. Because gender outcomes can have significant implications for member countries' economic and financial performance, these outcomes become relevant for the Fund's exercise of its core functions of surveillance, lending, and capacity development. The integration of gender in the Fund's work also reflects the IMF adapting to new and growing challenges and opportunities for our members and their changing macroeconomic and financial policies—as is the case for inequality and social spending, climate, and digital money.
4. **Gender topics began to systematically appear in the Fund's work program a decade ago.**<sup>2</sup> IMF (2013a) pointed to evidence that closing gender gaps is essential to achieving higher employment and growth outcomes. IMF (2013b) discussed how issues relating to jobs and growth, including gender-related topics, should be covered in surveillance and program work. In 2015, the Fund committed to supporting member countries in pursuing the 2030 Agenda for Sustainable Development, which included gender equality as one of the 17 goals (IMF, 2015a; IMF, 2015b).
5. **A pilot initiative from 2015 to 2019 began operationalizing gender in country work.** Substantial progress was made during the initiative: nearly 40 countries were covered in Article IV discussions. Research on gender and macroeconomics and finance increased, and staff began to

<sup>1</sup> In this context, it is important to recognize that men can also be disproportionately impacted by shocks and policies or fall behind due to structural impediments. For example, men in the Icelandic tourism industry faced higher rates of job losses than women during the pandemic (IMF Country Report No. 21/106).

<sup>2</sup> See Section I of the Background Paper for details on the analytical work on gender at the IMF and for coverage of gender issues in IMF surveillance, lending, and capacity development.

deliver capacity development (CD) on gender budgeting. Around that time, the Fund started to collect gender-disaggregated financial sector data as part of the Financial Access Survey (FAS). A subsequent decline in coverage in country reports coincided with the onset of the COVID-19 crisis. This was partly due to the extension of some Article IV Consultation cycles and a refocusing on emergency assistance to many member countries.

**6. The decline in coverage of gender occurred precisely when gender gaps, which were already large across several dimensions, began to worsen rapidly.** The World Economic Forum Global Gender Gap Report (2021), covering 156 countries, expects that it will now take more than 130 years to close gender gaps worldwide, up from about 100 years before the pandemic. Even before the pandemic, just 53 percent of women participated in the world’s labor force compared to 80 percent of men<sup>3</sup> and they earned, on average, 75 percent of what men earn in comparable jobs with the same level of education and experience (Dabla-Norris and Kochhar, 2019 and Figure 1 below). In many developing economies, girls are more likely than boys to drop out of school during pandemics, potentially leading to a permanent loss of human capital (Fabrizio and others, 2021). Confinement and higher stress levels increase the risk of violence against women: nearly one in two women reported that they or a woman they know experienced violence during the pandemic (Ouedraogo and Stenzel, 2021; UN Women, 2021). Thus, both structural impediments and cyclical downswings need to be addressed.



**7. Increased fragility across the world in recent years and the food and energy price surge following the war in Ukraine are likely to exacerbate gender gaps.<sup>4</sup> Women are**

<sup>3</sup> Data were accessed through the World Bank World Development Indicators database and are for 2019 labor force participation rates for women and men ages 15–64 based on the modeled ILO estimate.

<sup>4</sup> See Section II of the Background Paper for additional details on the impact of COVID-19 on gender inequality.

particularly vulnerable to physical, economic, and food insecurity during conflicts across the world, such as in Afghanistan, Yemen, Myanmar, the Sahel, and Ukraine, among others. The risk of scarring from adverse shocks and their enduring effects on economic sustainability heightens the urgency of addressing gender gaps.

**8. Recognizing the paramount importance of closing gender gaps, IMF staff were tasked with developing a strategy to incorporate gender in the Fund’s policy advice when such issues are macro-critical.** In June 2020, staff took stock of existing work and prepared a plan to take the work forward. In May 2021, the position of Senior Advisor on Gender was created in the Office of the Managing Director (OMD) to develop and facilitate the implementation of a gender mainstreaming strategy.

**9. The vision of the gender mainstreaming strategy is to integrate gender into the IMF’s core activities—surveillance, lending, and capacity development—in accordance with its mandate.** This means enabling IMF staff to systematically assess the macroeconomic consequences of gender gaps where they are macro-critical, evaluate the gender-differentiated impact of shocks and policies, and provide granular and tailored macroeconomic and financial policy advice and CD support.

**10. The strategy presented in this paper builds upon four key pillars.** The first is to empower country teams with access to relevant data, training, and modeling tools to conduct analysis and provide tailored and granular policy advice to member countries. The second is to set up a robust governance framework and supportive internal organizational structure to ensure country coverage of macro-critical aspects of gender in country work as well as a consistent and evenhanded approach across members.<sup>5</sup> The third is to establish modalities of collaboration with external partners to benefit from knowledge sharing and peer learning. The fourth is to efficiently utilize the resources allocated to gender by avoiding duplication of effort and realizing economies of scale.

**11. This paper is organized as follows:** Section II positions the Fund on gender in accordance with its mandate. Section III outlines the vision for mainstreaming gender at the Fund. Section IV lays out a comprehensive strategy. Section V provides a road map for successful mainstreaming. Section VI presents the next steps. The paper concludes with proposed issues for discussion. An accompanying Background Paper provides supportive evidence and additional details for mainstreaming gender.

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<sup>5</sup> While recognizing that intersectionality is an important aspect of defining an individual’s identity, it is not considered in this paper. The framework of intersectionality, much like a Venn diagram, demonstrates the various components of an individual’s identity that may lead to discrimination or lack of privilege, such as gender along with race, sexual orientation, nationality, disability, language, class, education, etc. Each of these components individually or in combination can be a source of discrimination or lack of privilege. This paper focuses squarely on what is possible under the IMF’s mandate: mainstreaming gender where gender gaps are macro-critical.

## POSITIONING THE IMF

**12. There are several channels through which gender gaps impact macroeconomic and financial outcomes** (Figure 2 and Background Paper Section III). Closing gender gaps can stimulate economic growth, strengthen external and financial stability, support private and public sector performance, and reduce income inequality.<sup>6</sup> In particular:

- **Economic growth and stability.** Reducing gender inequality enhances economic welfare and growth through female labor force participation, labor productivity, and financial inclusion.<sup>7</sup>
- **External competitiveness and balance of payments.** Reducing gender gaps would improve the overall resilience of the economy to shocks and enhance prospective balance of payments stability by increasing competitiveness and the variety of goods countries produce and export.<sup>8</sup>
- **Financial stability.** Greater inclusion of women as users, providers, and regulators of financial services fosters greater stability in the banking system. Women in leadership positions and gender diversity on boards of financial institutions are associated with lower non-performing loans and greater financial stability.<sup>9</sup>
- **Private and public sector performance.** Greater representation of women in managerial positions and corporate boards is positively associated with improved firm performance, such as funding obtained, revenues, and profitability. Women’s political leadership is also associated with higher infrastructure spending and female educational attainment. Importantly, unequal representation in leadership positions both stem from and contribute to other drivers of gender disparities.<sup>10</sup>
- **Income inequality.** Lower gender gaps are associated with lower income inequality, which improves social stability and economic growth. Gender wage gaps contribute directly to higher income inequality. Both men and women benefit from financial inclusion, but inequality falls more when women have greater access.<sup>11</sup>

<sup>6</sup> Elborgh-Woytek and others (2013); Gonzales and others (2015a); Kochhar and others (2017); Sahay and others (2015); Sahay and others (2018); Cihak and Sahay (2020).

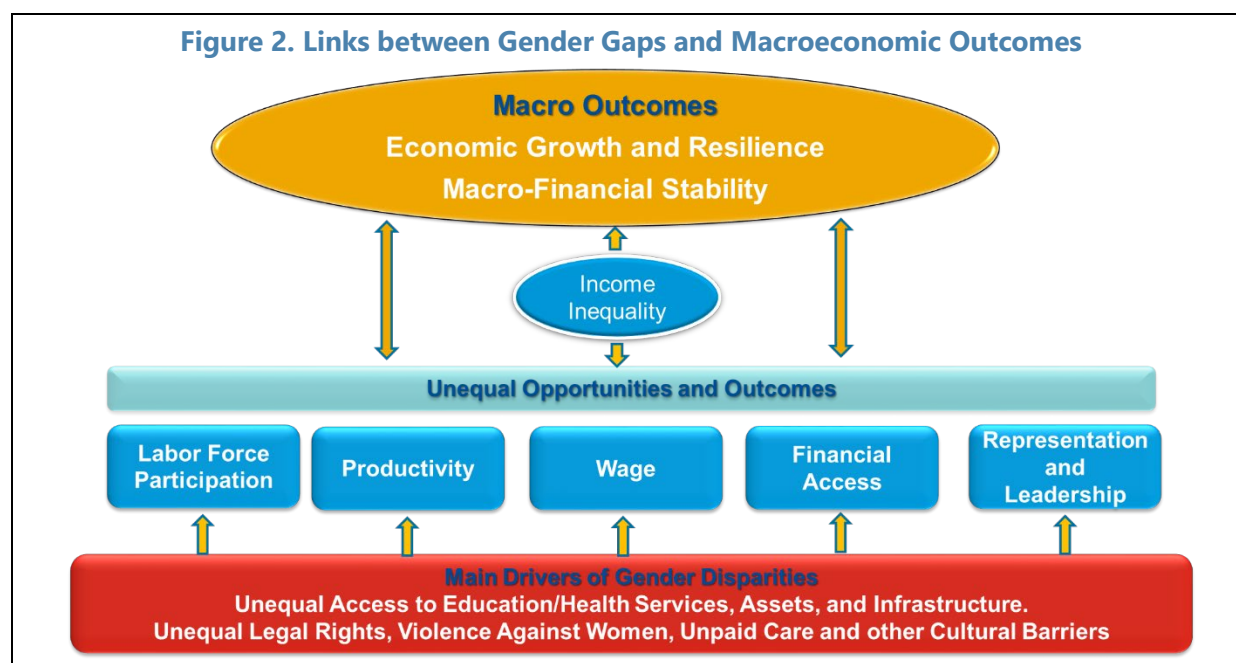
<sup>7</sup> Ostry and others (2018); Petersson and others (2017); Woetzel and others (2015); Caprioli (2005); Demeritt and others (2014); Cuberes and Teignier (2016, 2018); Bandara (2015); Gonzales and others (2015b); Hakura and others (2016); Hsieh and others (2019); Bertay and others (2020); Klasen (2002); Rock and Grant (2016); Cook (2019); Cook and others (2021); Sahay and others (2015); Khera and others (2021).

<sup>8</sup> Kazandjian and others (2016); Seguino (2000, 2010); Blanton and Blanton (2015); Coleman (2010); Busse and Nunnenkamp (2009); Busse and Spielmann (2006); Seguino, Berik, and Rodgers (2009).

<sup>9</sup> Olusegun (2017); Sahay and others (2018); Sahay and Čihák (2018); Khera and others (2022), forthcoming; Strøm and others (2014).

<sup>10</sup> Christiansen and others (2016); Khera and others (2022), forthcoming; Sahay and others (2022), forthcoming; Duflo (2012).

<sup>11</sup> Gonzales and others (2015a); Demery and Gaddis (2009); Čihák and Sahay (2020).



**13. There are several drivers of gender gaps** (Figure 2).<sup>12</sup> These include the following factors that reflect and lead to further unequal opportunities and outcomes: unequal access to education, health services, infrastructure, assets, and technology; unequal legal rights; violence against women; unequal distribution of unpaid care and domestic work between men and women; and cultural factors.<sup>13</sup>

**14. Economic policies can be used to reduce gender inequality, with their effectiveness varying across countries.** For instance, policies that focus on narrowing gender gaps in opportunities, such as investment in education, health, and infrastructure as well as on increasing financial inclusion and reducing legal barriers, can be particularly effective in developing countries. Policies such as addressing unpaid care work and child/elderly care, parental leave, flexible work arrangements, and tax disincentives for secondary earners can be impactful in both advanced economies and developing countries.<sup>14</sup>

**15. The Fund can help its members address macro-critical gender gaps in the context of carrying out its core functions—surveillance, lending, and capacity development.** The relevant standard for macro-critical coverage differs across these functions (further elaborated in Section III of the Background Paper):

<sup>12</sup> See Section II of the Background Paper for additional information on gender gaps in human capital development, access to finance, labor market outcomes, and legal barriers. See also Section IV of the Background Paper for a discussion of the role of policies in addressing gender gaps and barriers.

<sup>13</sup> World Bank (2015); Gonzales and others (2015a); Christopherson and others (2022); Ouedraogo and Stenzel (2021); Jayachandran (2021); Mitra and others (2020).

<sup>14</sup> Women could also be differently impacted by policies based on not just gender but rural/urban location, age, income level, etc. See Section IV of the Background Paper for a detailed review of gender-responsive policies.

- In *surveillance*, where gender gaps are judged to significantly influence present or prospective BOP and domestic stability, these issues should be covered in Article IV Consultations. This assessment will need to be made on a case-by-case basis, reflecting country circumstances, and the coverage in surveillance will be limited to areas in which the IMF has expertise. Once macro-criticality has been established, in addition to fiscal, monetary/exchange rate, and financial sector policies that have an impact on gender outcomes, bilateral surveillance discussions should also cover other policies related to narrowing gender gaps and promoting women’s economic empowerment.<sup>15</sup>
- In *lending*, if narrowing gender gaps and supporting women’s economic empowerment is considered by the IMF as critical to achieve the objectives of the relevant Fund-supported program or monitoring program implementation, then these issues can be addressed through program design and conditionality, to the extent that the measures are in the country’s control.
- *Capacity development* (technical assistance and training) in areas of Fund expertise can also support members in addressing gender gaps to improve member’s macroeconomic outcomes and/or support economic and financial stability. This can be particularly impactful when provided to assist countries with implementation of reforms in the context of the IMF’s policy advice in surveillance, and program design and conditionality in Fund-supported programs.

**16. As an international financial institution, the IMF is committed to supporting common global goals in accordance with its mandate.** Achieving gender equality and empowering women and girls is one of the 17 Sustainable Development Goals (SDGs), which also intersects with most other SDGs. At the 2017 Taormina Summit, G7 leaders committed to mainstreaming gender equality in all their policies. More recently, in June 2021, the IMF Managing Director and several other leaders co-signed a letter to rebuild the global economy and improve the lives of all people, calling on governments to prioritize gender equality in their economic recovery strategies.<sup>16</sup>

**17. The 2021 Comprehensive Surveillance Review (CSR) provides an opportunity for a systematic integration of macro-relevant gender aspects into surveillance.** The CSR reiterates ensuring economic sustainability as a surveillance priority, highlights the disproportionate impact of the COVID-19 crisis on women, and recognizes that the pandemic has exacerbated trends in inequality. Gender inequality and the lack of equal opportunities are among the factors affecting economic sustainability, which calls for a more systematic discussion of such macro-critical issues, depending on country circumstances (IMF, 2021a). To support further operationalization of gender and the development of related policy advice, the CSR suggests improving analytical frameworks

<sup>15</sup> In general, while gender issues that are not considered macro-critical are not expected to be subject to Fund policy advice in bilateral surveillance, in some instances, those issues can be raised in Article IV Consultations at the authorities’ request.

<sup>16</sup> Economists’ Letter on Gender Equality, June 2021, signed by Kristalina Georgieva, Managing Director of the International Monetary Fund; Christine Lagarde, President of the European Central Bank ; Ursula von der Leyen, President of the European Commission; Ngozi Okonjo-Iweala, Director-General of the World Trade Organization; Minouche Shafik, Director of The London School of Economics and Political Science; and Vera Songwe, UN Under-Secretary General and Executive Secretary of the Economic Commission for Africa.



and access to relevant gender-specific indicators, such as female labor force participation and gender disaggregated indicators of financial inclusion (IMF, 2021b). It also recommends exploring synergies of gender disparities with other emerging workstreams such as climate, digital money, and fragile and conflict-affected states.

**18. The 2021 Independent Evaluation Report on Growth and Adjustment in IMF-supported Programs calls for a deeper and more thorough coverage of their social and distributional implications** (IMF, 2021c). In this respect, program documents should provide more systematic coverage of the quality dimensions of growth, including the distributional consequences of adjustment and reform policies, such as how low-income and vulnerable groups are affected during the program period and how they would benefit from economic growth over time.

**19. The Fund’s core expertise in advising member countries on macroeconomic and financial policies affords the opportunity to fill a gap in the global policy space linking gender and macroeconomics.** External stakeholders confirm that there is a sizeable gap in this area. The Fund is also well placed to raise the profile of macro-critical gender issues with its direct counterparts—Ministers of Finance and Central Bank Governors—who make and implement national macroeconomic and financial policies. Ensuring ownership of policy advice by country authorities and other stakeholders will be important. This will also require deepening collaboration with international and regional partners that have a head start on gender-related issues and a greater presence on the ground.

## VISION

**Our vision is to bring a gender dimension to the Fund’s core work.** This means that gender will be an integral part of surveillance, lending, and capacity development when gender gaps in member countries are assessed to be macro-critical.

**The vision will rely on three main principles:**

... adhere to the IMF mandate by focusing on closing gender gaps that are (i) macro-critical in surveillance; (ii) critical for Fund-supported program implementation and monitoring; and (iii) within the IMF’s areas of expertise for capacity development.

... provide thought leadership globally and granular and tailored macroeconomic policy advice to member countries.

... focus on maximizing impact on the ground, including through collaboration with partner institutions and engagement with other stakeholders.

*This vision guides the remainder of this strategy paper.*



**20. The vision recognizes the fundamental diversity of lived human experience.** It acknowledges the need to better understand how the different circumstances of women and men can lead to sub-optimal macroeconomic outcomes, and how policies can contribute to or diminish peoples' well-being. As such, it offers a broader frame for conducting the core work of the Fund.

**21. Mainstreaming gender therefore entails a shift in the mindset on how to conduct IMF core activities while remaining consistent with the institution's mandate.** This approach envisages integrating gender issues that are relevant for macroeconomic outcomes in exchange rate, monetary, fiscal, financial, and structural policy discussions with member countries. At the same time, staff policy advice must prioritize domestic and external stability. If recommended or implemented measures (for example, eliminating fuel subsidies, cutting other public expenditure, introducing a value-added tax) widen gender disparities or lead to other adverse distributional effects, a comprehensive policy package should include an assessment of the gender and distributional impacts of these policies and mitigating measures (such as social spending) targeting the most vulnerable. Box 1 provides examples on how gender can be mainstreamed at the Fund.

### Box 1. Examples of Gender Mainstreaming

**The following examples offer insights into the relationship between gender inequality and macroeconomic policies and outcomes:**

- Personal income tax reforms could consider removing tax provisions that discriminate against secondary earners. This could positively impact female labor force participation, economic growth, income inequality, and poverty.
- Where a disproportionate burden of macroeconomic adjustment falls on women, children's education could suffer as women tend to invest more than men in education for their children (Phipps and Burton, 1998; Doepke and Tertilt, 2019). These unintended effects may call for fiscal measures to increase affordable access to education and safeguard critical social spending in education and health.
- Monetary policy interventions that are needed for macroeconomic and financial stabilization may nonetheless disproportionately affect women. For example, higher interest rates may translate into lower access to credit for women. Therefore, designing gender-responsive financial sector policies that mitigate the negative impact on women would need to be considered.
- Allowing alternative sources of collateral and new ways of building credit histories can help mitigate barriers women face in inheritance and property rights and accessing financial services. Thus, providing greater financial access to women can raise household consumption, savings, and ultimately economic growth.
- Poorly designed policies intended to support low-income households and women may have unintended negative fiscal and macroeconomic repercussions. For example, general fuel subsidies for cooking could be costly, inefficient, and spill over negatively on the economy and the environment. Instead, better targeted social spending is needed to directly support disadvantaged households and women.

**22. The vision also recognizes that including women more equally in the economy and in decision-making makes gender mainstreaming overlap with—yet distinct from—the quest for inclusive growth.** Including women more equally is necessary for inclusive growth. But specifically

fostering women’s active participation in the economy and in decision-making<sup>17</sup> is also critical, both for the inherent value of diversity in thought and action, including different attitudes toward risk and collaboration, and for its demonstrated socio-economic benefits.

**23. Figure 3 presents the vision of where the IMF would want to go by core activity once gender has been fully mainstreamed, compared to where the IMF is currently.**

- **Surveillance:** Go from coverage of gender as a mostly standalone topic and often with limited follow-up to a more systematic approach based on a consistent and evenhanded treatment of member countries based on the macro-criticality of gender gaps, and provision of granular and tailored advice that is integrated in core policy discussions.
- **Lending:** Go from an approach to program conditionality on gender issues that had limitations in the selection criteria, policy coverage, and follow-up to a more systematic approach where program conditionality tailored to country specificities is used to narrow or close gender gaps where it is critical for achieving the objectives of the Fund-supported program.
- **Capacity development:** Go from trainings and workshops with a fiscal focus toward training to member countries on the macroeconomics of gender gaps, and tailored CD across all macroeconomic and financial sector policies that is integrated with surveillance and programs, to support policy advice and conditionality.



<sup>17</sup> At present, there are fewer than 30 women heads of state, only 16 women finance ministers, and only 13 women central bank governors (Figure 1). Globally, women make up just 5 percent of CEOs in commercial banks and 23 percent of bank board members (Sahay and others, 2022, forthcoming).

**24. While the vision is ambitious, its implementation needs to be balanced with available resources and expertise.** Progress will be gradual, measured, and in line with resource availability. The speed of implementation also reflects the need to develop an adequate knowledge base and expertise among staff to engage meaningfully with members. While the approach builds on previous analytical and operational work on gender at the Fund and finds ways to increase staff effectiveness and efficiency, it will likely take years to fully implement the strategy outlined in this paper.

**25. It is important to point out that many countries are already making substantial progress in implementing policies to reduce gender gaps.**<sup>18</sup> Examples relate to equal pay for equal work (e.g., Iceland, India), paid maternity or parental leave (e.g. Rwanda, United Arab Emirates), access to childcare and early childhood education (e.g., Canada, Norway), improved access to finance through digital platforms/identification and regulatory reforms (e.g., India, Kenya, Pakistan, Peru), constitutional guarantees of gender equity (e.g., Rwanda, Tunisia), protections against sexual harassment and discrimination (e.g., Philippines, Saudi Arabia), and measures to prevent domestic violence (e.g. Brazil). The number of countries implementing some form of gender-responsive budgeting has doubled from 40 in 2002 to 80 in 2017, and for OECD countries, from 12 in 2016 to 17 in 2018 (Alonso-Albarran and others, 2021).

**26. The IMF is striving to lead by example through more gender-balanced teams and a rising proportion of women in leadership roles, although there is more to be done.** The last two Managing Directors have been women, and two of four current Deputy Managing Directors are women. The share of managerial level positions held by women is 34 percent, as of February 2022. Nearly 40 percent of Heads of Department posts are held by women, and 50 percent of those were appointed since October 2019.

## STRATEGY

*A successful strategy to mainstream gender would build on progress achieved so far and develop four key pillars—data and analytics, governance, external collaboration, and resources.*

### A. Key Pillars

**27. The strategy outlined in this section follows directly from the vision presented in the previous section.** It has benefited from wide internal and external consultation:

- **The Executive Board** provided guidance on essential elements of a mainstreaming gender strategy. Staff received this guidance during the informal Board meeting on inclusion and gender on July 12, 2021; the Budget Augmentation discussion on December 1, 2021; and the informal Board meeting on the gender strategy on February 9, 2022. During these meetings, the Board emphasized the need to: (i) ensure Fund’s engagement is focused on macro-critical

<sup>18</sup> See Section IV of the Background Paper.

gender issues, consistent with the IMF mandate; (ii) provide granular, country-specific macroeconomic policy advice based on solid analytical foundations; (iii) strengthen collaboration with international and regional partners; and (iv) rely on existing resources, with the recently approved augmentation by the Board.

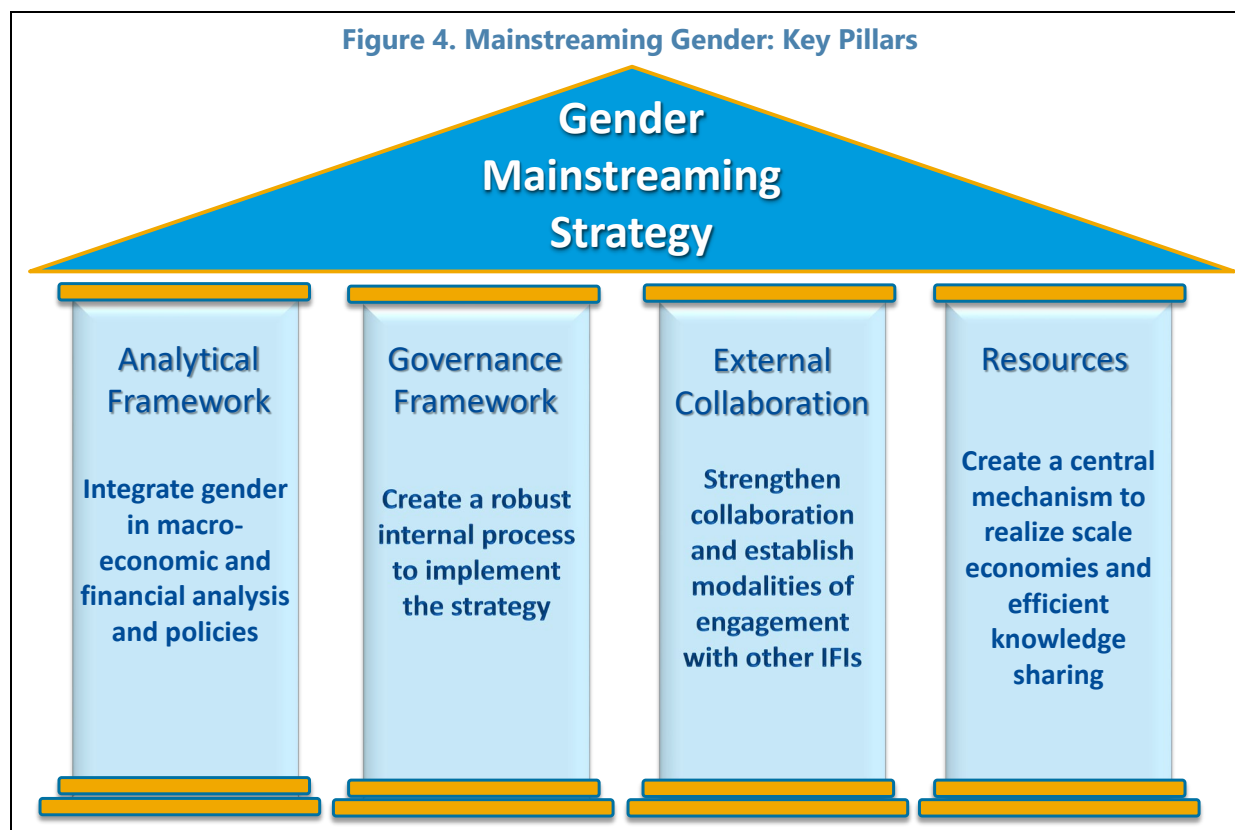
- **Departments** provided invaluable input during the review process. A Task Force on Gender Strategy led by the Senior Advisor on Gender prepared a note during the initial stages of the conceptualization of the strategy.<sup>19</sup>
- **External stakeholders** (World Bank, UN Women, other multilateral development banks, academics, and civil society organizations) also provided comments on a [concept note](#) that was published online.

**28. Based on the Board’s guidance, and input provided by departments and external stakeholders, this strategy proposes four key pillars to successfully mainstream gender** (Figure 4):

- **Data and analytics.** The first pillar envisages creating a centralized data hub and deepening analytical and policy tools, building on the model-based work done in recent years, to enable staff to provide tailored and granular policy advice to countries. Dedicated staff would develop easy-to-apply templates, additional model-based tools, and macro-relevant databases in support of area department teams. Seminars and training would be offered to staff on the tools.
- **Governance.** The second pillar would set up a robust governance framework and internal organizational structure to ensure prioritization based on the level of macro-criticality of gender, evenhanded and consistent treatment of members, support to country teams, and accountability of departments.
- **External collaboration.** The third pillar would strengthen collaboration and establish modalities of engagement with other international institutions to benefit from knowledge sharing and peer learning, leverage complementarities, and maximize the impact on the ground.
- **Resources.** The fourth pillar foresees a central unit to realize economies of scale and avoid duplication of efforts across departments. A central mechanism would ensure efficient knowledge sharing and learning across departments.

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<sup>19</sup> The Task Force on Gender Strategy comprised: Rishi Goyal (WHD), Archana Kumar (COM), Victoria Perry (FAD), David Robinson (AFR), Miguel Savastano (MCM), and Zeine Zeidane (MCD), and several volunteers from an interdepartmental advisory group on gender, in particular: Stefania Fabrizio (SPR), Lisa Kolovich (SPR), Monique Newiak (AFR), and Anna Fruttero (World Bank).



## B. Data and Analytics

**29. A centralized data hub is envisaged to be a one-stop shop that brings together macro-relevant gender-related data, drawing from existing data sources and surveys** (Box 2). It will offer IMF economists user-friendly access to comparable, cross-country gender-related indicators on a modern data analytics platform. Since gender-disaggregated data lags far behind other economic data, collaborating with other international financial institutions (IFIs), regional institutions, and sectoral ministries could increase access to an array of data.<sup>20, 21</sup> Consideration could also be given to non-traditional data sources and big data analysis, which have proven instrumental in the IMF's theoretical and empirical lines of research. Over time, the data hub could be expanded to an external data dashboard and accessed by member country authorities, if there is a business case. CD could be provided to support member countries' data collection efforts.

<sup>20</sup> In some cases, country teams have found sufficient data in sectoral ministries or other institutions for their analytical work. Interestingly, most of these cases appear to be low-income countries (e.g., Central African Republic, Nigeria, Senegal, Sierra Leone).

<sup>21</sup> For example, the IMF is part of the Women's Financial Inclusion Data Partnership (WFID), which aims at facilitating gender-disaggregated data collection for financial inclusion and harmonization of definitions across different institutions. WFID partners include the Inter-American Development Bank, the International Finance Corporation, the World Bank Group, the OECD, Data2X and others. WFID Steering Committee and technical meetings have allowed the IMF to take part in discussions on data needs and to share information reported in the IMF's FAS.

### Box 2. Gender Data Hub

**The internal Gender Data Hub will offer Fund staff user-friendly access to standardized and comparable gender-related data on a modern data analytics platform.**<sup>1</sup> The Hub will contain about 110 headline indicators classified into eight topics: (i) access to finance; (ii) composite gender indices; (iii) education; (iv) health; (v) labor and income; (vi) leadership and empowerment; (vii) legal rights; and (viii) social, demographic, and other. The data, which come from existing sources and surveys, will be presented on a Power BI data analytics platform with options for quick data visualizations. The data will also be linked to an Economic Outlook Suite (EcOS) database and eventually migrated to the new iData platform. This will enable a smooth integration of gender data into Fund operations. The Hub will also ensure that consistent data are used by different IMF country teams and researchers, which is critical to support evenhandedness in surveillance.

**The key value added of developing a central data hub is to provide staff a curated set of data series collected from various sources and make macro-relevant data easily accessible.** Several data portals offering a wide range of gender-related data sets (e.g., social, SDG, health, violence, labor etc.) are already in operation, developed and hosted by organizations including the [World Bank](#), the [OECD](#), and the [UN Women](#). The IMF's internal Gender Data Hub will pull together selected data series that are most relevant for analyzing gender-related issues from a macroeconomic perspective. The data sources include: (i) other international organizations (e.g., ILO, OECD, UN, World Bank, WHO, etc.);<sup>2</sup> (ii) STA's own surveys such as the Financial Access Survey (FAS); and (iii) data sets developed as part of Fund staff research projects. An important complementary initiative is the recently revamped World Bank Group's [Gender Data Portal](#), which provides a comprehensive source for gender statistics covering topics such as demography, education, health, access to economic opportunities, public life, and decision-making. IMF staff have engaged with World Bank counterparts and provided feedback on the Bank team's work to revamp its gender portal. The Bank-Fund coordination in this area will continue to avoid overlap and maximize synergies.

**The cost of developing the Gender Data Hub is relatively small.** STA has already allocated one full-time equivalent (FTE) in total staff time to develop the Hub, leveraging in-house expertise in building and maintaining similar data products. STA is receiving contractual resources from the augmentation budget in FY23 to support the gender-related data hub.

<sup>1</sup> Following the approach used to develop the Fund's [Climate Change Indicators Dashboard](#), STA and SPR collaborated with other departments to identify data needs. With these inputs, STA identified sources for these data series, collected metadata, and organized data sets into systematic categories. The Hub is expected to be launched in the early summer of 2022.

<sup>2</sup> The [Third-Party Indicators \(TPI\) Framework](#) will apply to some indicators. The use of TPIs in Fund documents should be in line with the [Guidance Note for the Use of Third-Party Indicators in Fund Reports](#). Some of the TPIs in the Gender Data Hub are already included in the Updated Third-Party Indicators Digest, which summarizes key information that staff should consider when using and presenting the corresponding indicator.

**30. Building on previous work in the literature and by the Fund, staff have begun to develop some model-based tools.** Early on, analytical work on gender gaps and macroeconomics centered on partial equilibrium empirical approaches. While general equilibrium models have been gaining prominence in the literature, the focus has been on advanced economies. Over the past five years, IMF staff have begun to develop life-cycle general equilibrium models with heterogeneous agents suited for a broader range of policy analyses for countries at different levels of development. These models allow users to identify winners and losers of shocks and changes in policy. Given their flexibility, they can be tailored and customized to capture a large variety of country features and

policy experiments. The models would also support the design of reforms and gender-responsive policies to reduce gender gaps.

**31. So far, these models have focused on fiscal policies and have been applied in a few countries.** Examples include Argentina, where staff estimated how increasing childcare availability would impact female labor force participation and output (IMF Country Report No. 17/410). For Senegal, staff quantified the impact of increasing female secondary education on labor productivity (Malta and others, 2019). Other country applications include Iran (IMF Country Report No. 18/94), Lao P.D.R. (IMF Country Report No. 19/267), Nigeria (IMF Country Report No. 19/93), Sierra Leone (IMF Country Report No. 20/117), and the United States (Fabrizio and others, 2020).

**32. Going forward, staff plan to expand the modeling work beyond fiscal policies to include monetary policy interventions, financial sector policies, and structural reforms.** In line with the recommendations of the IEO Report on Growth and Adjustment in IMF-supported Programs (IMF, 2021c), staff will further build a toolkit of models and monitors that can analyze the adjustment-growth relationship. The modeling work will be extended to explore synergies with other emerging issues, such as climate change and fintech.

**33. Besides modeling, staff are developing new empirical and analytical work that will complement and lend further support to the findings from the modeling efforts.** Since models are resource-intensive in calibration, staff will also pursue empirical approaches that could serve as “back of the envelope” calculations of macroeconomic and policy impacts where data are scarce and deep coverage is not feasible or too resource intensive.

### Synergies with Other Emerging Workstreams

**34. Over time, staff will also explore linkages and synergies across emerging workstreams.** The scope for doing so is expected to take time, as data gaps are closed, new cross-cutting skills are acquired, and resource constraints are alleviated. Possible areas include:

- **Climate change:** There is growing evidence that the poor and the vulnerable, including women, disproportionately suffer the consequences of climate change and related policies. An estimated 80 percent of people displaced by climate change are women (UNDP, 2016). Women's vulnerability and exposure to climate change arise from: (i) social inequalities and cultural norms that shape their responsibilities and constrain their response during natural disasters; (ii) economic inequalities that lead them to possess fewer economic assets and heighten their dependence on natural resources and agricultural livelihoods; (iii) greater food insecurity; and (iv) more limited access to finance, education, and healthcare. Gender-responsive policies could be considered in the context of mitigation and adaptation policies, helping to ensure that women support climate action and gender gaps are not exacerbated. There is also an opportunity to implement the green transition in a gender-neutral way.
- **Digital money:** Women are underrepresented in their access to formal financial institutions and digital financial services. They are less likely to hold bank accounts, have access to credit, and be



able to access mobile money systems. Gender discrimination, legal barriers, overall higher rates of poverty, lack of financial literacy, and the higher likelihood of being employed in the informal sector are just some of the barriers that women face when trying to gain access to financial services. Financial inclusion of women in digital services is essential for empowering women and increasing the productive capacity of economies. Policies to ensure that fintech narrows gender gaps could be potential areas of future work.

- **Fragile and Conflict-affected States (FCS):** Gender inequality is a driving factor of fragility but can also be exacerbated by pre-existing inequality and vulnerabilities prevalent in FCS, including poor governance and institutions, underdeveloped infrastructure, and reduced access to education and health facilities. The number of female-headed households can increase significantly after war or conflict. Thus, targeting female labor force participation in FCS can strengthen countries' resilience during transitions following conflict and recoveries from crises. Recent IMF work quantifies the relationship between gender inequality and conflict. Ouedraogo and Ouedraogo (2019) show that an increase in female-to-male labor force participation ratio by 1 percentage point is correlated with a reduction of the probability of electoral violence across the African continent by around 4.2 percentage points.

## C. Governance

### Establish a Systematic Approach to Gender Mainstreaming

**35. It is important that staff's approach to gender equality be governed by strict adherence to the IMF's mandate.** Staff will develop a data hub and conduct benchmarking exercises that can help assess the level of macro-criticality and ensure evenhandedness. The aim is to determine the countries that could benefit from coverage.

- **Macro-criticality:** In conducting *surveillance*, quantitative indicators of gender gaps and benchmarking exercises can inform decisions on country coverage in Article IV Consultations. The depth of coverage would vary across countries and over each country's own Article IV Consultation cycle depending on the degree of macro-criticality and competing priorities. Country teams should focus on policies that can impact present or prospective balance of payments or domestic stability. As per the 2012 Integrated Surveillance Decision, coverage of policies usually comprises analysis, discussion, an assessment of policies and policy advice by staff, and, if offered, the authorities' views on the issue. Whether an issue or policy meets the macro-criticality threshold can only be determined on a case-by-case basis, albeit following a common approach. In *lending*, gender-related structural benchmarks should be included if they are critically important to achieving program goals. *Capacity development* efforts can support the design and implementation of policies to improve gender outcomes.
- **Evenhandedness:** Consistent with the guidance on surveillance, staff should ensure uniformity of treatment across member countries based on the IMF's established principle of input-based evenhandedness while avoiding a "one-size-fits-all" approach. Countries in similar circumstances should be treated in a similar manner, considering domestic and cross-country risks, resource



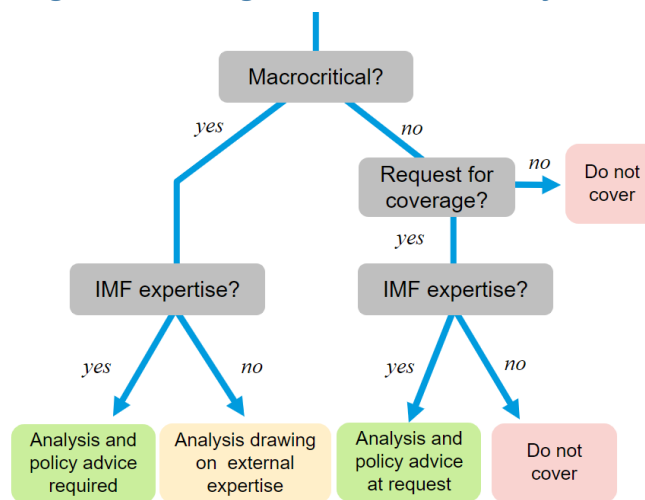
constraints, the availability of analytical tools and data, and coverage of different policy themes. In other words, evenhandedness does not necessarily imply uniform policies as it would depend on country-specific circumstances.

**36. In the context of Article IV Consultations, coverage of gender in country work should be based on the principle of macro-criticality, as noted above.** Whether an issue is macro-critical for surveillance, that is, whether it significantly influences present or prospective balance of payments or domestic stability, will depend on country-specific circumstances, and the assessment may vary over time (Figure 5).

- *For issues that are macro-critical and where the Fund has expertise, staff analysis and policy advice are required.*
- *For issues that are macro-critical but where the Fund does not have expertise, staff should analyze the issue, drawing on the expertise of, and in collaboration with, external partners as needed, but staff are not expected to provide specific policy advice.*
- *For issues that are not macro-critical but for which the Fund has expertise, staff may provide analysis and policy advice if requested by the member.*
- *For issues that are not macro-critical and where the Fund does not have expertise, analysis and policy advice should not be provided.*

Once staff identify an issue as macro-critical, the Integrated Surveillance Decision requires it to be discussed in Article IV Consultations to the extent that the Fund has expertise; the authorities' views on coverage should be reported, as needed. Depth of coverage will depend on factors such as relevance, severity, and urgency relative to other issues.

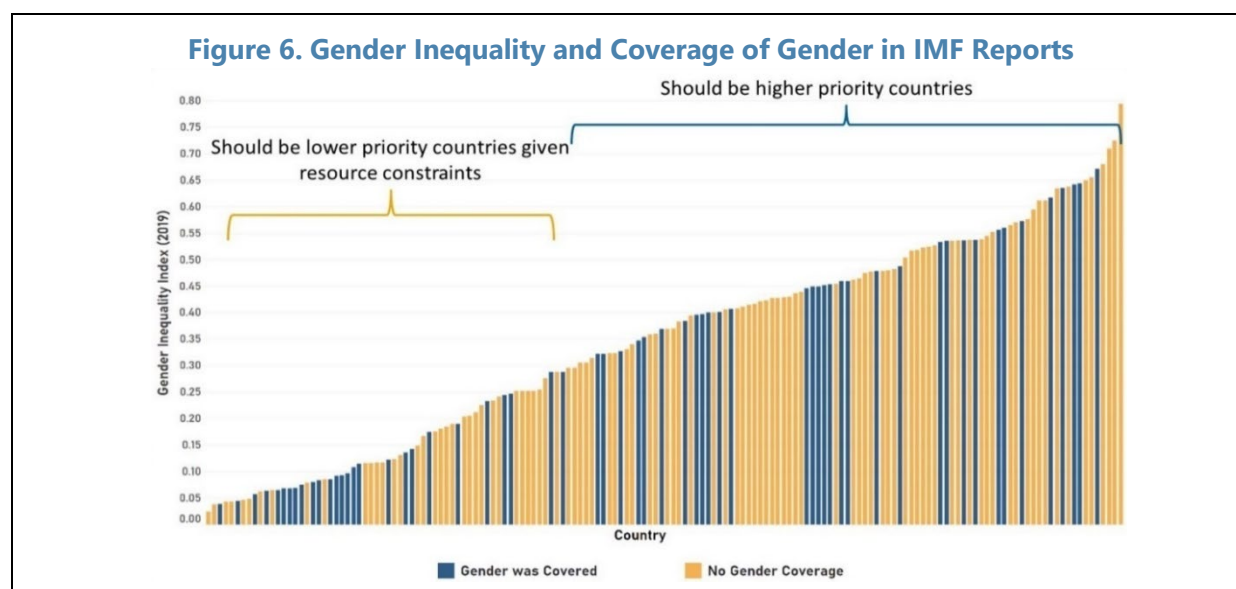
**Figure 5. Coverage of Gender in Country Work**



Source: 2022 Guidance Note for Surveillance under Article IV Consultations.

### 37. A systematic process is needed to guide coverage of gender in bilateral surveillance.

For illustrative purposes, Figure 6 shows an index of gender inequality, created by the UNDP, that could serve as one of the inputs into the benchmarking of gender gaps. This index captures gender gaps in labor market participation, political representation, and health outcomes across countries (higher values indicate greater gender inequality). Other indices or variables should also be used instead or in tandem to support and corroborate evidence on macro-relevant gender disparities. The blue bars indicate countries that have had at least one Board-endorsed country report covering gender issues, while the countries in gold have not. A systematic approach in which country coverage is primarily determined based on the largest gender gaps should, broadly speaking, imply relatively more blue bars on the right. What emerges from the picture, however, is that so far there is no clear pattern of country selection based on the relative size of gender gaps.<sup>22</sup>



**38. Under the strategy, country selection in Article IV Consultations will rely on a combination of a top-down and a bottom-up approach.** It will be based on a data-driven approach to identify countries where gender gaps are largest and macro-critical. The central unit would select countries with the largest quantitative gaps based on available data, and area departments would determine which countries they intend to cover based on an assessment of macro-criticality as well as buy-in from country authorities. Strategic considerations on member engagement, led by area departments, including countries' explicit requests to discuss gender issues during the Article IV Consultation, will also be considered in the country selection.

### Accountability and Organizational Structure

**39. The vision of integrating gender into the span of the Fund's work could be articulated in the Fund's agenda-setting documents and the departmental accountability frameworks.**

<sup>22</sup> This is not to suggest that countries with smaller gender gaps should be ignored. However, the initial focus could be on those countries where gender gaps are the largest. Indeed, in several countries with small overall gender gaps, large specific gaps, such as in the science, technology, engineering, and mathematics (STEM) areas, could exist.

The former include the Managing Director's Global Policy Agenda, the IMFC communiqué, and the Board's Work Program. Departments' Annual Accountability Frameworks should articulate the specific and concrete plans for mainstreaming gender. The semi-annual discussions with Management will allow for reporting and adaption as needed.

#### **40. A supportive organizational structure would help departments deliver on their commitments.**

- **A centralized gender and inclusion unit in SPR.** The creation of a centralized unit would realize scale economies in learning and developing macro frameworks, tools, and data sets to support country teams. It would avoid duplication by multiple teams across the institution, which are pitfalls of a decentralized model. As the center of Fund strategy, policy, and review, SPR is the natural place for housing a central unit to ensure consistent and evenhanded treatment across member countries. This unit will develop guidance for staff and cover both gender and inclusion issues, drawing on synergies across the two workstreams.
- **A Gender Working Group.** Since gender is a cross-cutting issue and does not reside in a single functional department, the implementation of the mainstreaming strategy must include all relevant departments. The existing interdepartmental advisory group on gender would be renamed Gender Working Group. Its tasks would be reconstituted to focus on the technical aspects of mainstreaming gender by brainstorming with the SPR unit to develop analytical tools and frameworks, discuss ongoing work, and foster peer learning.<sup>23</sup>
- **A Senior Gender and Inclusion Accountability Group.** Similar to the FCS committee, a senior accountability group at the level of department heads, with regular reporting and interactions with Management, would be established. The Group would provide institutional thought leadership and meet periodically to monitor progress and proactively steer the Fund in advancing gender mainstreaming.

### **Internal and External Communication**

**41. Enhanced internal and external communications are needed to set expectations, build support and ownership, and foster peer learning.**<sup>24</sup> The gender and inclusion unit, the Communications Department (COM), and the Office of Innovation and Change (OIC) will jointly develop and implement a strategic plan that outlines key channels of communication to expand IMF engagement and reach targeted audiences. Efforts will focus on: (i) developing in-reach and outreach efforts to encourage uptake by staff and IMF membership; (ii) modernizing the IMF gender site on IMF.org; (iii) disseminating gender content through targeted stakeholder lists; (iv) creating blogs, videos, and podcasts to amplify teams' analytical research; (v) expanding outreach through local resident representative offices; (vi) engaging with traditional and social media to broaden public awareness of the Fund's work on gender and highlight success stories; and (vii) increasing

<sup>23</sup> Formal training seminars would be conducted by the IMF's Institute for Capacity Development (ICD).

<sup>24</sup> See Section V of the Background Paper for additional details.

Fund staff participation in conferences, workshops, and peer learning events. An important goal would be to deepen engagement in regions with higher gender inequality (e.g., the Middle East and North Africa and sub-Saharan Africa) and connect with new demographic groups, particularly the youth.

**42. To facilitate knowledge sharing, a new Fund-wide Gender Seminar Series was launched in December 2021.** Going forward, some sessions could be hosted jointly with the World Bank and other IFIs/MDBs. Seminars could include IMF staff, country authorities, academics, staff from other IFIs/MDBs, the private sector, and CSOs. Some of this work could feed into flagship events at the Annual and Spring Meetings and in high-level conferences and workshops.

## D. External Collaboration

**43. There is ample scope to leverage complementarities through collaboration with external partners.**<sup>25</sup> Extensive expertise and experience at the sectoral level reside in institutions such as the World Bank Group (WBG), UN Women, and regional development institutions. IMF engagement on gender from a macroeconomic and financial stability perspective would complement the substantial body of work at the micro-level being done by others. In addition, it would be useful to engage with external experts in gender and macroeconomics, including to strengthen the Fund's analysis.

**44. Collaboration provides an opportunity to collectively advocate for policies and reforms to reduce gender gaps, while adhering to institutional mandates.** Knowledge sharing, peer learning, and amplified messaging are benefits from enhanced cooperation (Figure 7). However, since developing and sustaining relationships takes time and resources, the focus should be on deepening collaboration with those institutions where synergies are greatest. Initially, staff intend to rely on informal collaboration at the country and central levels. A formal agreement could be considered after learning from experience in working informally with them.

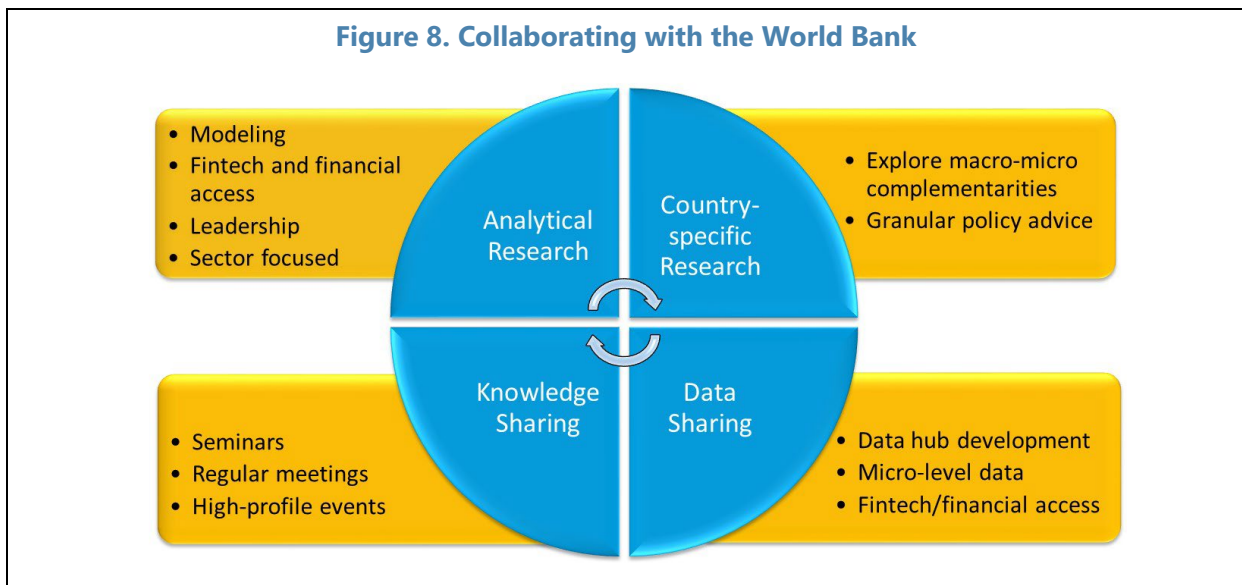
**45. The World Bank Group is the IMF's main and natural partner, and much groundwork has already been covered in identifying collaboration paths.** Regarding analytical research, joint work with the WBG can help support the IMF's efforts to develop new tools and frameworks (Figure 8). For example, staff from both institutions are exploring how current WBG modeling efforts could be integrated with IMF gender modeling work. Collaboration should also consider topics of common interest at the country level. Knowledge sharing opportunities could become more frequent and regular through co-hosting events and informal seminars. Relevant gender-disaggregated data collected by the WBG will be included in the proposed new centralized data hub. WBG staff have expressed interest in data created in-house by IMF staff on the financial and fintech sectors.<sup>26</sup>

<sup>25</sup> See Section V of the Background Paper for details on previous collaboration efforts with international organizations and other stakeholders, ongoing efforts, and plans.

<sup>26</sup> Staff have also engaged with the IFC on gender-related data issues, including gender-disaggregated data on financing for small- and medium-size enterprises (SMEs).



**46. Bank-Fund collaboration on gender will be designed consistent with the Management Implementation Plan to strengthen collaboration on macro-structural issues.** Building on best practices on collaboration, the 2021 Implementation Plan (IMF, 2021d) in response to the 2020 Evaluation Report on IMF collaboration with the World Bank on macro-structural issues (IMF, 2020) proposes concrete steps to: (i) develop frameworks that ensure effective collaboration on strategic macro-structural issues; (ii) improve internal incentives for collaboration with external partners; and (iii) enhance access to and exchange of information and knowledge between Bank and Fund staff. These steps will provide a concrete basis for future Bank-Fund collaboration on gender, including at the country team level.



**47. Collaboration with UN Women, which began in 2015, can be strengthened.** Joint IMF-UN Women peer learning events have been held, including in Rwanda (2017), Mauritius (2018), Tanzania (2018), Ethiopia (2019), Senegal (2020), Angola (2021), Cambodia (2021), Latin America (2021) and Eastern Europe (2018–22). A two-week course on gender and macroeconomics in January 2022 featured joint participation with UN Women staff. UN Women, UNDP and IMF staff co-authored a note on COVID-19 and gender equality. Staff from the two organizations have outlined plans to deepen the partnership on analytical research and CD at headquarters and in regions. These plans include: (i) scaling up the current UN Women work on fiscal and monetary impacts of COVID-19 stimulus packages; (ii) providing joint, tailored CD on gender budgeting; and (iii) expanding analytical research on costing exercises for unpaid care work.<sup>27</sup>

**48. Staff from the European Bank for Reconstruction and Development (EBRD) and IMF have identified several avenues for collaboration.** EBRD initiatives on deepening financing inclusion for women-led small and medium enterprises (SMEs) and CD could be complemented with IMF analytical research and CD. Joint policy work could analyze the gender responsiveness of countries' investment climates, which would identify the cultural, regulatory, and legal barriers that women entrepreneurs face. The IMF's recent work on legal barriers (Christopherson and others, 2022) could dovetail with the EBRD's Gender-Responsive Regulatory Impact Assessments in developing, adopting, and monitoring gender-responsive legislation. Other lines of collaboration could include synergies between the climate and gender workstreams.

**49. Collaborating with other IFIs and development partners on CD can be particularly beneficial.** The Fund stands to benefit from the experiences of member countries and development partners that prioritize gender equality in their development assistance programs as an effective approach to poverty reduction. IMF Regional Technical Assistance Centers and Regional Training Centers should serve as essential resources in developing the authorities' capacity, and resident representative offices can facilitate coordination among institutions on the ground.

**50. Collaboration with external development partners can also help support CD.** The Gates Foundation approved a one-year, \$1.6 million grant in January 2022 for gender-related work.<sup>28</sup> The project represents a collaborative effort among several departments in the IMF and is expected to leverage technical experts from IMF Regional Technical Assistance Centers in support of CD. Work on gender in low-income countries has been supported mainly by FCDO (Foreign, Commonwealth, & Development Office, United Kingdom).

**51. IMF staff have begun to participate in periodic meetings of an MDB Working Group on Gender.** The Group provides an efficient forum to promote dialogue, coordination, information exchange, and collaboration on gender equality among multilateral development banks. Members

<sup>27</sup> See Section V of the Background Paper for further information on possible joint projects between UN Women and the IMF.

<sup>28</sup> Over the course of this project, staff will (i) expand gender/macro modeling; (ii) host a high-level conference; and (iii) produce technical notes, working papers, and a book on fiscal policies and institutions.

are staff leading the gender work in their respective institutions.<sup>29</sup> As part of their exchange and dissemination of knowledge commitments, the Group organizes global summits to facilitate dialogue and exchange best practices. The IMF co-organized sessions on digitalization and fiscal policies for women's financial and labor market inclusion, respectively, in the 2022 Summit in May.

**52. External advisory networks on gender should be leveraged and, if warranted, strengthened and expanded.** There are existing networks on gender, such as with parliamentarians and CSOs. Staff plan to set up periodic meetings with academics and experts on gender and macroeconomics who can advise on analytical work. Management would also engage, as needed, with the WBG and other partners to facilitate collaboration and coordination with IMF staff.

## E. Resources

**53. Limited resources heighten the importance of maximizing efficiency and implementing the strategy at a measured pace.** As discussed earlier, centralizing dedicated resources in the gender and inclusion unit in SPR would achieve scale economies in developing the analytical firepower and governance framework while supporting a small set of country teams each year. Country coverage would initially be narrow and selective, with some deeper studies supported by the unit to serve as prototypes for the mainstreaming of gender across countries. Multilateral surveillance could complement bilateral surveillance in the initial years. Over time, country coverage would increase as tools and models are developed and country desk economists have greater access to gender toolkits and training.

### Existing and Additional Resources

**54. As of FY22, there are about 18 full-time equivalent staff (FTEs) across 13 departments working on gender** (Table 1). Nearly two-thirds of these existing resources reside in functional departments and one-third in area departments. This is an increase compared to FY21, when about 11 FTEs were dedicated to gender. Most resources are dedicated to CD and other activities, including outreach, followed by analytical work and multilateral surveillance, and then country work. Within the baseline budget envelope, i.e., before augmentation resources, it was expected that 19.5 FTEs would be dedicated to gender in FY23, as gender work continues to be part of the regular rotation of topics in departments.

**55. Under the December 1, 2021, Budget Augmentation Framework, SPR will receive 6 additional FTEs for gender and inclusion work over FY23–25.**<sup>30</sup> The framework reflects the Board's decision that an incremental allocation of resources will better leverage the Fund's work on

<sup>29</sup> Members of the group include representatives from the gender units of the following institutions: the Asian Development Bank (ADB), the African Development Bank (AfDB), the Asian Infrastructure Investment Bank (AIIB), the Caribbean Development Bank (CDB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank (IADB), the Islamic Development Bank (IsDB), the International Finance Corporation (IFC), and the World Bank (WB).

<sup>30</sup> In addition to the resources allocated to SPR, ICD will receive 0.5 FTE for gender and inclusion in the FY23 budget round, mainly to develop internal training.



gender and inclusion. As agreed with the inclusion workstream, 4 of these additional FTEs are expected to work on gender, 2 each to be hired in FY23 and FY24 (Table 1). Hiring of a limited number of contractuales funded by the Gates Foundation who will work on developing toolkits to strengthen the analytical capacity of IMF members in the context of TA/CD is also envisaged.

	<b>FY21</b>	<b>FY22<sup>2/</sup></b>	<b>FY23<sup>2/</sup></b>	<b>FY24<sup>3/</sup></b>
<b>Area Departments</b>	4.2	6.3	8.1	8.1
<b>Functional Departments ex. SPR</b>	4.9	9.4	9.9	9.9
<i>Memo item: of which augmentation</i>			0.5	0.5
<b>SPR</b>	1.7	2.0 <sup>1/</sup>	4.0	6.0
<i>Memo item: of which augmentation</i>			2.0	4.0 <sup>4/</sup>
<b>All Departments</b>	<b>10.8</b>	<b>17.7</b>	<b>22.0</b>	<b>24.0</b>
<i>Memo item: without augmentation</i>	<b>10.8</b>	<b>17.7</b>	<b>19.5</b>	<b>19.5</b>

<sup>1/</sup> Existing FTEs, excluding transitional resources.  
<sup>2/</sup> Reflects updated totals provided in November 2021; the 0.5 FTEs under the augmentation framework for functional departments excluding SPR reflects resources allocated to ICD for the development of internal trainings related to gender and inclusion.  
<sup>3/</sup> With allocations to be determined in future budget cycles, the same FTEs as in FY23 are assumed for all departments except SPR.  
<sup>4/</sup> Cumulative.

## Central Unit

**56. The additional FTEs would be centralized in the gender and inclusion unit.** The unit, which would be fully functional in the first year (FY23) with staffing to be completed in FY24, is best placed to ensure evenhandedness, including through the review process. It would support the implementation of the gender strategy by:

- Collaborating with other departments and external partners to develop the analytical framework,<sup>31</sup> work with STA on data and designing scorecards to identify countries where gender gaps are large and macro-critical, and contribute to the design of CD activities;
- Producing an initial guidance note on how to implement the gender mainstreaming strategy;
- Supporting country teams to develop tailored, country-specific advice. This will include brainstorming sessions; selective, gender-focused reviews of country papers; and joining or backstopping area department missions;<sup>32</sup>
- Serving as a focal point for internal and external collaboration;<sup>33</sup> and

<sup>31</sup> External hiring of a modeling expert is also ongoing to provide support in developing analytical tools and ascertaining macro-criticality.

<sup>32</sup> It is not recommended that the unit systematically review all country documents as that would quickly overwhelm the fledgling unit and defeat the purpose of mainstreaming the review function across departments, including SPR.

<sup>33</sup> For example, connecting staff across IFIs and regional institutions at the country level.



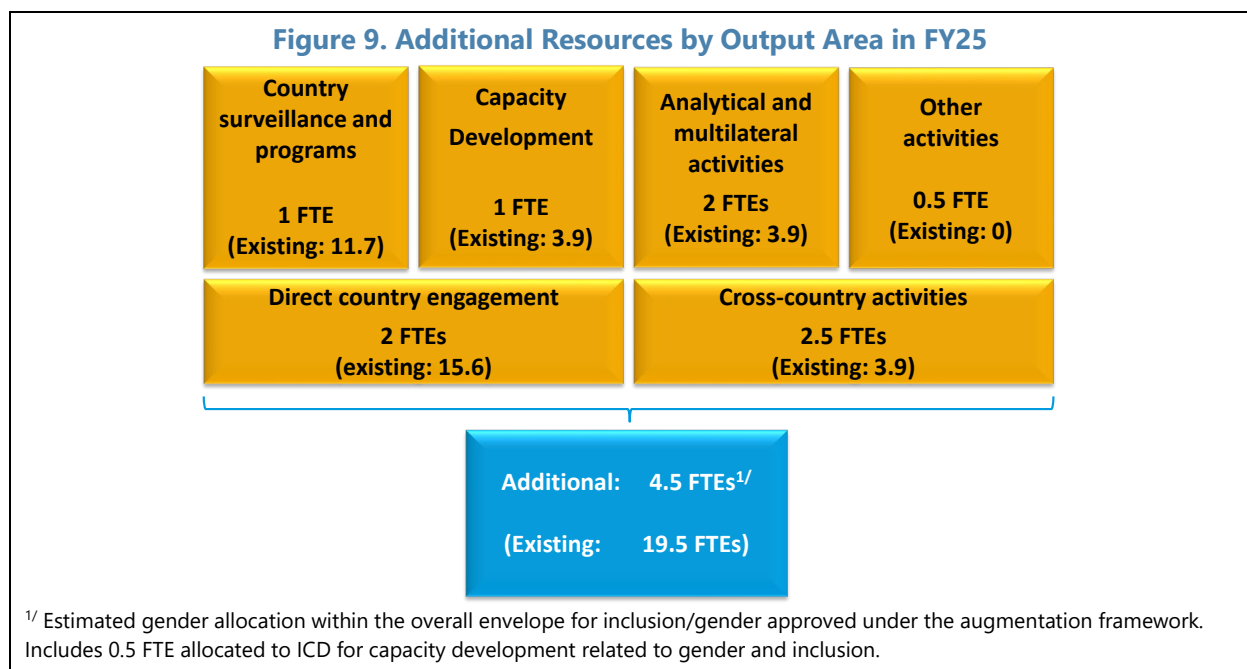
- Supporting Management and the Senior Advisor on Gender in their in-reach and outreach activities, including running the new Gender Seminar Series and serving as the secretariat to the Gender Working Group and the Senior Gender and Inclusion Accountability Group.

**57. Given the goal of mainstreaming, the unit should be staffed mostly by fungible macroeconomists.** Most of these economists would not be “gender experts” per se. Rather, just as many fungible macroeconomists at the Fund develop expertise on macro-financial and macro-structural issues over the course of their careers, these economists would develop expertise on mainstreaming gender in policy analysis and advice. Working to mainstream gender should be seen as an innovative and agile activity on an issue of importance to the membership.

### Resource Allocation by Activity

**58. An initial concerted push to develop the analytical arsenal is needed.** During the first two years, about three-quarters of the additional FTEs would be dedicated to cross-country activities to develop, with relevant departments, the policy and analytical firepower and the requisite datasets for analyzing gender. Newly developed tools and models and best practice examples of country coverage would be shared internally and, over time, with country authorities via CD.

**59. Later, and in the steady state, as consistent policy and analytical frameworks are in place, more resources could be shifted to direct country engagement.** Over time, country teams would have improved access to tools, models, and training, allowing for deeper direct country engagement. In the steady state, when gender is fully integrated in IMF core functions, most resources would be dedicated to direct support to country teams—both surveillance and lending—in area departments, and CD in functional departments. Figure 9 below shows the envisaged distribution of existing and additional resources in FY25.



## Country Coverage

**60. There is a trade-off between depth and breadth of country coverage.** The choice is between more in-depth coverage of a few countries initially, which is extended to others over time, or broader but shallower coverage initially that is deepened over time.<sup>34</sup>

- The more in-depth coverage—termed “*deep dives*”—entails integrating gender into the fiscal, financial, and structural analyses and core policy discussions, as per the vision of mainstreaming gender. But deeper analyses require more intensive use of resources relative to mainstreamed topics, which benefit from already established frameworks and expertise. Therefore, coverage would only be for a small set of countries initially. As expertise is gained, teams will be able to engage more deeply and widely with the authorities, with fewer resources per country.
- Alternatively, broader coverage envisages analysis of selected gender issues, typically related to one sector or topic—termed “*light touch*.” They are useful to start the conversation with the authorities on gender gaps and could be followed up with a deeper dive as warranted in subsequent Article IV Consultation discussions. A dialogue could also be started by including basic gender-related indicators (e.g., labor market participation by gender) in the Selected Economic Indicators Table of Staff Reports. Such exercises would help assess data gaps and help national authorities improve the collection and quality of gender disaggregated data.

**61. Consistent with the aim of integrating gender more holistically into IMF’s core work, it is proposed to opt for greater depth of fewer countries initially.** The policy analysis in such cases will serve as a prototype for mainstreaming gender, facilitate early progress in developing and tailoring frameworks, and have demonstration effects. They will, thus, steer the way toward full mainstreaming (Figure 10). Six staff reports to date have come closest to the concept of mainstreaming gender, but they were resource intensive: Argentina (2017), Iran (2018), Nigeria (2019), Lao P.D.R. (2019), Senegal (2019), and Sierra Leone (2020).<sup>35</sup>

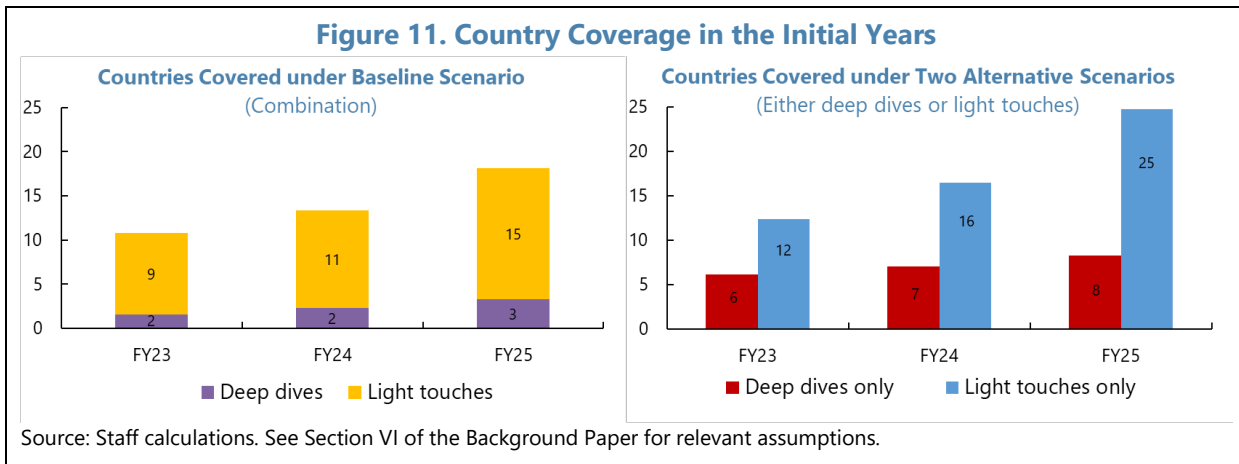
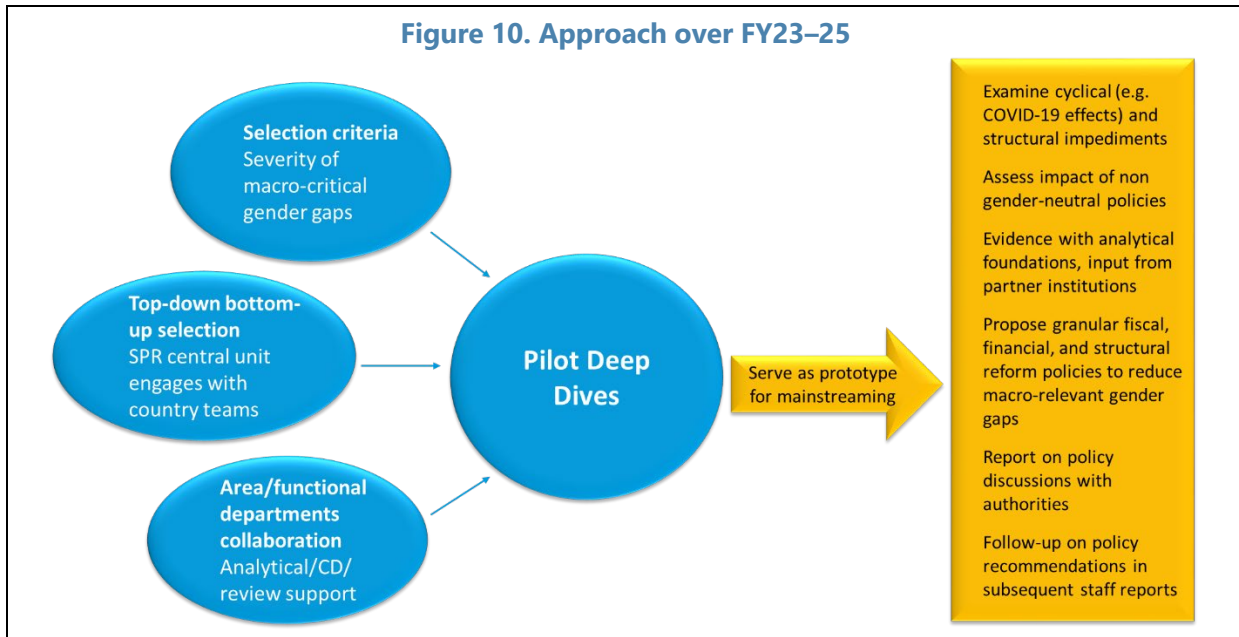
**62. Our baseline envisions a gradual increase in *deep dives*.** Figure 11 provides illustrative calculations. The left chart shows the number of countries that could be covered in the baseline scenario where both deep dives and light touches are undertaken. Coverage expands from 11 countries in FY23 to 18 countries in FY25 as frameworks are established and expertise is gained.<sup>36</sup> In the right chart, the blue bars show that, even in the extreme scenario of conducting *light touches* only (maximum breadth), country coverage would remain limited, increasing from 12 to 25 countries

<sup>34</sup> See Section VI of the Background Paper for additional details on scenarios for deep dives and light touches.

<sup>35</sup> Boxes 1 and 2 in Section I of the Background Paper present recent examples of engagement on gender in bilateral surveillance and lending, respectively.

<sup>36</sup> Given the need for follow-up discussions and analysis, including on new gender topical areas, these should be interpreted as the total number of countries that can be covered, given the assumptions, rather than new countries covered in each year. The FTE intensity for light touches and deep dives in the steady state is assumed to be 0.1 and 0.3 FTEs per country, respectively. Section VI of the Background Paper elaborates on the assumptions and calculations.

by the third year. If, on the other hand, only *deep dives* were executed (maximum depth), country coverage would be limited to only 6 to 8 countries in FY23–25.



**63. Early engagement with country authorities and other stakeholders will be critical for buy-in.** The central unit will help in connecting country teams to relevant organizations, think tanks, and CSOs. Teams will be expected to follow up on policy recommendations and report on progress in subsequent Article IV consultations, subject to continued assessment of macro-criticality. Resident Representative offices can help monitor progress and follow up on policy recommendations and CD.

**64. Limited coverage in bilateral surveillance could be supplemented by increased coverage in multilateral surveillance and select Board briefings.** Expanding the analysis of gender disparities in flagships and IMF Regional Economic Outlook publications would increase external and internal visibility, showcase the Fund’s analytical advances on gender, and provide useful references for country teams. Gender issues could also be a topic for the newly instituted

(post-CSR) country matters meetings, which provide an avenue to discuss cross-country developments on gender, while at the same time, seek feedback from the Board on policy advice in this area.

## F. Risks and Challenges to Mainstreaming Gender

**65. The above four-pillar strategy also addresses potential implementation risks and challenges.** These relate to whether the Fund will develop sufficient capacity, expertise, data, information, and tools to engage meaningfully with the membership and provide granular and tailored advice. In other words, does the strategy underestimate the volume of work that integrating gender in the Fund’s macroeconomic framework might entail, not least because standard economic models thus far have had little to say about gender? These risks are minimized by a robust governance framework that ensures adherence to the Fund’s mandate, as well as investing in enhancing the analytical framework via a central unit. The latter will benefit from lessons learnt during the successful incorporation of income inequality in standard models. The envisaged collaboration with external partners will ensure staff benefit from knowledge sharing.

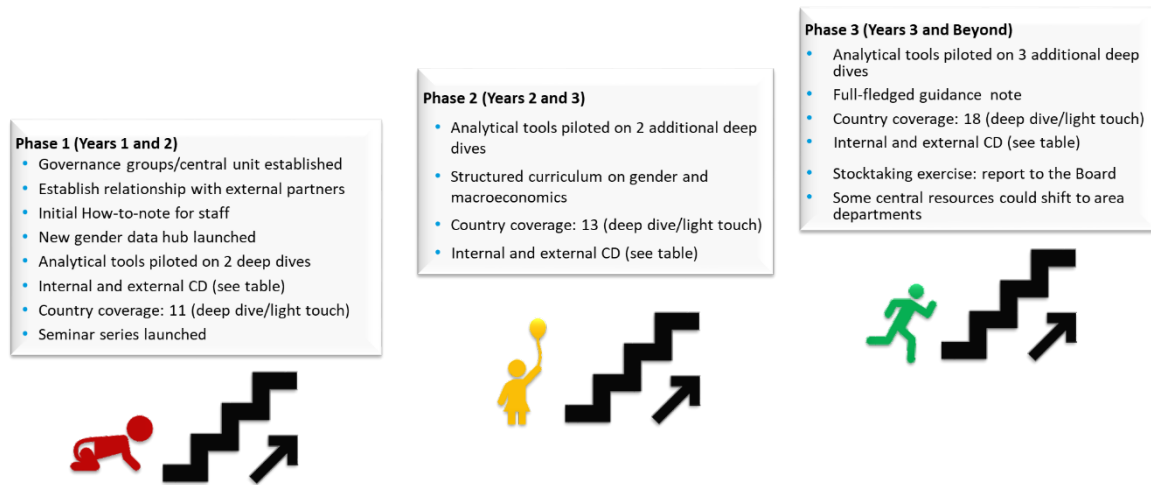
**66. Undertaking more rigorous analytical work will take time, resources, deliberation, and an acknowledgement of successes and failures.** Once models and tools are built, staff will need time to experiment with and refine them. Fund staff will also need training on gender analysis, including in identifying gaps, determining what is macro-critical, and ensuring evenhandedness. The benefits and overall success of different forms of engagement will likely depend on country circumstances but the work, to varying degrees, can begin now. In due course, a systematic survey of all 190-member country authorities and an external evaluation of the Fund’s work on gender could also be undertaken to enable staff to serve the membership better.

## A ROADMAP TO SEQUENCE MAINSTREAMING

*A phased implementation of the strategy and associated deliverables over three stages of one to two years each would balance the ambition of the vision with staff resources and the need to build the necessary expertise among staff. The proposed timeline, work program, and resource allocation may vary over time depending on the progress made in implementing the strategy and the need to adjust to unanticipated circumstances and evolving external developments. In each phase, the SPR gender and inclusion unit and functional departments will help area departments apply a consistent framework, calibrating models and tools to country-specific circumstances.*

**67. Recognizing that it will take time to scale up country engagement, a phased implementation is envisaged.** Implementation will be sequenced over three phases, with each phase spanning one to two years (Figure 12). The steady state—when gender is fully mainstreamed—will likely only be reached beyond the three-year timeframe of the medium-term budget framework. Progress will be assessed at each stage based on the deliverables envisioned for each phase.

**Figure 12. Phasing of the Gender Strategy and Monitorable Targets**



**Tentative CD Activities<sup>1/</sup>**

	FY23	FY24	FY25
<b>FAD</b>	8-12 regional/country gender workshops 8 gender-specific missions (gender budgeting) 20-25 missions/countries where gender is considered as part of broader mission 3-4 podcast episodes on gender with tax administration officials	8-12 regional/country gender workshops 8 gender-specific missions (gender budgeting) 20-25 missions/countries where gender is considered as part of broader mission 4-5 podcast episodes on gender with tax administration officials	8-12 regional/country gender workshops 8 gender-specific missions (gender budgeting) 20-25 missions/countries where gender is considered as part of broader mission 4-5 podcast episodes on gender with tax administration officials
<b>ICD</b>	Develop and deliver 2-3 external courses on macroeconomics of gender equality Start developing (with FAD) online EdX course on gender budgeting Internal IET program course "Gender and Macroeconomics" developed subject to additional resources <sup>2/</sup>	2-3 external courses and 0-2 country-specific or regional missions/workshops on macroeconomics of gender equality	2-3 external courses and 0-2 country-specific or regional missions/workshops on macroeconomics of gender equality
<b>LEG</b>	8 CD Missions: 5 on how to remove legal impediments to gender equality and incentivize women's economic empowerment through legal reform; 3 on fiscal law and gender (including tax and PFM legislation) 4 workshops: 2 on how to remove legal impediments to gender equality and incentivize women's economic empowerment through legal reform; 2 on fiscal law and gender (including tax and PFM legislation) 2 courses on fiscal law and gender (including tax and PFM legislation)		
<b>MCM</b>	1-3 CD events (bilateral country-tailored or regional workshops) on gender issues	1-3 CD events (bilateral country-tailored or regional workshops) on gender issues	1-3 CD events (bilateral country-tailored or regional workshops) on gender issues
<b>STA</b>	2-4 CD missions with gender components (FAS regional workshops/webinars and TA missions for real sector statistics with employment and remuneration matrices by gender)	2-3 CD missions with gender components (FAS regional workshops/webinars and TA missions for real sector statistics with employment and remuneration matrices by gender)	2-4 CD missions with gender components (FAS regional workshops/webinars and TA missions for real sector statistics with employment and remuneration matrices by gender)

<sup>1/</sup> The table includes CD projects and missions at the design stage.

<sup>2/</sup> IET program also includes two gender clinics on "Gender Equality and Macroeconomics" during FY23 (ICD/SPR/FAD/LEG/MCM/STA).

**68. Upon Board endorsement, staff will start to implement the four pillars of the gender strategy.** Following the approval by the Board of the budget augmentation for inclusion and gender in December 2021, a central unit in SPR will become functional in FY23.

**69. Those elements of gender mainstreaming that are not resource-intensive can start immediately.** Building on past work, including in areas such as removing legal barriers faced by women, increasing financial access of women, and introducing gender-responsive fiscal policy where a literature exists documenting gender gaps, teams could start engaging with country authorities. As Box 3 notes, there are several modes of engaging with country authorities on gender issues. In countries where gender gaps are especially large, initial efforts could yield significant results.

### Box 3. Examples of How Country Teams Can Engage on Gender Issues

Three levels of engagement are envisaged. They are not mutually exclusive. The choice of when and how to engage will vary by country circumstances, competing priorities, and staffing constraints.

- **Signaling role:** Article IV, Financial Sector Stability Review (FSSR), and Financial Sector Assessment Program (FSAP) teams could start by seeking to identify and understand the most relevant gender gaps in the country. Staff could discuss how the authorities prioritize closing macro-critical gaps, what actions they are taking or planning, and how the Fund could contribute. This is the most basic function, consistent with a *signaling role* of the Fund on the importance of the issue.
- **Catalytic or convening role:** Teams could seek to play a *convening or catalytic role*, bringing together relevant stakeholders and catalyzing discussions on how macroeconomic and financial sector policies could be viewed through a gender lens. This could include domestic stakeholders, such as various line ministries (e.g., finance, economy, gender, labor, health, education, and social development), civil society organizations and private sector representatives. It could also include other international or regional organizations, particularly those that have a presence on the ground.
- **Intellectual leadership role in the macro-financial area:** Staff could play an *intellectual leadership role in macro-critical gender areas* that would contribute to better macroeconomic outcomes in IMF member countries. As in other areas, this work could be done with the authorities or other organizations and should be presented to the authorities as an integral part of the core policy discussions. In engaging with authorities, teams will need to keep in mind cultural and societal norms, recognizing that change takes time.

**70. In preparation for the strategy implementation, functional departments have already started some gender initiatives.** A two-week course on gender and macroeconomics, developed by AFR and ICD with participation from FAD, SPR, and UN Women, took place in January 2022 at the Africa Training Institute. Another course delivery by ICD, in collaboration with AFR and SPR, followed at SARTTAC in February 2022. MCM started a gender-disaggregated data pilot for Financial Sector Stability Reviews. Other departments would continue their existing gender workstreams with a view to improving them (e.g., the FAS gender-disaggregated data collection and STA's regional workshop on financial access data collection which includes gender components). The Tenth Review of the IMF Data Standards Initiatives encourages Special Data Dissemination Standard (SDDS) and SDDS-plus countries—about 80 members—to publish data on labor force participation rates by gender on the IMF Data Standards Bulletin Board (a one-stop shop for all official data under the IMF Data Standards Initiatives).

**71. The governance and analytical framework will be set up in Phase 1.** The gender and inclusion unit will update the 2018 How-to-Note with the key pillars introduced by the strategy (a fully-fledged guidance note will be produced in Phase 3, see below). The proposed governance structure will be put in place, country selection would commence, and selected country teams would begin to engage with country authorities. This initial engagement will be complemented by the offering of external courses on gender and macroeconomics. Peer-learning workshops would also provide the opportunity for country teams and authorities to exchange views on good practices. Model development will progress, and internal training of staff will focus on knowledge-sharing and targeted gender clinics. Departments would start putting forward gender mainstreaming work plans in their Accountability Frameworks, spanning multilateral and bilateral country work and CD. Staff intend to brief the Board on the implementation status of the approved gender strategy, along with the progress made on other inclusion topics, in late FY23.

**72. Phase 2 will see increased support to country teams, allowing for more in-depth analysis and policy advice.** The focus will be on enhancing macroeconomic frameworks for country application. Some country teams will apply new frameworks and toolkits with deep dives. The feedback received from country teams will help enhance and revise the macroeconomic framework to tackle macro-critical gender gaps. Country coverage during this phase is expected to expand to around 13 countries. An internal competition for innovation could solicit ideas for bringing a gender dimension to Fund staff's granular and tailored advice. Staff would start developing a full-fledged structured course on Gender and Macroeconomics, depending on resource availability. At the end of Phase 2, a technical briefing to the Board on the analytical work and the experience of collaboration with external partners could be considered.

**73. In Phase 3, mainstreaming would advance, and a comprehensive stocktaking exercise would be conducted.** As country coverage increases to around 18 countries, lessons learnt and demonstration effects can be expected to yield scale economies for other country teams seeking to replicate this work, while adapting it to country-specific circumstances. A review of the effectiveness of the new governance framework will be presented to Management. At the end of Phase 3, a full-fledged guidance note would be produced, and a stocktaking exercise would be conducted. Some resources would be expected to gradually shift from the central unit to area departments as gender is widely mainstreamed. Staff would report to the Board on the experience of mainstreaming gender and propose a way forward for the following years, including ways to refine the strategy itself.

**74. Beyond Phase 3, the goal is to gradually but purposefully mainstream gender fully.** Mainstreaming gender will take time, consistent prioritization, effort, and development of expertise. The proposed timeline, work program, and resource allocation may vary over time depending on the need to adjust to unanticipated circumstances and evolving external developments.

## CONCLUSION AND NEXT STEPS

**75. This strategy paper proposes to bring a gender lens to the core activities of the Fund.** This means integrating gender, where macro-critical, into surveillance, lending, and capacity



development. Thus, gender would become embedded in core discussions on fiscal, financial, and structural policies to meet macroeconomic goals. Analytical and policy work across departments would support the development of gender-responsible policies.

**76. Staff would provide tailored and granular policy advice to countries where gender gaps are large and deemed macro-critical.** This would ensure that the Fund’s resources are spent in an area where the Fund has authority. Importantly, it would add value to the membership as it would fill a vacuum that currently exists among IFIs and development institutions.

**77. The vision is ambitious but is tempered by the phased implementation of the gender strategy.** The full realization of mainstreaming gender in the Fund’s core activities will likely materialize beyond the three-year timeframe of the medium-term budget framework, given limited resources and expertise.

**78. Many issues are yet to be determined.** These include how to measure gender gaps, assess the macro-criticality of gender issues, and provide evenhanded policy advice to address gender gaps, among others. Staff will develop objective and broad-based criteria to determine macro-criticality, leaving the final choice to country teams’ judgment. Staff will also set up a clear and robust approach to guide the application of evenhandedness, consistent with the principles established in the 2022 Comprehensive Surveillance Review Guidance Note.

**79. Management and IMF staff will begin outreach and in-reach efforts to encourage buy-in and uptake with staff and country authorities.** Continuous engagement with internal and external stakeholders, including institutions that have a head start in this area, will be key components of the strategy implementation. The implementation of this strategy, if approved, will be subject to monitoring. Looking forward, since outcomes will likely be slow moving and the impact of policy reforms will take time to realize, the effectiveness of the strategy and its impact on the membership could be assessed every five to ten years.

## ISSUES FOR DISCUSSION

- Do Directors agree with the proposed strategy to help member countries close macro-critical gender gaps to enhance macroeconomic and financial resilience and promote inclusive economic growth?
- Do Directors endorse the proposed collaboration with external partners to benefit from peer learning and knowledge sharing and, thereby, enhance the impact on the ground?
- Do Directors agree with the timeline and sequencing of the strategy implementation?



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July 22, 2022

## IMF STRATEGY TOWARD MAINSTREAMING GENDER— BACKGROUND PAPER

### EXECUTIVE SUMMARY

**This background paper provides additional details on substantiation, illustrations, and arguments to support the Board Paper “IMF Strategy Toward Mainstreaming Gender.”** It is organized as follows:

Section I presents a snapshot of the analytical work undertaken at the IMF on gender thus far and takes stock of the coverage of gender issues to date in surveillance, lending, and capacity development.

Section II provides an overview of the evolution of gender disparities across different dimensions that limit women’s economic empowerment and, in turn, the full potential of total productivity and economic growth of countries.

Section III provides evidence on the macroeconomic impact of gender inequality on economic growth and stability, external competitiveness and balance of payments, inequality, financial stability, and public and private sector performance. It also elaborates on the legal basis for examining gender in IMF’s core activities, which rests on macro-criticality.

Section IV discusses gender-responsive fiscal and financial policies and structural and legal reforms that can support countries’ efforts in reducing gender gaps.

Section V provides an overview of previous engagement with external partners and other stakeholders, ongoing efforts, and plans.

Section VI presents illustrative scenarios of country coverage over the next three years under the gender mainstreaming strategy presented in the Board paper.

Approved By  
**Ceyla Pazarbasioglu**

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## Glossary

AFR	African Department
AFRITAC	Africa Regional Technical Assistance Center
APD	Asia and Pacific Department
ATI	Africa Training Institute
CD	Capacity Development
COM	Communications Department
CSOs	Civil Society Organizations
DSA	Debt Sustainability Analysis
EBRD	European Bank for Reconstruction and Development
ECF	Extended Credit Facility
EFF	Extended Fund Facility
EIB	European Investment Bank
EMs	Emerging Markets
EMDEs	Emerging Markets and Developing Economies
EUR	European Department
FAD	Fiscal Affairs Department
FCDO	UK Foreign, Commonwealth & Development Office
FSAP	Financial Sector Assessment Program
FY	Fiscal Year
GDP	Gross Domestic Product
IADB	Inter-American Development Bank
ICD	Institute for Capacity and Development
IEO	Independent Evaluation Office
IFC	International Finance Corporation
IFIs	International Financial Institutions
ILO	International Labour Organization
ILOSTAT	International Labour Organization Statistics
IMF	International Monetary Fund
JVI	Joint Vienna Institute
MCD	Middle East and Central Asia Department
MCM	Monetary and Capital Markets Department
MEFP	Memorandum of Economic and Financial Policies
OECD	Organization for Economic Co-operation and Development
SARTTAC	South Asia Regional Training and Technical Assistance Center
SDN	Staff Discussion Note
SPR	Strategy, Policy, and Review Department
TA	Technical Assistance
TADAT	Tax Administration Diagnostic and Assessment Tool
UN	United Nations
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNCDF	United Nations Capital Development Fund

UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNICEF	United Nations International Children’s Emergency Fund
We-Fi	Women Entrepreneurs in Finance
WEO	World Economic Outlook
WHD	Western Hemisphere Department

## SECTION I: IMF'S ENGAGEMENT ON GENDER: STOCKTAKING<sup>1</sup>

*This section summarizes the evolution of gender work at the IMF—multilateral surveillance, country-level engagement (surveillance, lending and capacity development), data collection, and toolkit development.*

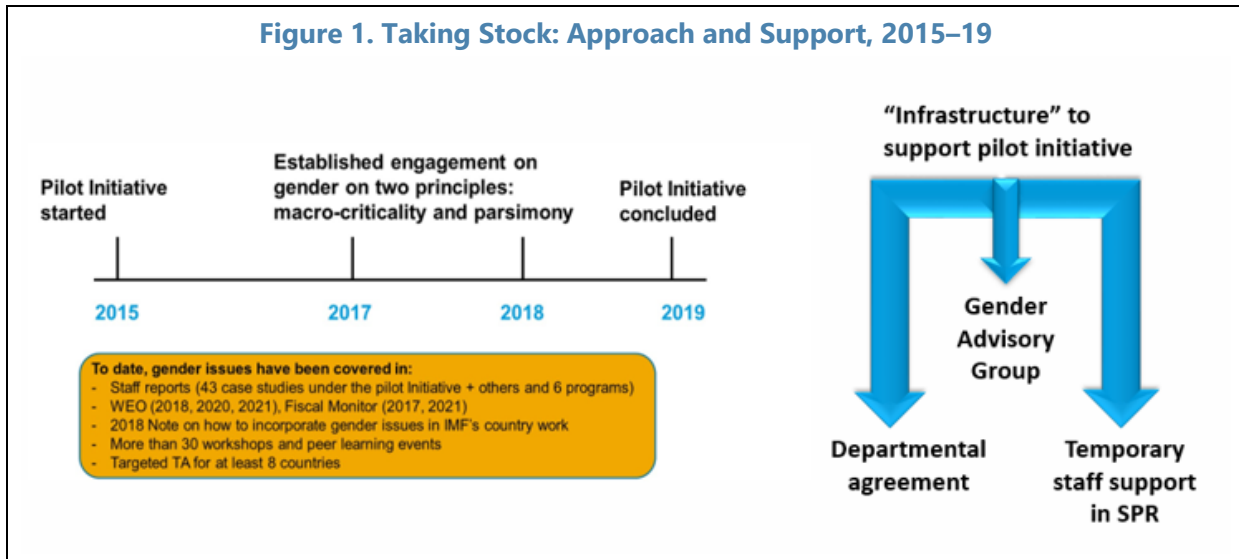
### A. Evolution of Gender Work at the IMF

1. **Gender-related topics began to systematically appear in the Fund's work program a decade ago.** The 2013 IMF Board paper (IMF, 2013a) presented empirical findings that narrowing gender gaps is essential for high employment and growth, while IMF (2013b) discussed how these issues should be covered in surveillance and lending work. In 2015, the Fund committed to supporting member countries in pursuing the 2030 Development Agenda, which included addressing gender inequality (IMF, 2015a, 2015b). Research on gender and macroeconomics and finance increased. In 2015, the IMF undertook a global study on gender budgeting, supported by the UK Department for International Development (DFID),<sup>2</sup> which included high-level staff from UN Women and World Bank on the project's advisory committee. Thereafter, the IMF began developing and delivering CD on gender budgeting, building the foundations of these reforms through workshops and outreach. IMF (2017a) set out a framework for the Fund's capacity development (CD) work on gender budgeting.
2. **A pilot initiative from 2015 to 2019 began operationalizing gender in country work.** It helped accumulate knowledge, experience, and good practices, and resulted in studies covering 39 countries. A 2017 presentation to the IMF Board and the 2018 how-to note envisaged macro-criticality as the basis for the coverage of gender issues, with in-depth analysis of a limited number of countries each year (Figure 1). Around the same time, the Fund started to collect gender-disaggregated financial sector data as part of the Financial Access Survey (FAS).
3. **Some departments and an advisory group supported the pilot.** An advisory group on gender, created in 2015, drew staff with an interest or expertise in gender-related analyses to promote peer learning. Its role was formalized in late 2019 when IMF Management nominated chairs and departmental representatives. During the pilot initiative, a small, temporary team provided support to country teams.
4. **While the COVID-19 crisis initially required a Fund-wide refocus of providing emergency assistance to member countries, the attention to gender issues followed soon after.** This process led to the development of the first strategy for mainstreaming gender in the Fund's core activities proposed in the Board paper, "IMF Strategy Toward Mainstreaming Gender."

<sup>1</sup> This section was prepared by Valentina Flamini, Lisa Kolovich, Baoping Shang (all SPR), and Irene Yackovlev (COM).

<sup>2</sup> The organization has been renamed UK Foreign, Commonwealth & Development Office (FCDO).

Figure 1. Taking Stock: Approach and Support, 2015–19



## B. Multilateral Surveillance

**5. Cross-country studies on gender have helped establish the macro-criticality of gender issues and provided in-depth analyses over a broad range of topics.** This is mostly in the form of books, SDNs, departmental papers and policy papers. Examples of studies include (Annex I):

- *Female labor force participation.* Studies cover a variety of topics from trends and drivers of gender gaps in labor force participation, including for sub-groups such as the youth, to policies that promote female labor force participation, including through removing legal barriers (Ahn and others, 2019; Elborgh-Woytek and others, 2013; Fabrizio and others, 2020; Gonzales and others, 2015a; Christiansen and others, 2016).
- *Macroeconomic and financial impact of gender diversity.* Gender diversity has positive macroeconomic consequences that go beyond the expansion of the labor force, benefiting both men and women (Ostry and others, 2018). Similarly, greater inclusion of women as users, providers, and regulators of the financial sector can help foster financial stability (Sahay and others, 2018; Sahay and others, forthcoming, 2022). However, as financial inclusion improves, including in the gender dimension, steps need to be taken to manage the associated financial stability risks (Sahay and others, 2015).
- *New technologies and gender gaps.* Brussevich and others (2018) analyze the impacts of new technologies on gender gaps in employment and wages and the policies that are needed to mitigate such impacts.
- *Gender gaps and income inequality.* Several dimensions of gender inequality are found to be associated with income inequality, including financial inclusion (Gonzales and others, 2015b; Čihák and Sahay, 2020).

- *Gender budgeting.* Gender budgeting focuses on the design and use of tax and expenditure policies and public financial management instruments to address gender inequality and the advancement of women in areas such as education, health, and economic empowerment. Gender budgeting can be used to reduce gender gaps such as those in labor force participation, education, and health outcomes, which in turn can help promote economic growth. Kolovich (2018) provides an overview of gender budgeting efforts across member countries while IMF (2017a) focuses on G7 countries.

**6. IMF flagship reports have rarely focused on gender-sensitive analysis, though it has featured in the discussion of broader topics.** Gender analysis has typically been covered in the context of labor market issues, financial/digital inclusion, or inequality and inclusive growth. Over the past five years, gender was covered as part of broader issues in the World Economic Outlook (WEO) (IMF, 2018b; IMF, 2020; and IMF 2021a) and in the Fiscal Monitor (IMF, 2017b and IMF, 2021b). It is yet to be featured in the GFSR. Text analysis further shows that gender equality has been mentioned in flagship reports less often than other emerging issues, such as climate, inequality, and digital currency. Recently, motivated by the COVID-19 crisis, flagship publications have recognized the disproportionate impact on women (IMF, 2020; IMF, 2021a; and IMF, 2021b). Gender has similarly been showcased in Regional Economic Outlooks. Going forward, including gender analysis in flagship reports can serve as a signal to country teams and authorities of the relevance and importance of considering gender impacts of policy advice.

## C. Country-Level Engagement

### Surveillance

**7. Since 2015, the coverage of gender has increased in bilateral surveillance, though the depth of the analysis varied greatly, and in most cases, has not been fully integrated into core policy discussions.** Gender has been featured in more than 80 Article IV staff reports since 2015, covering more than 40 countries to date, primarily through the pilot initiative during 2015–19. Labor force participation was the main angle (Annex II). That said, analysis of gender in staff reports has typically remained at arms-length from the core macroeconomic diagnostics that drive policy discussions during the Article IV Consultation cycle (Box 1). A notable exception has been IMF’s engagement in sub-Saharan Africa, where there has been a more systematic and effective engagement across countries.

#### Box 1. Recent Examples of Engagement on Gender Issues in Bilateral Surveillance

**Canada.** During the [2021 Article IV Consultation](#), discussions included a focus on the impact of the COVID-19-related lockdown on female workers. The team prepared a box analyzing the severity of women’s job losses and the projected path of recovery in female labor force participation. In policy discussions, the team noted that the Canada-wide early learning and childcare system was a step in the right direction for increasing female labor force participation.

**Italy.** During the [2020 Article IV Consultation](#) staff conducted analysis to quantify gender gaps, which served as the basis for policy advice to the authorities, emphasizing the need for well-designed reductions in the

### Box 1. Recent Examples of Engagement on Gender Issues in Bilateral Surveillance (concluded)

tax wedge on secondary earners and enhanced child and elder care services to incentivize female labor force participation.

**Senegal.** Staff policy advice on closing gender gaps in Senegal was underpinned by an in-depth [Selected Issues Paper](#) (SIP) “Gender Gaps in Senegal: From Education to Labor Market” prepared for the 2018 Article IV Consultation. The analysis highlighted the macroeconomic benefits that could be harnessed by a further reduction in existing large gender gaps in secondary and tertiary education and lowering barriers to entry and advancement in the labor market.

**Mexico.** The contrast between gender parity in education and low female labor force participation was a topic of discussion during the 2019 Article IV Consultation, which was presented in a box on gender gaps. Staff found that while gender parity in education and politics (including near gender parity in Congress) was attained, large gender gaps remained in employment and at the level of corporate representation. Staff raised concerns over the cancellation of subsidies for childcare facilities and their replacement with direct transfers and underscored the need to lower participation barriers for women, especially for mothers.

**Japan.** The [2019 Article IV Consultation](#) included extensive analysis and discussions of child-friendly policies and government initiatives to reduce gender inequality. Staff carried out a case study of Nagi-town, touted as a success story for its child-friendly policies that have bolstered the fertility rate. Staff highlighted the range of family and child-friendly policies implemented by Nagi-town, ranging from financial benefits to housing. Notably, the town also took strides toward creating more employment opportunities for women who wanted to continue to work after childbirth. Staff also highlighted the measures in place that supported working women. These ranged from action plans to reduce gender inequality to public procurement incentives. Staff policy advice pointed to the scope for further increasing labor supply by strengthening firms’ incentives to support women in the labor force.

**8. Close collaboration with the authorities and external partners has helped advance gender policies and improve traction.** Early engagement with the authorities on potential macro-critical gender issues, including through Executive Directors, increased traction of IMF policy advice. Collaboration with key external partners (e.g., donors, the World Bank Group, and UN Women) leveraged their expertise and resources and helped coordinate policy messages across development partners to increase impact.

## Lending

**9. Engagement on gender in the context of IMF-supported programs has been limited.** Engagement (six countries) has typically focused on macro-structural issues, with conditionality in the form of structural benchmarks (Box 2). These IMF-supported programs did not include structural benchmarks on gender in subsequent reviews.

**10. In some cases, a more systematic approach has been adopted.** For example, staff conducted comprehensive reviews of gender gaps across countries in Sub-Saharan Africa prior to selecting Niger as a case for enhanced engagement. This approach provides a useful road map for a more intentional deployment of limited resources to increase impact. Other cases, such as Lesotho, illustrate how frequent interdepartmental discussions and coordination elevated the quality of policy



advice and traction. Where staff lacked sufficient know-how, leveraging external resources, notably UN Women and in-country partners, also proved useful.

### Box 2. Taking Stock of Program Engagement on Gender

**Argentina:** IMF staff analyzed the impacts of gender inequality in labor force participation and, as part of the 2018 request for a [Stand-by Arrangement](#), the authorities outlined several commitments in the memorandum of economic and financial policies (MEFP) to improve female labor force participation, including tax policy reforms, promoting equal pay, developing a more equal system of paternity and maternity leave, publishing gender-disaggregated data, and reducing gender-based violence.

**Egypt:** In the MEFP of the [2016 Extended Fund Facility](#) (EFF) arrangement, the authorities committed to improving female labor force participation by increasing the availability and quality of pre-school childcare and working to improve public transport safety.

**Jordan:** In the context of the [2020 EFF arrangement](#), the authorities committed to labor law reforms to increase female labor force participation by lifting working hour restrictions, mandating employer-provided daycare, and improving public transportation. A structural benchmark on issuing by-laws and/or issuing instructions aimed at increasing access to affordable childcare was included.

**Niger:** A [2017 SIP](#) pointed to gender inequality as a cause of significant growth losses and poverty and noted that cultural and social norms could pose challenges to addressing root causes. Despite these potential challenges, the country team focused on gender equality during the first review of the Extended Credit Facility (ECF)-supported program, with the authorities agreeing to include a structural benchmark on developing a gender equality strategy.

**Pakistan:** The [2016 SIP](#) on female labor force participation and growth impacts was well-received by the authorities. The 2019 extended arrangement under the IMF [EFF arrangement](#) for Pakistan introduced three structural benchmarks to address gender gaps in school attendance and financial inclusion.

**São Tomé and Príncipe:** A structural benchmark on developing a national gender equality strategy was introduced in the [2019 ECF-supported program](#). The IMF country team collaborated closely with the Ministries of Justice and Labor, UN agencies, the São Tomé and Príncipe Gender Institute, and Canadian diplomats to secure external funding to hire two experts to build technical capacity and formulate a strategy which was completed on time to meet the structural benchmarks in the first review. During the [second review](#), the authorities' MEFP commitment was to introduce a gender budgeting pilot initiative and publish gender-disaggregated statistics on wages and managerial positions.

## Capacity Development

**11. Tailored capacity development is gaining traction, in response to country authorities' requests.** The IMF has provided technical assistance to strengthen institutional capacity for gender budgeting (Albania, Costa Rica, Egypt, Ethiopia, and Togo), and conducted a scoping mission on gender budgeting (Nigeria). In 2021, CD missions to Cameroon, South Africa, and The Gambia were delivered, followed by a regional workshop in Central Africa. Further CD efforts for Cambodia, Costa Rica, Lesotho (in consultation with UN Women), and Togo are planned. The IMF, in collaboration with the Tax Administration Diagnostic and Assessment Tool (TADAT) Secretariat, has released podcasts on gender and revenue administration. The IMF is also working to raise awareness and gather information on gender during diagnostic missions as part of its efforts to mainstream gender.

**12. External seminars, trainings, and workshops have been a useful vehicle for sensitizing the authorities and stakeholders.** The IMF has provided joint seminars and/or courses to country authorities focused on the impact of gender gaps on the macroeconomy, the impact of the pandemic on gender inequality, and gender budgeting concepts. It has conducted 19 workshops on gender budgeting, often in collaboration with multilateral agencies such as UN Women. Strong ongoing demand for workshops has resulted in multi-year offerings; the Joint Vienna Institute’s (JVI) course is in its fourth year. In 2020, the first workshops on gender economics were delivered at the Africa Training Institute (ATI) and JVI, and a two-week course on gender and macroeconomics, developed jointly with UN Women, took place in February 2022 at ATI and the South Asia Regional Training and Technical Assistance Center (SARTTAC). Two external courses for authorities in member countries on gender and macroeconomics—one at ATI and another one at the IMF’s Middle East Center for Economics and Finance (CEF)—are planned for the current fiscal year. Peer learning events have been held in Rwanda (2017), Mauritius (2018), Tanzania (2018), Ethiopia (2019), Senegal (2020), Angola (2021), Cambodia (2021), and Latin America (2021). IMF, in coordination with UN Women, held Anglophone and Lusophone workshops on the impact of COVID-19 in 2020.

**13. Internal training courses are being developed for IMF staff with topics covering female labor supply, the link from gender inequality to growth and inclusion, and gender budgeting.** A seminar on “Women, Wealth Effects, and Slow Recoveries” was held in August 2021. A gender budgeting course featured speakers from the World Bank, UN Women, and several finance/line ministries from sub-Saharan Africa. The five-day course covered topics such as gender needs and gender impact assessments, fiscal planning and gender strategies, gender statements, the inclusion of gender considerations in budget circulars, gender-disaggregated statistics, and monitoring and evaluation.

**14. A series of internal peer-learning seminars and targeted gender clinics are being offered to Fund staff.** These seminars and clinics are targeted to Fund economists and mission chiefs who are working on or plan to work on macro-critical gender issues. The first peer-learning session took place in January 2022 and focused on how to mainstream gender into surveillance, highlighting lessons learned from first-hand experiences with India, Japan, Mauritius, Rwanda, and Sierra Leone. The second session was held in March 2022 and discussed how to approach gender in capacity development. This session drew upon the IMF’s efforts to support gender budgeting initiatives through tailored CD missions and numerous workshops, courses, and training activities offered to country authorities. The third session, scheduled for early fiscal year 2023 (FY23), will cover how to incorporate gender into IMF programs, focusing on past experiences with designing gender-related structural benchmarks and authority commitments in the Memorandum of Economic and Financial Policies (MEFP). The internal training program for FY23 also includes two clinics on Macroeconomics and Gender Equality.

## D. Data and Toolkits

**15. The [IMF’s Financial Access Survey \(FAS\)](#) is a unique source of annual supply-side data on access to and the use of basic financial services.** The FAS was established in 2009. After two

pilot gender-disaggregated data collections, the Statistics Department (STA) mainstreamed gender-disaggregated data as part of the regular FAS data collection in 2018. Data disaggregated by gender are available for both commercial banks and microfinance institutions for 71 countries, half of which are developing countries. Of the 121 series reported in the FAS, 15 are disaggregated by gender. The number of countries reporting gender-disaggregated data to the FAS has doubled from 35 in 2018 to 71 in 2021. Close to half of the gender data reported in the FAS are low- and lower middle-income countries, including 21 fragile and conflict-affected states.

**16. The IMF is working on developing a gender data hub, a one-stop shop of macro-relevant gender data series.** The initial launch of the data hub would present curated gender data series from existing data sources to address the most common demands from IMF staff, identified through departmental consultations and guided by relevant policy questions. The gender data hub will offer user-friendly access to gender-related indicators on a modern data analytics platform while being linked to the Economic Outlook Suite (EcOS) database, enabling smooth integration of gender data into the work of Fund economists. While there are various gender data sources (e.g., the World Bank Group’s gender data portal), centralized access to external data sources through the gender data hub will increase efficiency, avoid duplicate efforts by country teams to collect gender-related data from various sources, and ensure consistency in gender-related data use across country teams. In due course, the data hub could be developed into a data dashboard with accessibility by external users if there is a clear business case to do so.

**17. The Fund has developed two gender budgeting toolkits.** The first provides [data](#) for 70 case studies on gender budgeting efforts along with two time-consistent indices of gender equality, spanning 1990–2013 and covering most countries in the world. The toolkit can be used to investigate the relationship between countries that have implemented policies to improve gender equality and the gender equality indices. The second consists of a [database](#) built from an extensive survey of country authorities on their gender budgeting efforts and allows for cross-country comparisons on the different components of gender budgeting.

**18. To help provide granular country-specific advice to member countries, staff are developing general equilibrium models.** These models will examine the impact of macroeconomic and financial policies on female and male employment and economic growth, and their fiscal implications. Over the past five years, IMF staff have developed life-cycle general equilibrium models with heterogeneous agents suited for investigating a broad range of policies and countries, which were applied in several studies under the pilot initiative on gender. Staff are planning to build on these models to develop a user-friendly toolkit to support country teams in analyzing gender.

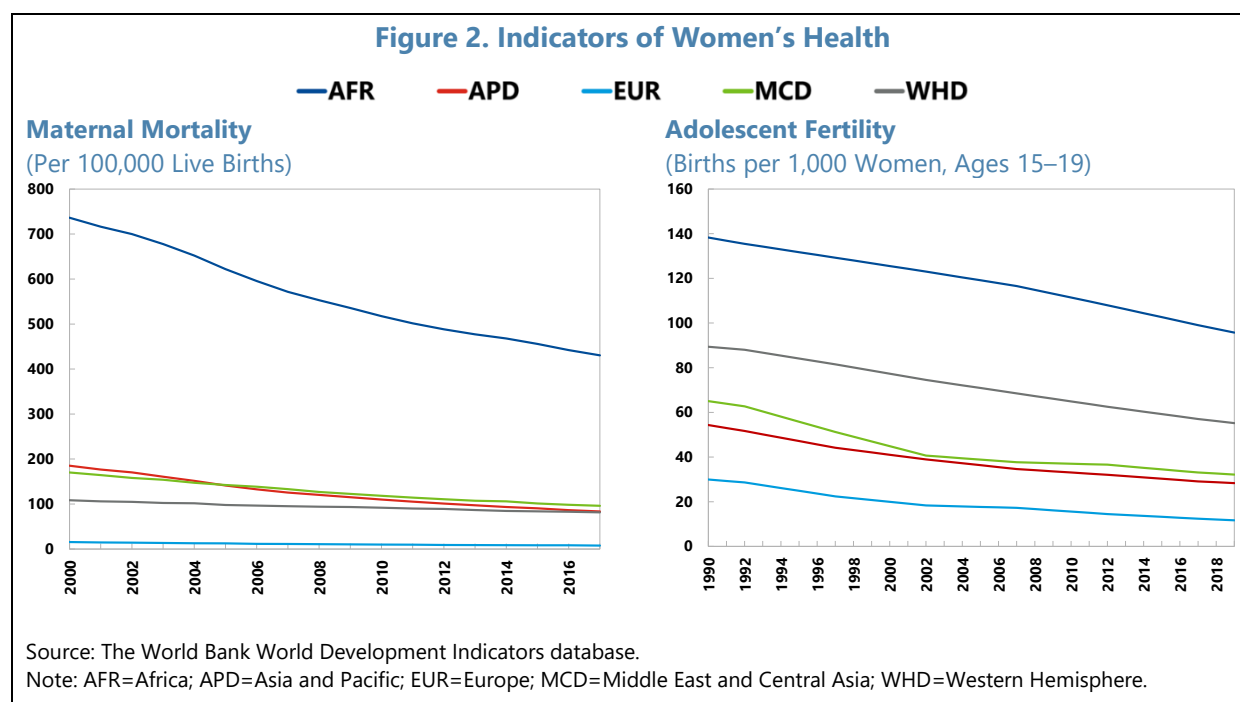
## SECTION II: HOW LARGE ARE GENDER DISPARITIES?<sup>3</sup>

This section provides an overview of the evolution of gender disparities that limit women’s economic empowerment, including inequality of opportunities (such as access to health care services, education, and financial services, and legal barriers) and inequality of outcomes (such as labor force participation, wages, and representation in the private and public sectors).

### A. Human Capital Development

#### 19. Despite progress in recent decades in human capital development, some social indicators point to persistent gender disparities.

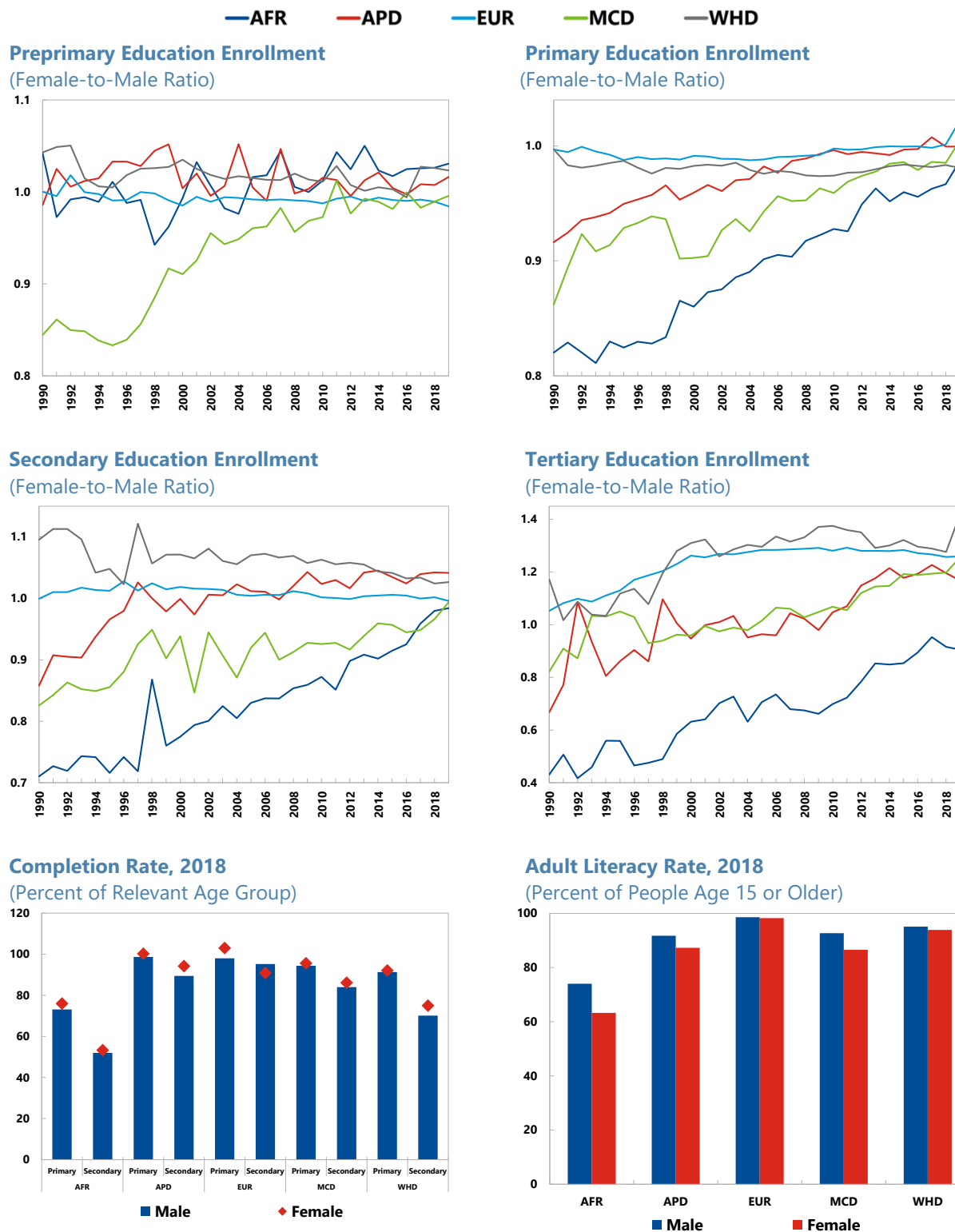
- Women’s access to health care has improved in recent decades, but adolescent fertility and maternal mortality remain high in some regions (Figure 2).



- Gender gaps in access to education have been shrinking across all regions and income groups, but gender disparities in literacy persist (Figures 3–4).

<sup>3</sup> This section was prepared by Yehenev Endegnanew, Lisa Kolovich, and Diego Gomes (all SPR).

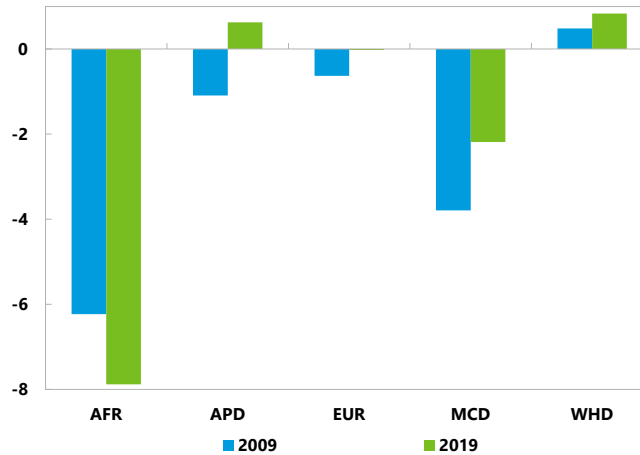
**Figure 3. Gender Gaps in Education**



Source: The World Bank World Development Indicators database.

Note: AFR=Africa; APD=Asia and Pacific; EUR=Europe; MCD=Middle East and Central Asia; WHD=Western Hemisphere.

**Figure 4. Gender Gap in Youth Literacy Rate (Age 15–24)**  
(Percentage of Female Students Minus Percentage of Male Students)

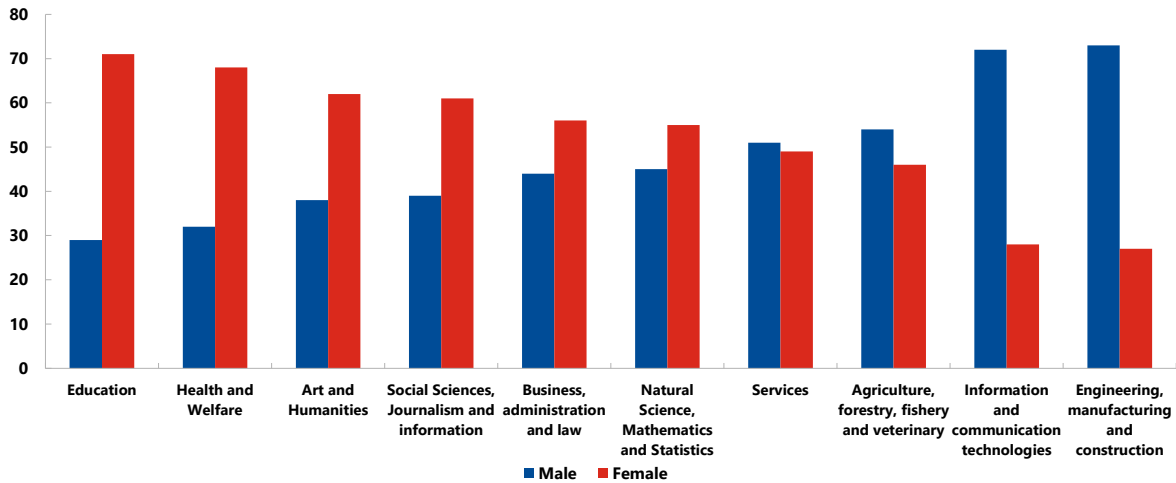


Source: The World Bank World Development Indicators database.

Note: AFR=Africa; APD=Asia and Pacific; EUR=Europe; MCD=Middle East and Central Asia; WHD=Western Hemisphere.

- Gender disparities remain large in several fields of study. UNESCO (2017) finds that across 115 countries, on average, female students tend to enroll less in technology, engineering, manufacturing and construction areas and more in education, health and welfare, arts and humanities, and social sciences (Figure 5).

**Figure 5. Global Share of Female and Male Students Enrolled in Higher Education by Field of Study**  
(Percentage of Students)

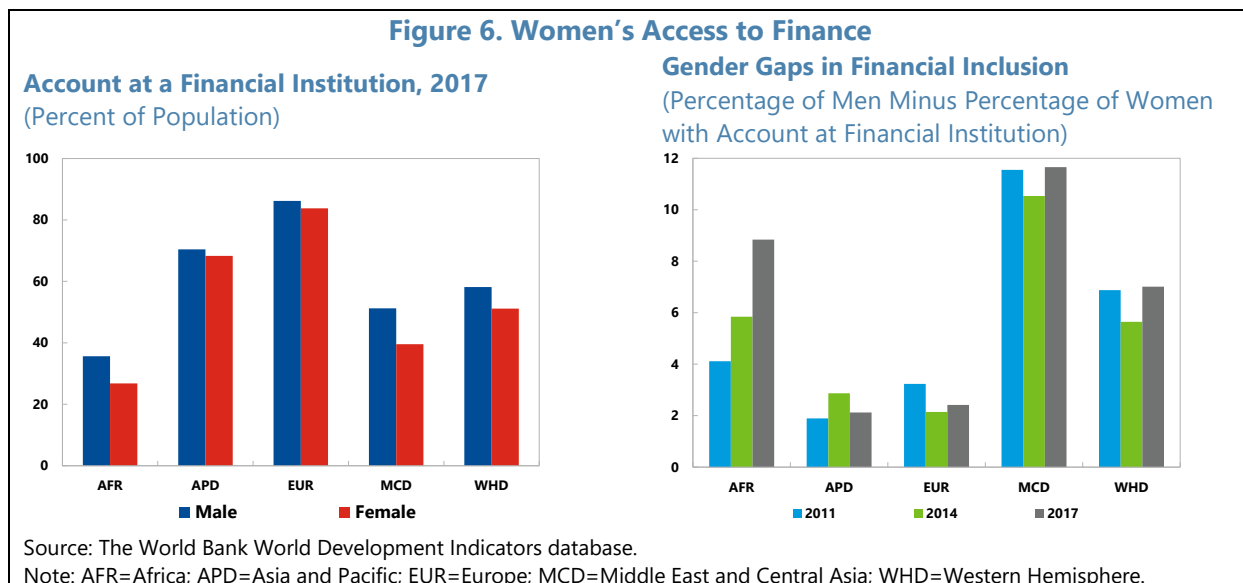


Source: UIS 2014–16.

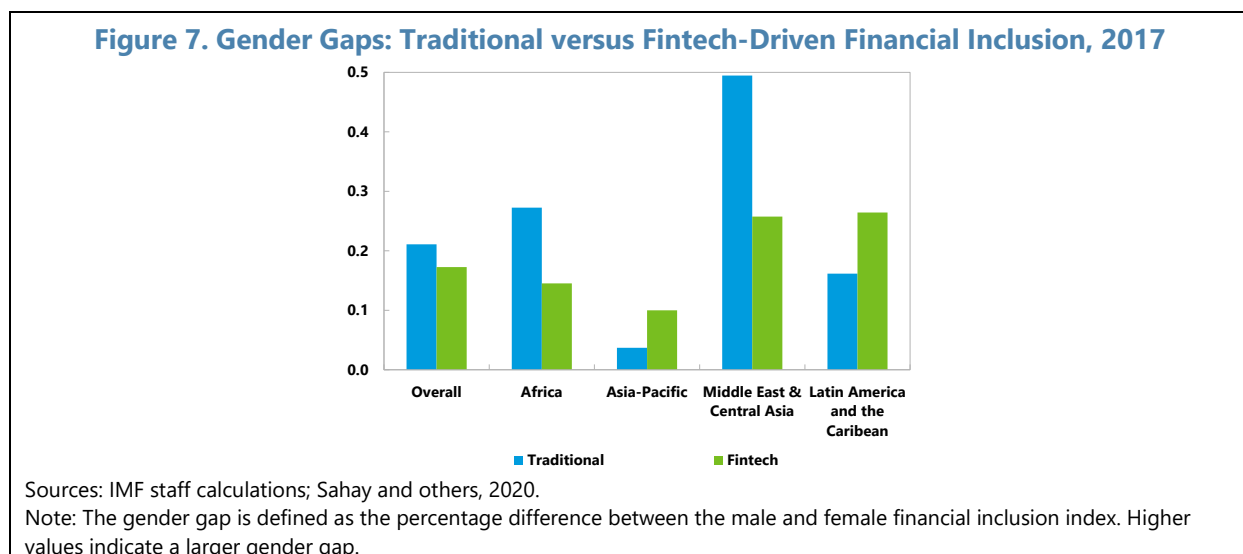
## B. Access to Finance

**20. Large gender disparities exist in accessing financial services** (Figure 6). While global access to financial services has increased over time, on average, women have fewer accounts than men at financial institutions. The gaps are largest in sub-Saharan Africa where 27 percent of women

have an account compared to 36 percent of men, and in Middle East and Central Asia with 40 percent of women versus 51 percent of men. The gender gap is even higher in accessing bank credit. For example, women entrepreneurs face more restrictive collateral requirements, shorter maturity of loans, and higher interest rates than men. They also suffer more from financial illiteracy and lack of household financial resources, preventing them from getting loans (Sahay and others, 2015; DFiD-GIZ, 2013).



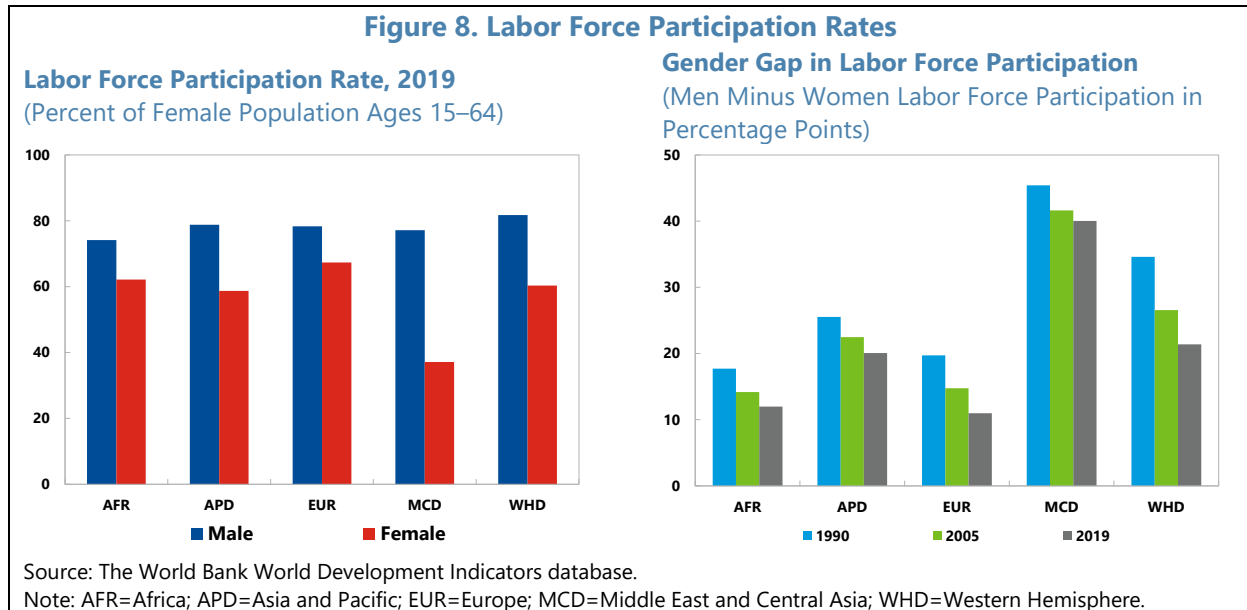
**21. Overall, gender gaps in fintech-driven financial inclusion are closing faster, including in regions with the largest gaps in traditional financial inclusion.** Overall, gender gaps for fintech-driven financial inclusion are slightly lower than for traditional financial inclusion (Figure 7). Across countries, fintech is contributing toward closing gender gaps in Middle East and African countries while gaps are lower for traditional financial inclusion in Asian and Latin American countries (Sahay and others, 2020).



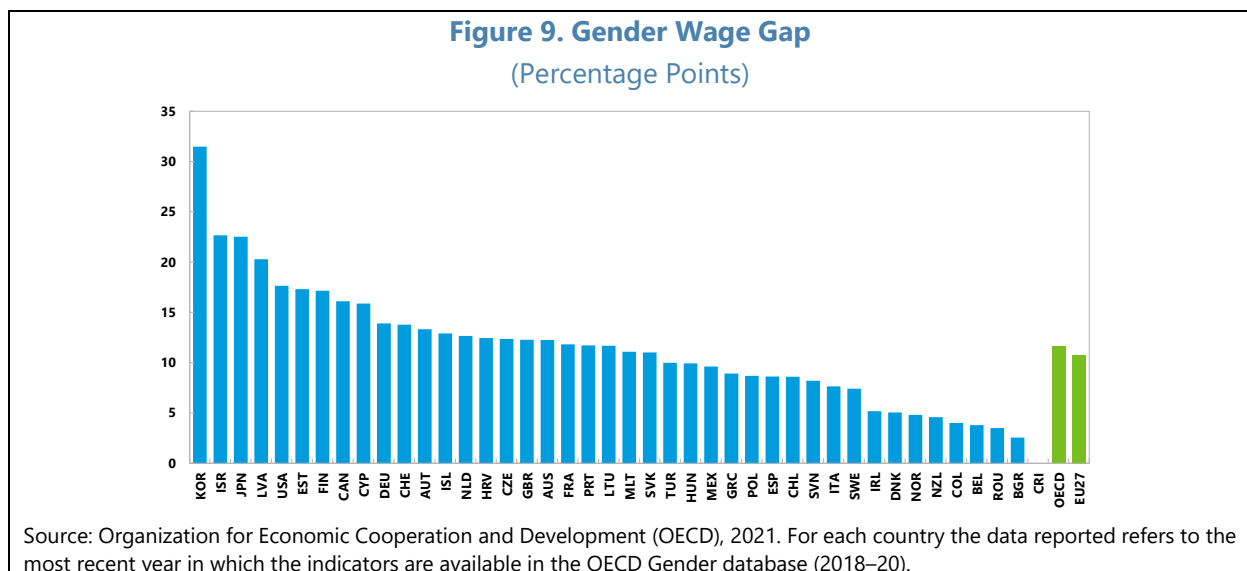


### C. Labor Market Outcomes

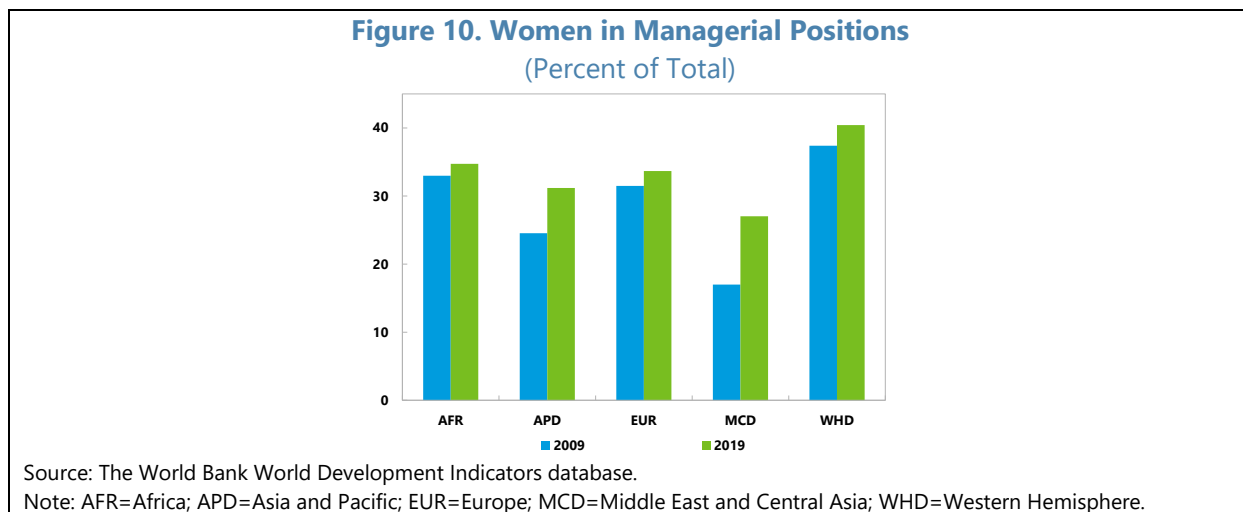
**22. Progress has been made in closing the gender gap in labor force participation, but there is still a long way to go.** About 50 percent of working-age women participate to the labor force, which is significantly lower than the ratio of 80 percent for men, though the gap has been narrowing over time (Figure 8).



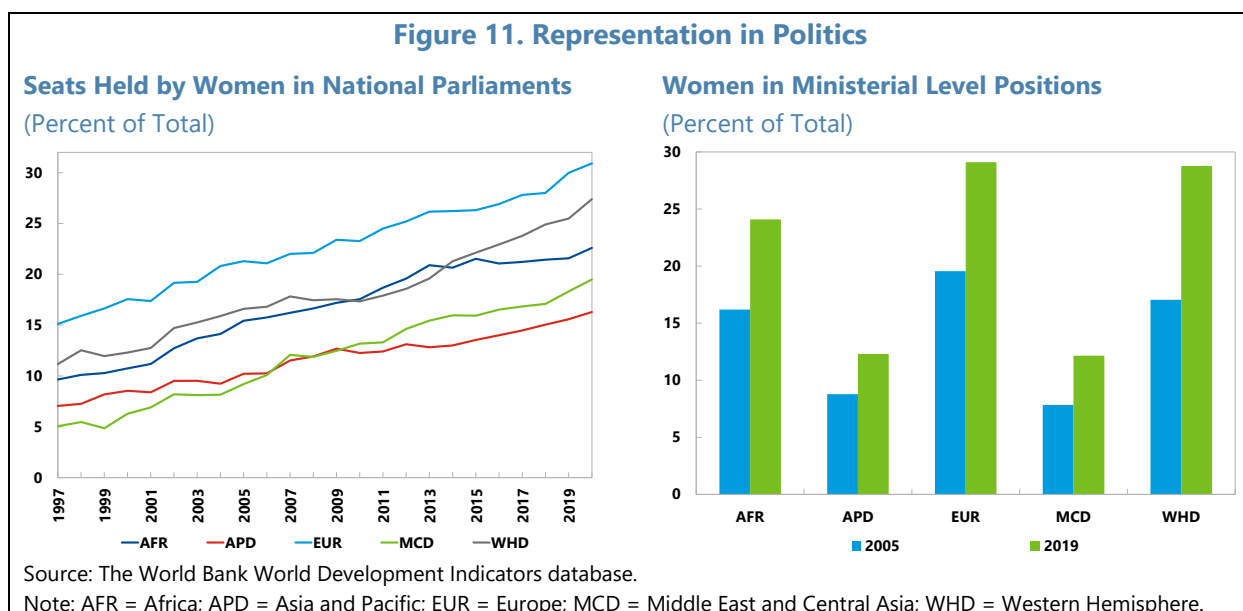
**23. Although it has slowly narrowed, there remains a marked gender wage gap within most countries and occupations** (Figure 9). Gender wage gap data are not readily available for most developing countries. For OECD countries, the gender wage gap—defined as the percentage difference between the median earnings of female and male full-time employees—was estimated at 11.6 percentage points in 2020, compared to 18 percentage points in 2000.



**24. The share of women in managerial positions has increased in the past decade but a large gap persists** (Figure 10). Based on countries where data are available, all regions made progress in women’s representation in managerial positions from 2009 to 2019, with the largest increase observed in Middle East and Central Asia from 17 percent to 27 percent. Nonetheless, even in regions with the highest women’s representation, the share remains below 50 percent, and has increased sluggishly from 37 percent to 40 percent in Western Hemisphere and from 33 percent to 35 percent in sub-Saharan Africa over the 2009–19 period.

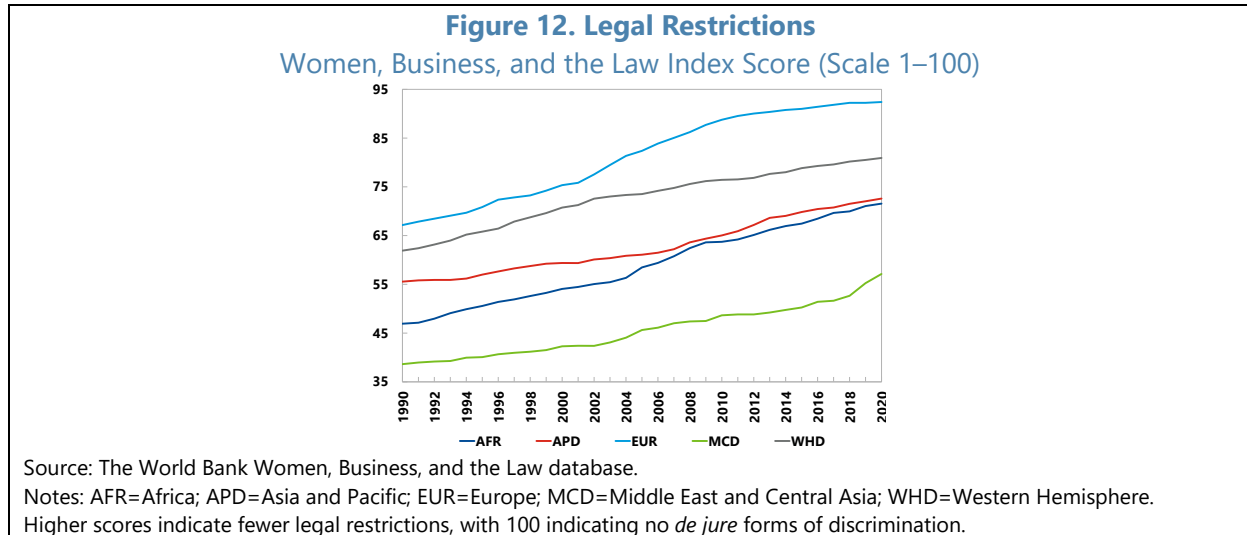


**25. There has been substantial progress over time in the representation of women in politics, but it remains well below parity in all regions** (Figure 11). The proportion of women in legislative and ministerial-level positions has increased worldwide with notable improvements in sub-Saharan Africa and the Western Hemisphere. While female representation is well below 50 percent in all regions, Asia and Middle East and Central Asia have the lowest proportions, at around 18 percent in legislative positions and at 12 percent in ministerial-level positions in 2019.



## D. Legal Barriers

**26. Despite progress over time, laws containing discriminatory provisions and other restrictions on women’s economic opportunity are prevalent in many countries, with women enjoying only three-quarters of legal rights of men** (Figure 12). The 2021 Women, Business, and the Law index, which measures gender equality in eight key areas, examines laws across 190 countries and finds that only 10 countries score 100 (i.e., no *de jure* forms of gender discrimination).



## E. The Impact of the COVID-19 Crisis on Gender Inequalities

**27. The COVID-19 crisis has wreaked havoc across the world, disproportionately affecting women and greatly exacerbating pre-existing economic gender gaps** (Bluedorn and others, 2021; Alonso and others, 2019). The World Economic Forum’s Global Gender Gap Report (2021), covering 156 countries, found that it is now expected to take more than 130 years to close gender gaps worldwide under current policies. Globally, 64 million women lost their jobs during the pandemic (twice as much as men), as they were disproportionately represented in the hardest-hit sectors and they are more frequently employed in informal, temporary, and part-time jobs—the types of jobs employers tend to cut first in a downturn—with lower pay and social protection.

**28. Traditionally, women are more likely to face higher unpaid work burdens<sup>4</sup>—including child and elder care and housework—and violence, all of which rose sharply during the COVID-19 crisis** (Alonso and others, 2019). This is particularly the case for mothers of young children who bear the cost of school closures (Georgieva and others, 2021; Fabrizio and others, 2021); globally, on average, women took on three times as many additional hours of childcare than men (Kenny and Yang, 2021). In addition, violence against women increased during the pandemic

<sup>4</sup> Prior to the pandemic, women’s daily unpaid work was nearly three hours more than men’s (Alonso and others, 2019).

(UN Women, 2020). Nearly one in two women reported that they or a woman they know experienced violence during the pandemic (Ouedraogo and Stenzel, 2021; UN Women, 2021). Of the additional cases of depression and anxiety estimated for 2020, roughly two-thirds were women (Santomauro and others, 2021).

**29. The COVID-19 crisis has not only exacerbated gender disparities but also highlighted the weakness of social safety nets and infrastructure needed for women to keep working** (Tang and others, 2021). Enhancing the availability and affordability of care services, including for children, older people, and persons with disabilities needs to be prioritized. Flexible work arrangements and access to paid family and parental leave can help working mothers to better balance unpaid care responsibilities with paid employment (IMF, 2018a). However, during the pandemic, the policy response of most countries did not take gender issues into account (UNDP Global Gender Policy Tracker, April 2021). Across 219 countries and territories, fewer than 20 percent had a holistic gender-sensitive pandemic response, while 15 percent had no gender-sensitive measures. This outcome also reflects the gender gap in the composition of task forces aimed at fighting the pandemic and its consequences. In task forces across 137 countries, fewer than 5 percent had gender parity, and women made up only 27 percent of task force members.

**30. Although disparities widened during the pandemic, there is evidence of considerable heterogeneity across countries.** For example, IMF (2022) points out the variation across EU countries, with men in Germany, Portugal, and the United Kingdom experiencing larger declines in employment compared to women, while in Finland, Hungary, Iceland, and Romania, women were more negatively affected. From a sample of advanced economies and emerging markets, Bluedorn and others (2021) show that, in the second quarter of 2020, 63 percent of advanced economies and 88 percent of emerging markets experienced a sharper decline in female employment than in male employment. While this trend was relatively short-lived in advanced economies except for the United States, in emerging markets the “she-cession” has persisted. The reduction over time in gender gaps in employment holds across country groups, but with a larger drop in advanced economies.

## SECTION III: MACRO-CRITICALITY OF GENDER DISPARITIES<sup>5</sup>

*This section provides evidence from the literature on the macroeconomic impact of gender inequality on economic growth and stability, external competitiveness and balance of payments, financial stability, public and private sector performance, and income inequality. It then presents the legal basis for examining gender issues in the context of the IMF’s core activities, which is based on macro-criticality.*

<sup>5</sup> This section was prepared by Baoping Shang (SPR), Katharine Christopherson, Audrey Yiadom, Juliet Johnson, Francisca Fernando, Clara Thiemann, and Lucia Gruet (all LEG).

## A. Brief Review of the Literature on the Macroeconomic Impact of Gender Gaps

**31. Improving gender disparities in outcomes, opportunities, and decision-making can raise economic growth and enhance macro-financial stability.** A country's economic growth goes hand-in-hand with women's greater participation in the labor market. The latter, in turn, rises when women face fewer legal barriers; do less unpaid work; have more equal access to education, finance, infrastructure, assets, and technology; and face lower violence and cultural barriers. Closing these disparities can also help lower income inequality and increase economic diversification, which in turn contribute to economic growth and macroeconomic resilience.

**32. This means that many gender gaps are macro-critical, and macroeconomic and financial shocks and policies can exacerbate or narrow them.** Gender gaps can affect macroeconomic outcomes through various channels (see, for example, Figure 1 of the main paper, and the next paragraph).

**33. A growing literature confirms the macroeconomic impact of gender gaps through various channels.** Reducing gender gaps can benefit everybody by helping stimulate economic growth, strengthen macroeconomic and financial stability boost public and private sector performance, and reduce income inequality (Elborgh-Woytek and others, 2013; Gonzales and others, 2015a; Kochhar and others, 2017; Sahay and others, 2015; Sahay and others, 2018; Cihak and Sahay, 2020):

- **Economic growth and stability.** Gender inequality in human capital development and labor market participation has strong implications for economic welfare and growth.
  - There is strong evidence that boosting *female labor force participation* can stimulate economic growth and stability (Ostry and others, 2018; Petersson and others, 2017; Woetzel and others, 2015; Caprioli, 2005; Demeritt and others, 2014; Cuberes and Teignier, 2016 and 2018; Bandara, 2015; Gonzales and others, 2015b; Hakura and others, 2016).
  - As women enter the labor market, *labor productivity* would benefit from a better skill match. In addition, without restrictions on access to education and female labor force participation, women would have acquired different skills that better match their talent. This would further boost productivity. For example, in the U.S., between 20 to 40 percent of per-capita output growth during 1960–2010 can be explained by better allocation of talent and falling barriers to human capital accumulation, with women accounting for most of the effect (Hsieh and others, 2019). Cross-country evidence also suggests that higher gender equality translates into higher labor productivity (Bertay and others, 2020).
  - Reducing the gaps in *access to nutrition, education, and healthcare* can help build human capital, a key input for economic output (Klasen, 2002). This, however, requires a corresponding increase in female labor force participation, as women's full potential cannot be harnessed if women are educated but remain out of the labor force.

- *Innovation* is a key driver of productivity growth. But gender gaps hinder innovation at every step of the process, from education and training to the practice of invention and commercialization. A growing literature shows better outcomes for more diverse and mixed-gender teams (Rock and Grant, 2016; Cook, 2019; Cook and others, 2021).
- Gender gaps in *entrepreneurship* are also found to be negatively associated with aggregate productivity and income, since they reduce the entrepreneurs' average talent. Gender gaps in entrepreneurship cause an average income loss of 6 percent in the OECD, with potentially higher losses in developing countries (Cuberes and Teignier, 2016).
- Greater financial inclusion goes hand-in-hand with higher economic growth, particularly in countries with lower overall levels of financial inclusion (Sahay and others, 2015).
- **External competitiveness and balance of payments.** Gender inequalities could impede competitiveness and increase balance of payment vulnerabilities.<sup>6</sup> In countries with higher gender inequality, the variety of goods that countries produce and export is constrained, particularly in low-income and developing economies (Kazandjian and others, 2016). This happens through at least two channels. First, gender gaps in opportunity, such as lower education enrollment rates for girls, harm diversification by constraining the potential pool of human capital. Second, gender gaps in the labor and financial markets impede the development of new ideas by decreasing the efficiency of the labor force and entrenching informality. Hence, the economy's productive capacity and efficiency could be affected. Over time, such structural rigidities also affect the economy's ability to adapt to shocks. Increasing equality of opportunities could improve the productivity and flexibility of the labor force and support economic growth and diversification, including through international trade. Increased flexibility of the labor force would also improve the overall resilience of the economy to shocks and enhance prospective balance of payments stability.
- **Financial stability.** Greater inclusion of women as users, providers, and regulators of financial services lowers gender inequality and fosters stability in the banking system (Olusegun, 2017; Sahay and others, 2018). Women in leadership positions and greater diversity on boards of financial institutions and fintech companies, as well as banking supervision agencies are associated with lower non-performing loans and greater financial stability (Sahay and Čihák, 2018; Khera and others, 2022, forthcoming; Strøm and others, 2014).
- **Private and public sector performance.** Greater representation of women in managerial positions and corporate boards is positively associated with firm performance, such as funding obtained, revenue earned, and profitability (Christiansen and others, 2016). There is increasing evidence that fintech companies headed by women bring in more revenues (Khera and others, 2022, forthcoming; Sahay and others, 2022, forthcoming). Women's political leadership is also

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<sup>6</sup> The effect of gender inequality on balance of payments is complex and country specific. See Seguino (2000, 2010); Blanton and Blanton (2015); Coleman (2010); Busse and Nunnenkamp (2009); Busse and Spielmann (2006); and Seguino, Berik, and Rodgers (2009).

associated with greater infrastructure spending and educational attainment of girls (Duflo, 2012). Importantly, unequal representation in leadership positions both stem from and contribute to other drivers of gender disparities.

- **Income inequality.** Reducing gender gaps could also help reduce income inequality and, in turn, improve social stability and economic growth (Gonzales and others, 2015a). Both men and women benefit from financial inclusion, but inequality falls more when women have greater access (Čihák and Sahay, 2020). Gender wage gaps directly contribute to income inequality. Conversely, policies to address gender inequality benefit women in low-income households the most, also reducing income inequality. For example, reducing gender gaps in school enrollment (and expanding healthcare) increases the likelihood for girls from poor households to receive education thereby increasing their lifetime earnings potential (Demery and Gaddis, 2009).

### **34. Several factors contribute to gender gaps in human capital development and labor force participation, including legal barriers, violence against women, and child marriage.<sup>7</sup>**

Legal impediments significantly hamper female labor force participation and entrepreneurship (World Bank, 2015; Gonzales and others, 2015a; Christopherson and others, 2022). In some countries, women lack basic legal rights and are legally restricted from heading a household, pursuing a profession, or owning or inheriting assets, preventing them from joining the formal labor market or becoming entrepreneurs. Violence against women and girls has multi-dimensional implications on the overall economy. It is estimated that a one percentage point increase in violence against women is associated with a nine percent lower level of economic activity (Ouedraogo and Stenzel, 2021). In the short term, women from abusive homes are likely to work fewer hours and be less productive. In the long run, high levels of domestic violence can decrease the number of women in the workforce, minimize women’s acquisition of skills and education, and impact children’s productivity. It can result in less public investment overall as more public resources are channeled to health and judicial services. Concern about violence against women while commuting or at work is also a barrier to women’s employment (Jayachandran, 2021). Ending child marriage is not only critical from a human rights perspective but it also has important macroeconomic implications—eliminating child marriage today would increase long-term annual per capita real GDP growth by about one percentage points in emerging and developing countries (Mitra and others, 2020).

## **B. An Overview of The Fund’s Mandate Related to Gender**

**35. While the Fund is not an institution with a dedicated focus on gender, gender outcomes can have significant implications for countries’ economic and financial performance.** As noted, women’s economic empowerment and the reduction of gender gaps in key areas is associated with positive macroeconomic outcomes, including higher economic growth, lower inequality, increased productivity, better financial sector outcomes and greater financial

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<sup>7</sup> See the earlier section on “How Large are Gender Disparities” for additional information on gender gaps in human capital development, access to finance, labor market outcomes, and legal barriers. See also the next section on “Policies to Pursue Women’s Economic Empowerment” for a discussion of the role of policies in addressing gender gaps and barriers.



stability. Conversely, the economic disempowerment of women, gaps in access to education, health, and financial services, and legal barriers to women’s economic participation can negatively impact macroeconomic and financial stability and countries’ ability to achieve strong and sustainable economic growth.

**36. These outcomes, in turn, are relevant for the Fund’s exercise of its core functions of surveillance, lending, and capacity development.** While often referred to broadly as coverage of gender (or other structural issues) where these are “macro-critical”, the relevant standard for such macro-critical coverage in fact differs across the three core functions, as discussed below.

### **Bilateral Surveillance**

**37. In the exercise of its bilateral surveillance powers under Article IV, Section 1, the Fund focuses on those policies of members that can significantly influence present or prospective balance of payments and domestic stability** [Integrated Surveillance Decision (ISD), ¶6, Decision No. 15203-(12/72), July 18, 2012]. Monetary, fiscal, and financial sector policies are always to be covered under this provision and should therefore be discussed in bilateral surveillance where related to gender outcomes/women’s economic empowerment (e.g., fiscal policies are often part of the toolkit for addressing key gender gaps). Other policies related to gender/women’s economic empowerment must also be discussed if they are assessed to significantly influence a country’s present or prospective balance of payments or domestic stability—an assessment that will necessarily vary depending on country circumstances. Under this provision, the Fund has examined topics that pose longer-term risks to domestic and balance of payments stability and determined that failure to address these issues would undermine sustainable and inclusive growth, which in turn would pose a risk to prospective stability in the context of bilateral surveillance.<sup>8</sup>

**38. It should also be noted that policies, including on gender, that fall outside the scope of bilateral surveillance may still be discussed in an Article IV Consultation with the consent of the country concerned.**<sup>9</sup> Although included in the country’s Article IV Consultation report, the Fund policy advice provided in this context would constitute technical assistance under Article V, Section 2(b) rather than bilateral surveillance under Article IV, Section 1.

### **Use of Fund Resources**

**39. Under the Guidelines on Conditionality, gender-related conditionality may be included in Fund-supported programs** where those measures are within the country’s direct or indirect control and are considered of critical importance for achieving the goals of the member’s program or for monitoring implementation of the program (Guidelines on Conditionality, ¶ 6–8 and 11(d)(ii),

<sup>8</sup> See, for example, Review of 1997 Guidance Note on Governance—A Proposed Framework for Enhanced Fund Engagement, SM/18/55 (March 9, 2018), pages 19–21.

<sup>9</sup> For example, assessments of “supply side” and “concealment” aspects of corruption are included in Article IV reports of members on a voluntary basis. See Review of 1997 Guidance Note on Governance—a Proposed Framework for Enhanced Fund Engagement, SM/18/55 (March 9, 2018), page 29.

IMF Decision No. 12864–(02/102), September 25, 2002, as amended).<sup>10</sup> Specific policies to address gender gaps and women’s economic empowerment should therefore be included as conditionality if a judgement is made that the implementation of those policies is needed to help the member resolve its balance of payments problem within the timeframe for repayment of the Fund.

## Capacity Development

**40. The Fund has broad authority to provide technical services (which encompasses technical assistance and training) that are consistent with the purposes of the Fund** (Article V, Section 2(b)). Given the implications of women’s economic empowerment and the reduction of gender gaps for the mandate of the Fund, as discussed above, the Fund has the power to provide capacity development to help members design and implement policies to improve gender outcomes. As with other areas of the Fund’s work, such CD can be particularly impactful when provided to assist countries with implementation of reforms recommended in the context of surveillance, or where needed to help the member implement conditionality under a Fund-supported program.

## SECTION IV: POLICIES TO PURSUE WOMEN'S ECONOMIC EMPOWERMENT<sup>11</sup>

*Many countries are making substantial progress on adopting policies to reduce gender gaps. While not intended as an exhaustive list of all possible policies, this section provides a broad overview of gender-responsive policies that can support countries’ efforts in reducing gender gaps. The effectiveness of policies varies across countries, depending on the country’s economic and social features.*

### A. Fiscal Policies

**41. Fiscal policies play an important role in addressing gender gaps.** Revenue and expenditure policies are key redistributive tools and can be designed to reduce gender inequality by supporting the economic empowerment of women and girls. In addition, structural fiscal policies that underpin the formulation of gender-aware government budgets<sup>12</sup> and institutions and foster gender diversity in the workforce can further promote women’s development and reduce gender inequality.

<sup>10</sup> Guidelines on Conditionality (IMF 2014), para. 7(a). Conditions are also to be established for measures necessary for the implementation of specific provisions of the Articles or policies adopted under them.

<sup>11</sup> This section has been prepared by David Amaglobeli, Teresa Curristine, Brooks Evans, Honda Jiro, Alexander Klemm, Cindy Negus, Carolina Renteria, and Vincent Tang (FAD), Padamja Khandelwal and Yanzhe Xiao (MCM), Marina Mendes Tavares (RES), and Katharine Christopherson, Audrey Yiadom, Juliet Johnson, Francisca Fernando, Hana Yazid, and Clara Thiemann (LEG).

<sup>12</sup> The number of countries implementing some form of gender-responsive budgeting has doubled from 40 countries in 2002 to 80 in 2017, and for OECD countries, from 12 in 2016 to 17 in 2018 (Alonso-Albarran and others, 2021).

## Tax Policy

**42. Tax policy can impact women’s incomes and labor force participation.** The tax system can mitigate or magnify gender gaps. Although gender-sensitive tax policies are broad and country specific, the following list provides good examples of tax policy features that can reduce gender inequality through redistribution:

- Progressive tax brackets reduce the marginal tax rate for lower incomes, where women are more likely to be represented. It also reduces after-tax income inequality.
- Marginal tax rates for secondary earners are higher in several tax and social security systems, representing an implicit bias<sup>13</sup> against secondary earners, who are often women. The higher marginal tax rates combined with the higher female labor supply elasticity,<sup>14</sup> have a negative impact on female labor supply. Individual rather than household taxation and well-designed earned income tax credits are useful tools to address such problems (Coelho and others, 2022).
- Tax credits or deductions for childcare costs also increase incentives for women to participate in the labor force.
- Consumption tax rates should be aligned across goods, and specific taxes (e.g., excise) should be aligned with estimated externalities or avoided if there are gender differences in consumption.<sup>15</sup>
- High rates of taxation for labor income compared to capital income lead to unintended consequences of disproportionately benefitting men, given their higher average wealth.

## Revenue Administration

**43. Revenue administrations can apply a gender focus to help reduce barriers for women’s employment, entrepreneurship, and trade.** The provision of unbiased information and support helps encourage women to seek employment or start a business. By understanding barriers that restrict women from accessing the tax and benefits system, providing tailored products and services, and eliminating enforcement bias, revenue administrations can better engage female taxpayers. Following international good practice, analyzing data to devise systems and products to encourage and enable voluntary compliance on taxes and customs, can bring more women workers and entrepreneurs into the formal economy.

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<sup>13</sup> Implicit tax biases remain prevalent and are more difficult to identify and address than explicit biases. Implicit biases can be found in tax rules that are notionally neutral but effectively treat secondary earners differently. For example, men and women may belong to different taxpayer groups and are thus differentially impacted. Joint/household taxation increases the marginal tax rate on secondary wage earners.

<sup>14</sup> The elasticity of female labor supply is higher than male due, in large part, to the care work burdens women face at home.

<sup>15</sup> See also Bretton Woods Project’s “The IMF and Gender Equality: A Compendium of Feminist Macroeconomic Critiques” for a discussion on the gendered impacts of tax policy.

**44. The institutions that oversee revenue administration can also lead by example to support gender equality.** They can adopt gender-responsive policies such as gender equity planning, flexible work arrangements, career development, talent management, childcare, sanitation, and secure transport. Implementing key performance indicators to monitor gender balance will also help ensure that gender remains a priority.<sup>16</sup>

### Compensation of Public Sector Employees

**45. Closing gender wage gaps in the public sector reduces gender inequality.** This pay gap can be closed, for example, by seeking greater gender parity for senior level positions, as women hold only 30 percent of them. On average, women represent a higher share of employment in the public sector than in the formal private sector but earn only 86 percent as much as male workers.<sup>17</sup> These wage gaps are smaller in middle- and high-income countries, and larger in low-income countries. Over time, if women in the public sector hold more positions of power and higher pay, the pay gap in the formal private sector, where women earn 76 percent relative to men, may also improve (Shi and others, 2019). Countries with gender disaggregated data, such as Costa Rica, the Dominican Republic, and Honduras have smaller gender gaps for pay and seniority (Nwankwo and others, 2021).

### Social Protection

**46. Social protection systems can play an important role in narrowing gender gaps.** A few examples include:

- **Cash transfers.** Cash transfers can target female-headed households to improve social welfare, boost human capital, and increase intergenerational mobility for girls. Conditional cash transfers may include school attendance or health requirements (discussed below).<sup>18</sup>
- **Paid maternity leave.** Predominately used in advanced economies, maternity leave policies should seek to optimize the length, benefit amount, and contribution composition (i.e., share paid by employers, employees, and/or government) to minimize de-skilling, fiscal costs, and labor market disincentives.<sup>19</sup>

<sup>16</sup> Examples of key performance indicators include the proportion of women in each function or business area, the number of women at each level of management, women as a percentage of new recruits, pay levels (including pay gaps), and attrition rates for both men and women.

<sup>17</sup> Data are from the World Bank's 2019 Worldwide Bureaucracy Indicators.

<sup>18</sup> While the evidence is mixed, some studies (e.g., Northern Macedonia) have shown that the expenditure share on food in poorer households was 4-5 percentage points higher and generally more nutritious when women are recipients rather than men (Armand and others, 2019).

<sup>19</sup> The OECD, for example, has an average duration for paid maternity leave of 18 weeks, and most countries provide benefits that replace more than 50 percent of previous earnings. Studies show that paid leave increases female labor force participation—particularly among low-skilled women (whose spending on childcare as a share of income is higher)—and has been found to lower poverty and inequality. For example, California's paid family leave was shown to reduce poverty (Fabrizio and others, 2020).

- **Paid parental leave.** It can improve health and development outcomes for children through increased earnings for mothers, higher female labor force participation, and a more equitable division of labor at home—among other benefits.<sup>20</sup>
- **Public spending on child and elder care.** It can help encourage female labor force participation, particularly for low-income workers.<sup>21</sup> In Norway, the expansion of universal childcare increased the likelihood of mothers' employment by 32 percentage points, while Canada's "Build Back Better" plan lays the groundwork for a national childcare system (IMF, 2021c).
- **Active labor market policies.** Training programs can enhance the employability of women as shown, for example, in 13 out of 15 studies in a review of active labor market policies in Europe (Bergemann, 2006; IMF, 2020; Romero and Kuddo, 2019).

## Education and Health

**47. Social spending can increase the human capital of women by increasing access to education and health.** Conditional cash transfers can encourage girls' access to education, and child allowances can reduce the dropout rate of girls (Edo and Marchionni, 2019). Improving teacher training and skills can lead to improved learning outcomes (Evans and Yuan, 2019). Better-educated women also make more informed decisions about nutrition and healthcare (Duflo, 2012). Health spending can lead to improvements in life expectancy and quality and productivity (Remme and others, 2020).

## Capital Expenditure

**48. Public spending on infrastructure, such as on water and sanitation, energy, and digital services, is critical for reducing unpaid care work, supporting women's employment, and improving their health.** Two billion people lack access to improved sanitation and nearly one billion to potable water, which leads to poor health outcomes ([Water.org](https://www.water.org/)). Women and girls are often tasked with fetching water, which can lead to lower rates of female school enrollment. Closing the digital divide is also important and can lead to many positive outcomes, for example, to better employment since 90 percent of jobs worldwide have a digital component ([UNICEF](https://www.unicef.org/)), particularly in developing countries where internet access is 12 percentage points lower for women. Such capital expenditures can build human capital, empower women, and make economies more productive.

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<sup>20</sup> Parental leave entitlements are associated with increases in female employment (Fox and others, 2013).

<sup>21</sup> Unpaid caring roles are a constraint on female labor force participation, with 606 million women in 2018 responding that unpaid caring roles was the reason for them being inactive in the labor market. By 2030, it is predicted that the number of care recipients (both children and the elderly) will be 2.3 billion. Women provide 77 percent of unpaid care work, more than triple that of men (Addati and others, 2018).

## B. Policies for Promoting Financial Inclusion

**49. Increasing financial inclusion of women empowers them to manage their income, support their participation in the formal economy, and contribute to GDP growth** (Global Partnership for Financial Inclusion, 2020; Suri and Jack, 2016). Digital financial services are faster, more efficient, and typically cheaper than traditional financial services, reaching lower-income households and small- and medium-sized enterprises. During the pandemic, they enabled contactless and cashless transactions and facilitated the efficient and quick deployment of government support measures. However, barriers to financial inclusion are often higher for women, in the form of access to resources (mobile phone, internet), cultural or social norms, and digital and financial literacy (Sahay and others, 2020). Government policies to reduce these barriers can be effective but take time.

**50. Official identification systems should be universally accessible to women and girls.** In modern societies, men and women need official identification documents to participate in economic activities. However, there are gender-based legal barriers (Demirguc-Kunt and others, 2018) that prevent or make it difficult for women to obtain official identification. For example, women in 33 countries cannot apply for passports in the same way as men (World Bank, 2021). Evidence shows that a sound identity system closes gender gaps in the financial sector and improves a country's overall financial inclusion. Cecchetti and Schoenholtz (2017) indicate that India's unique 12-digit biometric identification numbers have been used to open bank accounts for over 300 million people as of October 2017. Between 2014 and 2017, account ownership in India increased by about 27 percent, and the gender gap in account ownership narrowed by about 14 percent.

**51. Access to mobile phones provides a new opportunity for the development of financial inclusion through digital financial services.** According to Global Findex data, mobile phone ownership is high among the unbanked—globally about two-thirds of 1.1 billion unbanked adults have a mobile phone—suggesting significant potential to improve access to digital financial services. But the gender gap persists, as mobile phone ownership of unbanked men is 10 percentage points higher than of unbanked women. Ensuring women have secure access to mobile phones can give them control over their financial resources and unlock the developmental benefits of financial inclusion. Governments can take action to increase the availability of mobile phones through incentives, such as flexible financing arrangements.

**52. Governments should set up regulatory and policy frameworks and ensure interoperability of the financial infrastructure and reduce gender gaps.** A competitive, trustworthy, and interoperable financial ecosystem—the ability to send money to or receive it from another person even if from different financial service providers with low transaction and time costs—would allow customers to transact with anyone they choose (Bill and Melinda Gates Foundation, 2019). Research has shown that women are more likely to have time poverty<sup>22</sup> than men

<sup>22</sup> The concept of time poverty refers to the lack of discretionary time that individuals can invest in developing their own human and social capital. That is, the time required to complete paid, unpaid, and necessary (e.g., sleeping,

(continued)

owing to restrictive gender norms (Hyde and others, 2020). Chamboko and others (2018) find that women use digital financial services much less than men in sub-Saharan Africa and that attention is needed to designing services using a gender lens. The Peruvian Banking Association developed a common e-money platform with 35 financial institutions to increase interoperability to protect clients and facilitate improved access for women (Women's World Banking, 2016).

**53. Enabling direct deposit for government transfers and private sector payments to accounts that are easily accessible and under women's control can strengthen their household decision-making power, bolster their labor force participation, and reduce poverty.** When women-headed households in Kenya adopted mobile money accounts through M-Pesa, poverty dropped, savings rose, and 185,000 women left agricultural jobs for more reliable, higher-paying positions in business or retail (Suri and Jack, 2016). Research in Bangladesh suggests that digital wage payments help factory workers stimulate the use of formal financial products and improve their ability to manage financial emergencies (Breza and others, 2017).

**54. Governments should target efforts to improve financial literacy of women.** Togo's government-to-person program—Novissi—targeted women and was introduced clearly and simply via advertisements and social media (Prady and others, 2020). Integrating technology into financial education programs is also a useful method to provide financial information. For example, Colombia's LISTA program provided shared tablets allowing women participants to spend time with the financial training application on the devices, and thus improved women's financial knowledge, which persisted for at least two years (Attanasio and others, 2016). Additionally, many participants of the LISTA program demonstrated improved financial decision-making, such as reduced reliance on cash and higher savings in banks.

**55. Policymakers could promote alternative sources of collateral and new ways of building credit histories.** Several countries have laws that create gender gaps in access to collateral and credit (World Bank, 2021). Even women who can access credit experience, on average, less favorable loan conditions than men (Chamboko and others, 2018). Policymakers can enable the development of digital financial services, which would allow the private sector to create nontraditional information-based credit records for women (e.g., phone/utility payments). For instance, in Nigeria, the fintech firm Lidya uses alternative data sources to make loan decisions and disburse loans to small and medium enterprises within 24 hours (Peterson, 2019). In India, fintech startups use Fitbit-like gadgets to collect real-time data on cows' health to predict productivity and measure female farmers' credit eligibility (Global Partnership for Financial Inclusion, 2020).

**56. Eliminating biases against women in financial staffing and lending decisions would support greater female financial inclusion.** Research published by International Finance Corporation (IFC) suggests that bank customers trust female employees more than male employees (Harten and Rusu, 2016). Evidence from India suggests that women use financial services more often

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eating) activities each day rules out participation in leisure or other activities of one's choosing and is associated with poorer outcomes in well-being, physical health, and productivity (see, for example, Vickery, 1977; Blackden and Wodon, 2006; Giurge and Whillans, 2019).



when they are served by female bank employees. Additionally, loans monitored and issued by female officers contain a significantly lower probability of default than loans managed by male loan officers (Beck and others, 2018).

**57. Greater representation of women in leadership positions of bank boards and banking-supervision boards could support greater financial resilience and bank stability** (Sahay and Čihák, 2018). Policies that remove conscious or unconscious bias against women, boost the overall labor supply of women, and support better work-life balance could help narrow gender gaps in leadership positions. The EU government has called for actively recruiting qualified women to replace outgoing male board members (European Commission, 2012).

**58. Collecting sex-disaggregated financial data and conducting policy-related research can inform policy development and the design of financial products** (Global Partnership for Financial Inclusion, 2020). Collecting these data could also generate insights on the effectiveness of policies and identify impediments to women’s financial inclusion. Such data can also be used by financial service providers to track the advantages of employing more women, such as higher customer retention rates and higher transaction volumes (UNCDF, 2016). In addition, developing appropriate and affordable financial products for women benefits from sex-disaggregated data collection and analysis. One possible method for governments to incentivize financial institutions would be to require sex-disaggregated data as part of the fiduciary reporting process. For example, Nigeria disaggregates data collected from financial services providers by gender to identify barriers to demand for financial services and products (Women's World Banking, 2016).

**59. Basel Committee guidance can inform on a proportionate regulatory and supervisory approach to supervised institutions.** Recognizing the benefits of financial inclusion for financial stability, the Basel Committee has issued detailed [guidance](#) for prudential supervisors on the application of the 2012 Basel Core Principles, commensurate with the systemic importance and risk profile of supervised institutions. This guidance reflects the need for proportionate risk-based regulation and supervision of small and non-complex institutions striving to serve unserved and underserved customers, which are more often women than men and who typically engage in small transactions. Given the broad landscape of financial service providers, this guidance can be useful not only to prudential supervisors, but also to payment overseers, other authorities engaged in the regulation and supervision of non-bank financial institutions, and telecommunications regulators and others with oversight over non-financial firms participating in innovative financial services.

## C. Product and Labor Market Policies

**60. Product and labor market policies play a critical role in maximizing women’s labor market potential.** They can raise employment rates by incentivizing female labor force participation and stimulate labor productivity by promoting equal work opportunities. While labor market policies are key, pro-competition product market regulation also has a role to play, particularly to foster female entrepreneurship and level the playing field in career progression between men and

women. The COVID-19 crisis has further strengthened the case for such gender-friendly structural reforms, given their potential for stimulating economic growth with no or little fiscal cost.

## Labor Market Policies

**61. Collective bargaining can help reduce gender wage gaps.** On average, women negotiate (or are offered) worse wage bargains with their employers than men (Baker and others, 2019; Babcock and Laschever, 2003; Card and others, 2016; Recalde and Vesterlund, 2020). These differences in the negotiation process can contribute to gender pay gaps and disincentivize women from labor market participation. Collective bargaining contracts can mitigate gender differences in negotiation style by reducing the weight of individual workers in the arbitration process and increasing that of unions and other workers' organizations. Evidence suggests that such a shift away from the individual toward the collective reduces gender pay gaps, with only marginal effects on other workers' wages (Biasi and Sarsons, 2021; Card and others, 2004; OECD, 2020b).<sup>23</sup>

**62. At the same time, poorly designed collective bargaining systems can weaken job opportunities for disadvantaged groups in the labor market, including women.** IMF work has stressed that, to deliver high and stable employment, collective bargaining systems should promote both macroeconomic and microeconomic flexibility (Blanchard and others, 2013) which, in turn, typically requires strong coordination among representative bargaining parties alongside firm-level flexibility (Duval and others, 2021).

**63. Transparency laws and initiatives can support workers who tend to be less aggressive during contract negotiations** by providing them with more information regarding their wage prospects and other working conditions, helping to reduce gender gaps at the bargaining table (Recalde and Vesterlund, 2020). Advanced economies, including Germany, Iceland, and the United Kingdom, have recently started to adopt transparency laws.

**64. Women are over-represented in low-paying jobs, and changes in the minimum wage can significantly impact the salaries of low-wage workers.** Adjustments in minimum wages affect not only minimum wage workers but also other low-wage workers. Since women are over-represented in these jobs, increasing the minimum wage has been associated with reducing the gender wage gap and raising female labor force participation (Bargain and others, 2019; Di Nardo and others, 1996). As is the case with poorly designed collective bargaining systems, minimum wages that are too high can have a detrimental impact on the job opportunities of disadvantaged groups in the labor market, including less educated women—particularly in the formal sector where the minimum wage binds (Ahn and others, 2019; Hallward-Driemeier and others, 2017). This suggests a case for moderate minimum-to-median wage ratios.

**65. Employment protection legislation that aims to protect workers against unfair dismissal and stabilize employment over the business cycle need to be well balanced.** Overly strict employment legislation that raises the cost of firing and hiring workers reduces labor

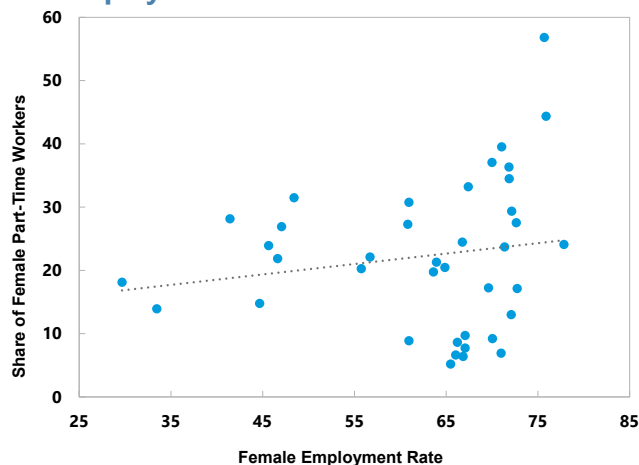
<sup>23</sup> Although most papers find that collective bargaining can reduce the gender pay gap, a few exceptions, including OECD (2019), find the opposite.

turnover—both job destruction and job creation. This tends to benefit permanent regular workers, who tend to be predominantly prime-age males, while hurting disadvantaged workers, including youth, immigrants, and women who need to move in and out of the labor market, notably due to childbearing (Ahn and others, 2019; Botero and others, 2004; García-Pérez and others, 2021; Heckman and Pages, 2004).

**66. Well-designed unemployment insurance can protect workers without stifling job prospects, particularly for low-income workers and women.** In emerging markets and developing economies (EMDEs), more stringent employment protection legislation for regular workers has been associated with another form of labor market dualism, namely between formal and informal workers. Stringent protection for formal workers has been identified as one factor contributing to larger informal sectors (Lehman and Muravyev, 2014). This is particularly relevant for low-skilled workers and women, who are disproportionately represented in the informal sector (Malta and others, 2019a, 2019b). Unemployment insurance schemes can safeguard against the risk of income loss, allowing for employment protections to be tailored in a way that avoids fostering labor market dualism (Duval and Loungani, 2019).

**67. Overly restrictive labor and product market regulations may incentivize “involuntary part time work,” constraining women’s earnings potential.** Part-time work is also more likely to be detrimental to women’s empowerment when it reflects a constraint rather than a deliberate choice. While the availability of part-time or flexible work arrangements is associated with higher labor force participation by women (Figure 13) (Barbieri and others, 2019; Thévenon, 2013), the choice of part-time work may in fact be “involuntary,” reflecting a constrained response to lack of full-time jobs, labor market regulations, and other constraints (e.g., tax policy, child-care availability) (Buddelmeyer and others, 2008; Hipp and others, 2015; OECD, 2010).

**Figure 13. Female Employment Rate and Share of Part-Time Female Workers**



Source: Organization for Economic Cooperation and Development (OECD).

Note: Part-time employment is defined as people in employment (whether employees or self-employed) who usually work less than 30 hours per week in their main job. Employed people are those aged 15 and over who report that they have worked in gainful employment for at least one hour in the previous week or who had a job but were absent from work during the reference week while having a formal job attachment. This chart shows the proportion of females employed part-time among all employed persons and the proportion of females employed as a share of the working age population. For each country the data reported refers to the most recent year in which the indicators are available in the OECD Gender database (2019–20).

## Product Market Policies

**68. Product market deregulation can indirectly support female employment** (Bassanini and Duval, 2006; Griffith and others, 2007; Fiori and others, 2012; Bouis and others, 2020; Gal and Hijzen, 2016; Piton and Rycx, 2019). For example, in countries where male employment is already high and female labor force participation is low, women provide the main labor pool through which greater labor demand from liberalized industries can be accommodated. Structural transformation toward a service-based economy underpins the growth of industries in which women have comparative advantages (Bassanini and Duval, 2006; Ngai and Petrongolo, 2017; Ostry and others, 2018; Cortes and others, forthcoming). Hence, easing regulations in services industries—where the bulk of stringent product market regulations exist—may increase the relative demand for female workers. Finally, stringent regulations that raise the costs of childcare and other household services and restrict retail shop opening hours can increase the monetary and opportunity costs of female labor market participation.

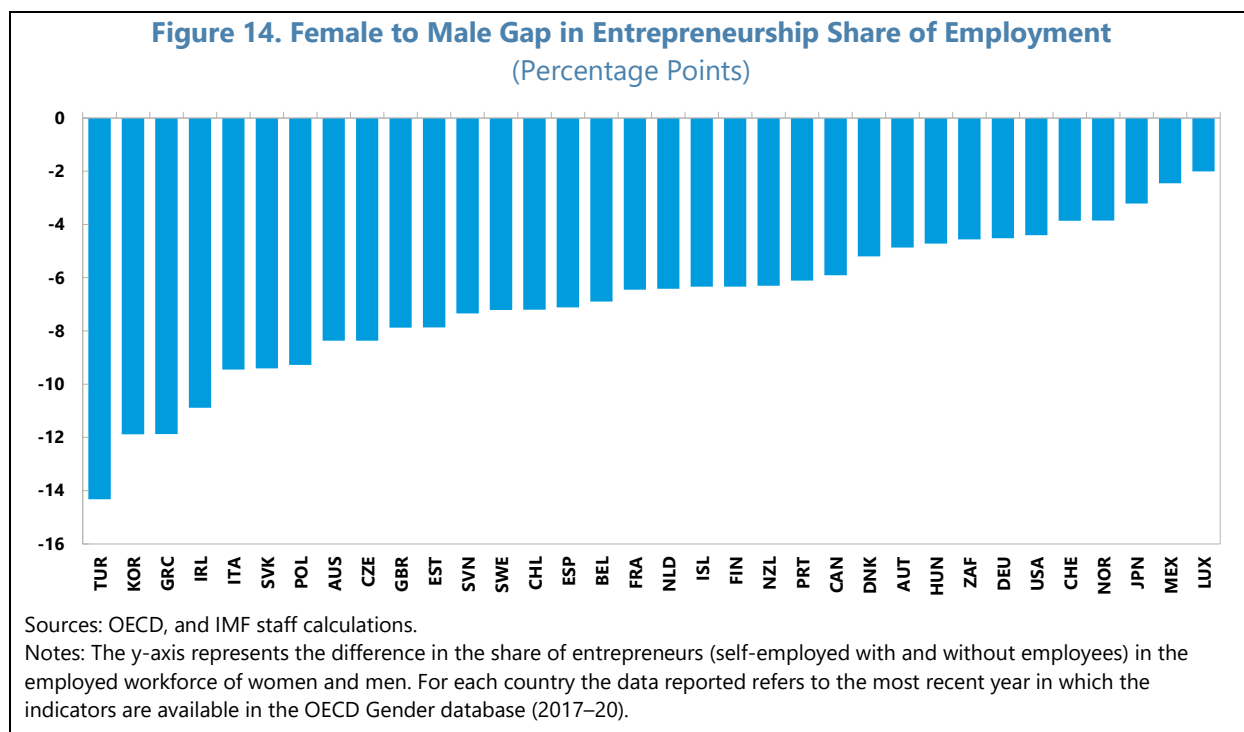
## Policies to Tackle Cultural Norms and Other Barriers

**69. To increase female entrepreneurship, reforms should not only make it easier to do business in general, but also adopt a more direct gender focus.** Currently there is a large variation across countries in the prevalence of entrepreneurship between women and men (Figure 14). In EMDEs, entrepreneurship is a vital source of female employment, as self-employment allows for greater flexibility in adjusting hours worked to combine work with household commitments and responding to changing economic conditions. However, laws on business registration, ownership of assets, and access to credit may directly or indirectly discriminate between men and women, often placing greater economic and administrative burdens on the latter and thus discouraging participation in the formal sector (Hampel-Milagrosa, 2010).<sup>24</sup>

**70. Cultural norms regarding gender roles may effectively hinder the equal application of laws and regulations to men and women** (Hampel-Milagrosa, 2010; Das and others, 2015). In many countries, local practices penalize women's land ownership even if formal property rights are gender neutral (Kaarhus and others, 2005; Toulmin, 2009). Although cultural norms are often long-standing and complex, numerous studies find that economic processes shape and in turn affect cultural norms regarding female employment (Fortin, 2005; Alesina and others, 2013). Field and natural experiments on the application of pro-women policies show that cultural norms can be partially shifted to empower females and promote their economic activity (Jayachandran, 2021).<sup>25</sup>

<sup>24</sup> The World Bank's Women, Business, and the Law database includes entrepreneurship as one area of gender-based legal discrimination, and the 2021 report shows that sub-Saharan Africa and South Asia score particularly low on the female entrepreneurship index. More broadly, gender-based legal discrimination has been found to be associated with weaker labor market outcomes for women, including lower labor force participation, both across countries (Hyland and others, 2020) and within individual countries such as India (Gonzalez and others, 2015a; Chiplunkar and Goldberg, 2021).

<sup>25</sup> Examples of such initiatives include randomly assigning female colleagues to teams in male-dominated industries (Dahl and others, 2021), informational videos on female employment opportunities shown to the family members of working-age women (Dean and Jayachandran, 2019), gender quotas in local governments (De Paola and others, 2010), and the appointment of females as chief executives and heads of academic departments (Langan, 2019).



## D. Policies to Address Legal Barriers<sup>26</sup>

**71. Legal reforms can remove impediments to women’s economic empowerment and incentivize women to increase their participation in the economy.** Between 1960 and 2010, staff estimations and World Bank data suggest that 280 legal reforms have been enacted to address gender inequalities (Gonzales and others, 2015a). A World Bank study on legal reforms over past decades points out that the wage gap narrowed where legal reform showed greater strides towards equality and increased female labor force participation (World Bank, 2021). Most of these changes involved introducing a non-discrimination clause based on gender in constitutions, guaranteeing property rights to women, and ensuring the right of a married woman to get a job and pursue a profession without male consent. Since laws can influence behavior and attitudes, legal reforms supportive of women’s economic empowerment can help shift biases against women.

**72. Legal barriers to women’s economic empowerment are often found in constitutional law, family law, property law, labor law, social security, pension, and tax law.** The removal of discriminatory provisions in laws, particularly those affecting citizenship and voting rights, freedom of movement, legal age to marry, heading a household, marital property regimes, divorce rights, rights to own and dispose of assets, access to credit, inheritance rights, and permission to work, can have profound consequences on women’s economic empowerment. Challenges in the implementation of legal reforms may also arise from long legislative procedures and limited state capacity. When it comes to implementation, legislative reforms may take time to show results.

<sup>26</sup> The section draws directly from Christopherson and others (2022).

**73. Legal literacy, access to justice, and the enforcement of new or amended laws are all essential to reduce gender inequality.** If women can access justice and their rights are appropriately enforced, this discourages gender-based discrimination. Conversely, the failure to enforce women’s rights often perpetuates inequality. Access to justice for women entails the ability to exercise the same legal rights as men to sue (including the right to bring a legal case, apply for legal aid, provide testimony, and obtain a fair trial).

**74. Policies to reduce legal barriers include:**

- **Establishing constitutional guarantees of equal treatment.** For example, the 2014 Tunisian Constitution, unlike previous versions, guarantees equal treatment and duties under the law for all citizens, as well as the right to decent working conditions and a fair wage. It also commits to granting equal opportunities for men and women in all domains, attaining gender parity in elected assemblies, eradicating violence against women, and guaranteeing civil and political rights (election, voting, candidacy) for all citizens in accordance with the law. To increase female political participation and representation, the 2003 Rwandan Constitution enshrined the principle of equality between men and women and implemented a requirement that women should occupy at least 30 percent of positions in Parliament. Today, over 50 percent of parliamentarians and ministers are women (World Economic Forum, 2021).
- **Addressing inequities in property law.** Rwanda has passed legislation to provide for equal inheritance, succession, and land rights for women, including prohibiting discrimination based on sex in matters relating to ownership and possession of property.<sup>27</sup>
- **Addressing inequities in family law.** For example, the Namibian Married Persons Equality Act of 1996 granted married women equal footing with their husbands by abolishing traditional marital power given to a husband over his wife and her property. It also granted women the right to head a household, sell joint assets and administer joint property, register land, open a bank account, and allows both parents to be joint custodians and equal guardians to their children, among others. The U.S. Economic Equity Act, which was introduced in successive iterations from 1981 to 1996, created more protections for divorced and widowed women as well as established child support enforcement procedures (Seith, 2013). In Brazil, the Sinal Vermelho campaign against domestic violence became a federal law (No. 14/188, of July 28, 2021) that impacts more than 10 million people and resulted in over 15 states and the Federal District enacting related state laws.
- **Addressing inequities in labor law.** In 2021, the Indian government enacted an expansive worker protection program that requires equal wages for men and women and includes provisions for childcare at work sites. In March 2017, India enacted a federal law mandating that all employers offer twenty-six weeks of paid maternity leave. Rwanda has enacted laws to establish equal working conditions and equal wages. In addition, legislation provides for specific rights and benefits related to childbearing, including maternity leave, maternity pay, guarantee

<sup>27</sup> Rwanda, Law No. 08/2005; Law No. 43/2013 on land rights; Rwanda, Matrimonial Regimes, Liberties and Succession, 1999.

of employment after maternity leave, and facilities for pregnant and breastfeeding women. With this supportive legal framework, it is not surprising that Rwanda has one of the highest rates of female participation in the labor force (at 84 percent) compared to the global average of around 47 percent.<sup>28</sup> According to the World Bank’s Women, Business and the Law 2020 Report, Saudi Arabia has exhibited the most progress toward gender equality since 2017. While reforms were enacted in six out of the eight indicators covered by the WBL 2020 index, significant improvements to working conditions resulted from advances on issues of mobility, sexual harassment, pensions, and workplace rights.

- **Establishing equal pay for equal work.** Iceland adopted the Equal Pay Standard in 2018, under which companies are required to adopt wage management systems that transparently establish job criteria and wages for clearly defined positions, without regard to the gender of the person in the position. Companies must obtain certification from third-party auditors to prove compliance and renew it every three years. If an employer does not get certified, it faces financial penalty. Under Iceland’s parental leave policy, which was effective beginning in January 2021, the independent right of each parent will be six months, with parents allowed to transfer six weeks between each other. Therefore, one parent can take parental leave for up to seven and a half months and the other for four and a half months. The dedicated non-transferable leave to each parent allows for greater sharing of early childhood and household responsibilities. The 2021 Women, Business, and the Law report points out that the United Arab Emirates is first in the Middle East and North Africa region to have paid parental leave.
- **Addressing anti-discrimination at work.** An example is the Philippines’ Anti Sexual Harassment Law 2019 which strengthened measures to prevent gender-based discrimination and protection from gender and sexual harassment at work.

## SECTION V: COLLABORATION WITH EXTERNAL PARTNERS AND ENGAGEMENT WITH OTHER STAKEHOLDERS<sup>29</sup>

*This section provides an overview of engagement with international organizations and other stakeholders and discusses plans for future collaboration.*

### A. Collaboration with the World Bank Group and Other External Partners

**75. Collaboration with external partners is a key pillar of a comprehensive strategy to mainstreaming gender at the IMF.** It offers a new avenue for engaging with country authorities and can help expand opportunities to develop country-specific, tailored macroeconomic analysis and policy advice. External partners have welcomed the IMF’s engagement on this topic for several

<sup>28</sup> See International Labor Organization, ILOSTAT database.

<sup>29</sup> This section has been prepared by Wafa Amr (COM), Lisa Kolovich (SPR), and Anna Fruttero (World Bank).



reasons. First, the IMF is well-placed to conduct analysis and offer policy advice on the intersection of macroeconomics and gender, which complement the micro- and sectoral-level policy advice of other organizations. Second, the IMF's main counterparts, ministries of finance and central banks, are pivotal in allocating resources for gender equality programs and policies. Third, the IMF has significant convening power, which can be used to spotlight gender work conducted by others.

**76. Collaboration should begin with institutions where synergies to reduce gender gaps are greatest.** In furthering its collaboration with the World Bank, the IMF would draw on previous collaboration (e.g., Financial Sector Assessment Program (FSAP) and Debt Sustainability Analysis (DSA)) and build on recommendations from a recent IMF Independent Evaluation Office evaluation on IMF collaboration with the World Bank on macro-structural issues.

**77. Over the last five years, collaboration with the World Bank on gender issues has increased.** Staff from the World Bank actively participated in a three-year IMF project, funded by the UK Foreign, Commonwealth & Development Office (FCDO), on a global survey of gender budgeting efforts. The Head of the World Bank Gender Unit served on the Advisory Committee, and World Bank staff authored one of the project's working papers. IMF and World Bank staff also worked jointly on several high-profile presentations, including at the joint session for the 2020 UN Women Commission on the Status of Women, 2019 White House's Women's Global Development and Prosperity International Exchange (together with IADB and We-Fi), and an IMF/World Bank Workshop on Engendering the Macro-Economy.

**78. Plans for further collaboration are progressing.** They include enhanced engagement at the country level (e.g., through pilot Country Gender Assessments), additional internal and external events, including at the Spring and Annual Meetings, and the development of a gender data hub. Over the medium term, staff could explore additional joint analytical work such as gender modeling and gender impact analysis, and on topics of interest to the IFC such as fostering gender-diverse boards and business leadership.

**79. Since 2015, the IMF and UN Women have had fruitful collaboration on gender equality research, peer learning events, CD, and seminars.** In 2015, UN Women staff served on the advisory board of the IMF's global gender budgeting survey. In Ethiopia, the IMF country team co-authored a working paper with UN Women staff as an input to the bilateral surveillance discussions. AFR staff organized a three-day peer learning event with UN Women, with approximately 80 staff from various line ministries in attendance, which catalyzed demand for CD. The Lesotho country team has been drawing upon UN Women's expertise on gender issues. UN Women and IMF staff co-authored a note on COVID-19 and gender and co-organized peer learning events on gender budgeting and gender and the pandemic.<sup>30</sup>

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<sup>30</sup> Anglophone peer learning event for sub-Saharan Africa (August 2020); Lusophone peer learning event for sub-Saharan Africa (September 2020); Senegal peer learning event, joint with UN Women (January 2020); "Gender Equality and COVID-19: Policies and Institutions for Mitigating the Crisis" (2021).

**80. Going forward, IMF and UN Women staff plan to deepen collaboration.** Initiatives discussed include: (i) joint analytical work and research; (ii) joint data curation;<sup>31</sup> (iii) country-level technical cooperation; and (iv) CD and training. Possible joint analytical work would draw upon UN Women’s standardized policy tools to assess the gendered impacts of national fiscal stimulus responses, which has been implemented in more than 20 countries. These tools could help when designing gender-sensitive fiscal and monetary policy. There is also scope to jointly examine the links between gender-responsive budgeting and gender equality outcomes, building on past work by both institutions (such as costed needs assessments for the care economy), to identify fiscal policy options for reducing gender inequalities.<sup>32</sup> Technical training to country authorities could be jointly delivered on identifying macro-critical areas of gender inequality, advancing policy and legal frameworks for gender budgeting, improving gender-disaggregated data collection, and monitoring progress on gender equality goals.

**81. Collaboration with other external partners has also been essential to furthering the Fund’s engagement on gender and supporting member countries’ efforts to close gender gaps.** Examples include:

- **Partnership with the FCDO.** With the support of FCDO, staff have developed a global survey on gender budgeting (culminating in eight working papers, three high-level conferences, a publicly available toolkit, and a book) and micro-founded general equilibrium models to assess the macroeconomic, distributional, and gender impacts of macroeconomic policies and reforms (applications include Argentina, Iran, Nigeria, Senegal, and Sierra Leone; and the model framework is also part of a gender course).
- **External funding for engagement with country authorities from the Gates and Hewlett Foundations and Canada.** External funding from the Gates Foundation, the Hewlett Foundation (to fund peer learning and conferences on gender budgeting) and Canada (gender strategy in São Tomé and Príncipe) has helped boost IMF capacity to engage with country authorities. External funding has supported CD activities and the hiring of external experts, and the Gates Foundation grant will allow for additional work on building centralized data sets and analytical tools for CD in member countries.
- **Collaboration with other agencies.** Engagement with the Asian Development Bank, Commitment to Equity Institute, and other development agencies has enhanced the range and depth of IMF staff analysis and policy advice. Engagement with other stakeholders has occurred mostly at the country/regional level. Over the past few months, IMF staff have also reached out to the European Bank for Reconstruction and Development (EBRD), the European Commission,

<sup>31</sup> UN Women’s program “Women Count” has supported countries in their efforts to close gender-disaggregated data gaps and provides data on the impact of COVID-19 through its Rapid Gender Assessment Surveys. The UNDP/UN Women COVID-19 Global Gender Response Tracker offers information on government pandemic-related policy measures.

<sup>32</sup> See the 2021 UN Women report, “Beyond COVID-19: Feminist Plan for Sustainability and Social Justice,” which offers further details on proposed policies and partnerships for supporting women’s jobs and livelihoods, strengthening the care economy, and synergies for gender-responsive climate action.

the IFC, and the ILO to explore possible joint research projects, seminars, and other areas of collaboration. UNICEF has expressed interest in considering social policy issues jointly with the IMF.

## B. Engagement with Other External Stakeholders

**82. IMF external engagement with other stakeholders on gender-related topics has raised awareness of gender work at the Fund.** External engagement provides an avenue for communicating key messages of gender-related analytical papers produced by staff. It also provides an opportunity to hear from external stakeholders, such as CSOs.<sup>33</sup> External engagements at conferences and workshops have been amplified by other dissemination channels including blogs and videos, digital platforms (imf.org and social media), media interviews, management speeches, IMF intranet content, and internal events. Gender-focused messages have primarily focused on promoting IMF analytical products (e.g., publications such as SDNs or working papers).

**83. IMF Management has served as a powerful advocate for gender-related issues.** During 2017–22, IMF Managing Directors engaged in more than 50 global events on gender (excluding media interviews), though “only-gender-focused” events declined since 2020 primarily due to the COVID-19 crisis.

**84. The IMF website has attracted attention to the Fund’s work on gender.** Visitors to the [www.imf.org/gender](http://www.imf.org/gender) page have increased over the past five years, with visits in 2022 (3,800 unique visitors) currently on the rise and expected to surpass 2021 visits (7,200 unique visitors). Users reading gender-related blogs and content on [www.imf.org](http://www.imf.org) have increased over the past five years (from 35,000 to 439,000 total unique visitors to-date). Videos have performed exceptionally well in terms of number of views, with one reaching over 175,000 views since 2018.

**85. Going forward, the goal is to focus external and internal communications on gender messages that are integrated into the Fund’s core work—surveillance, lending, and CD—while targeting and engaging with audiences, including influencers, CSOs, regional media and non-media audiences, as well as internal staff.** A redesign of the IMF gender webpage is also envisaged.

**86. A strategic communications plan will be launched to enhance impact.** Management, senior staff, and economists will be encouraged to engage publicly on gender issues in their respective regions and areas of expertise.

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<sup>33</sup> The preparation of the strategy has benefited from an extensive public consultation process. CSO representatives, in particular, would like the IMF’s gender strategy to address three areas: (i) articulate a clear vision on the IMF’s work on gender equality rooted in a macroeconomic paradigm shift and commitment to do no harm; (ii) commit resources; and (iii) invest in meaningful external engagement to build knowledge on gender and macroeconomics.

## SECTION VI: COUNTRY COVERAGE UNDER THE GENDER MAINSTREAMING STRATEGY<sup>34</sup>

*During the initial implementation phase, the number of countries covered depends on available resources and the development of analytical tools, among other factors. Several combinations can be envisaged of “deep dives” and “light touch” in country reports.<sup>35</sup> This section describes the illustrative scenarios discussed in the main paper.*

### 87. Resources and key assumptions are as follows:

- All additional resources from the December augmentation (four FTEs) are centralized in the Gender and Inclusion Unit in SPR, and resources available to Area Departments reflect pre-augmentation allocations (two FTEs for country work on gender in area departments);
- The FTE intensity of a *deep dive* and *light touch* focus on gender in the steady state is 0.3 and 0.1 FTEs per country respectively;
- The FTE intensity for both deep dives and light touches is higher than in the steady state in the first year of implementation (FY23) and decreases over time, reaching the steady state intensity in FY25, as the central unit develops databases and toolkits for the analysis of gender disparities, and staff come up to speed on gender-related issues.

**88. The baseline scenario—Scenario 1—envisages a gradual increase in the number of deep dives.** In the baseline scenario, both deep dives and light touches are undertaken, but the number of countries undertaking deep dives increases over time as gender is gradually operationalized at the Fund. Table 1 below shows the total country coverage under these assumptions, if the share of dedicated FTEs undertaking deep dives rises from one-fourth in the first year to one-third in the second year to 40 percent in the third year.

### 89. In this scenario, it is estimated that total country coverage would increase from about 11 in the first year to about 18 in the third year.

- Total deep dive cases would increase from 2 to 3 countries over the three years, owing to their higher FTE intensity compared to light touches.
- Total light touch cases would increase from 9 to 15 by the third year.

<sup>34</sup> This section was prepared by Valentina Flamini (SPR), and Rishi Goyal (WHD).

<sup>35</sup> The terms “deep dives” and “light touches” refer to the depth and breadth of country coverage. In-depth coverage—deep dives—entails integrating gender into the fiscal, financial, and structural analyses and core policy discussions. Broader coverage—light dives—envisages analysis of selected gender issues, typically related to one sector or topic.

**90. To provide the range of countries possible, the next two scenarios present the extremes** where only deep dives and light touches are considered, respectively.

**91. Scenario 2 presents the extreme of all deep dives.** If only deep dives are considered, country coverage would fall to about 6 in the first year, reaching about 8 by the third year.

**92. Scenario 3 presents the extreme of all light touch coverage.** If, on the other hand, only a light touch focus on gender is considered, country coverage would increase to about 12 in the first year, rising to about 25 by the third year. This amounts to about 2-3 countries per area department in the first year, rising to about 5 countries by the third year. However, it is to be noted that only “light touch” coverage of countries is not consistent with the vision or strategy presented in the main paper, which calls for mainstreaming gender in the Fund’s core work.

<b>Table 1. Number of Countries Covered with Increasing Depth Over Time</b>			
	FY23	FY24	FY25
<b>Total area department FTEs dedicated to country work 1/</b>	<b>2</b>	<b>2</b>	<b>2</b>
Existing	2	2	2
Additional	0	0	0
<b>Scenario 1: Increasing "deep dives"</b>			
<b>Number of countries covered 2/</b>	<b>11</b>	<b>13</b>	<b>18</b>
Deep dive	2	2	3
Light touch	9	11	15
Proportion of total resources			
Deep dive	25%	33%	40%
Light touch	75%	67%	60%
<b>Scenario 2: Only "deep dives"</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>Scenario 3: Only "light touch"</b>	<b>12</b>	<b>16</b>	<b>25</b>

<sup>1/</sup> Surveillance and lending, excluding capacity development.

<sup>2/</sup> Owing to the need for follow-up analysis and discussions or new topic coverage, the number of countries covered in successive years could include some countries covered in prior years. This table does not prescribe how the resources are allocated in successive years between new countries covered or older ones. It simply calculates under the given assumptions the number and types of countries covered. The FTE intensity for light touches and deep dives in the steady state is assumed to be 0.1 and 0.3 FTEs per country, respectively.

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## Annex II. Country Coverage of Gender Topics, 2015–21

Year	Board Date	Country	Examples of Topics Covered
2015	Aug-15	Chile	Female labor force participation
	Jul-15	Germany	Female labor force participation
	Mar-15	Hungary	Female labor force participation
	Jun-15	Iceland	Gender budgeting
	Mar-15	India	Female labor force participation, gender gap in participation rates
	Dec-15	Mali	Gender inequality, female labor force participation
	Nov-15	Sweden	Gender diversity in senior corporate positions and financial performance
2016	Nov-16	Cabo Verde	Gender gap
	May-16	Costa Rica	Female labor force participation
	Aug-16	Guatemala	Financial inclusion and gender inequality, female labor force participation
	Mar-16	India	Female labor force participation, gender gaps
	Jul-16	Italy	Female labor force participation
	Mar-16	Mauritius	Gender gap analysis
	Mar-16	Nigeria	Gender gap analysis
	Jun-16	Poland	Female labor force participation
	Mar-16	WAEMU	Gender inequality, female labor force participation
2017	Dec-17	Argentina	Gender bias in the labor market
	Feb-17	Austria	Female labor force participation
	Jul-17	Canada	Female labor force participation
	Dec-17	Egypt	Job creation and female labor participation
	Nov-17	FYR Macedonia	Female labor force participation
	Jan-17	India	Gender gaps, female labor force participation, child sex ratios
	Feb-17	Iran	Female labor force participation
	Jul-17	Japan	Female labor market participation, gender equality in labor market outcomes
	Jun-17	Jordan	Female labor force participation
	Dec-17	Kyrgyz Republic	Female labor force participation
	May-17	Mongolia	Support to women
	Jan-17	Morocco	Gender inequality, female labor force participation
	Jan-17	Niger	Gender inequality
	Jun-17	Norway	Quality of employment for women
Jun-17	Pakistan	Gender gaps, female labor force participation, inclusion of women	
Jul-17	Rwanda	Gender gaps and gender-related social-economic outcomes	
Feb-17	Slovakia	Regional disparities	
2018	Jul-18	Cameroon	Gender gaps in social and health indicators
	Jun-18	Czech Republic	Female labor supply
	Mar-18	Iran	Incentives for women to join the labor market
	Apr-18	Israel	Female labor force participation
	Apr-18	Jamaica	Female labor force participation
	Mar-18	Lao PDR	Gender inequality in outcomes
	Mar-18	Nigeria	Gender inequality and opportunities
	Jul-18	Slovak Republic	Childcare, leave policies, and female labor market participation
	Jun-18	Sri Lanka	Female labor force participation
	Nov-18	Japan	Gender gaps in labor market and policy-making positions
Nov-18	Tanzania	Economic opportunities for women	
2019	Apr-19	Argentina	Gender equity
	Jun-19	Armenia	Female labor force participation
	Feb-19	Australia	Female labor force participation
	Aug-19	DRC	Gender inequality
	Jun-19	Ecuador	Gender wage gap
	Dec-19	Estonia	Gender pay gap
	Dec-19	Haiti	Gender inequality
	Jun-19	Ireland	Gender gap
	Aug-19	Lao PDR	Gender equality, gender gaps
	Jan-19	Macedonia	Female labor force participation
	Feb-19	Malta	Female labor force participation
	Nov-19	Mexico	Gender gaps
	Dec-19	Morocco	Female labor force participation
	Feb-19	Nepal	Gender gaps
	Apr-19	Nigeria	Gender inequality
	Jul-19	Portugal	Female labor force participation
	Apr-19	Republic of Korea	Female employment/labor force participation
	May-19	Republic of Uzbekistan	Women's job prospects
Jan-19	Senegal	Budget expenditures on female educational and labor outcomes	
Jul-19	Singapore	Gender gaps	
Jun-19	Togo	Gender inequality	
Apr-19	Uganda	Gender gaps	
2020	Jan-20	Japan	Gender inequality
	Feb-20	Australia	Female labor force participation
	Mar-20	Italy	Gender gaps in employment and labor
	Apr-20	Jordan	Gender inequality
	Nov-20	Spain	Gender equality in the labor market
	Apr-20	Panama	Gender inequality
Apr-20	Sierra Leone	Gender gaps	
2021	Mar-21	Canada	Impact of the lockdown on female workers
	Mar-21	Costa Rica	Unequal impact of the pandemic
	Jan-21	Germany	Labor market outcomes and exposure by gender
	May-21	New Zealand	Gender gap analysis
	Mar-21	Paraguay	Female labor force participation
	Mar-21	Sao Tome & Principe	Gender disparities
	Mar-21	Sweden	Female participation and gender equality
	Jun-21	Slovak Republic	Impact of pandemic on female workers
Feb-21	Tonga	Gender gaps	



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