



## Applying the Asian Development Bank's Approach to Gender Mainstreaming in Private Sector Operations

**Purpose:** Provide an overview of how the Asian Development Bank (ADB) mainstreams gender into private sector projects and the business case for advancing gender equality.

### ADB's Gender Mainstreaming Approach

Accelerating Progress in Gender Equality is one of the operational priorities in Strategy 2030 of the Asian Development Bank (ADB).<sup>1</sup> A four-tier gender categorization system is applied to identify, measure, and report on project design features that contribute to accelerating gender equality.<sup>2</sup>

The ADB Corporate Results Framework includes gender targets: by 2030, at least 75% of all committed operations will have gender elements “promoting gender equality,” and at least 55% will be “gender mainstreamed.”<sup>3</sup>

**Gender mainstreaming at entry:** The project team, in conjunction with the investee company, identifies relevant gender points of entry and agrees on indicators and targets. The preliminary gender

#### Promoting financial inclusion.

Nonsovereign project 47905-014 promotes rural financial inclusion in Azerbaijan by supporting AccessBank, which offers loans to give small businesses a chance to develop and grow. This provides job opportunities for the community including women (photo by ADB).

<sup>1</sup> ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

<sup>2</sup> ADB. 2021. *Guidelines for Gender Mainstreaming Categories of ADB Projects*. Manila.

<sup>3</sup> ADB. 2019. *ADB Corporate Results Framework, 2019–2024: Policy Paper*. Manila.

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category is determined by the project team early on in PSOD project preparation and already indicated in the preliminary Concept Review Form.

All projects that are categorized *gender equity theme (GEN)* or *effective gender mainstreaming (EGM)* are required to have gender action plans. The Gender Equality Thematic Group Secretariat in the Sustainable Development and Climate Change Department confirms the project or program's gender category through interdepartmental consultations prior to the last investment committee meeting before Board approval.

**Gender mainstreaming during administration and at exit:** The project team will support and monitor the execution of the agreed gender action plan during project administration. At exit, the project team will ensure that gender results are included in the extended annual review report, which is the project completion report tailored for PSOD.

### Potential Points of Entry to Accelerate Gender Equality

A project should consider women as consumers, business leaders, employees, or suppliers to determine points of entry to support gender equality.

The following is an overview of common points of entry for the ADB investee company or client, based on the different roles women play. Note that these are illustrative points of entry and not indicators, which require greater specificity.

- (i) **Adapt products or services to meet women's needs.** Clients can design products and services that meet the needs of women and women-owned businesses, and effective marketing strategies to promote these products and services. Example gender points of entry:
  - Client designs a marketing or distribution strategy to better meet women's needs.
  - Client develops products and/or services that specifically target or meet women's needs.



**Recognizing the role of SMEs** Small- and medium-sized businesses, like Gulzhomal Anorkulovna's beauty salon, make key contributions to employment and growth in the Kyrgyz Republic (photo by Vyacheslav Oseledko/ADB).  
Project 45910-014: Senior Unsecured Loan in Kyrgyz Investment and Credit Bank Small and Medium-Sized Enterprise Finance in Kyrgyz Republic



Training facilitators from Vena Energy, Mataram University, and the local government helped the women of Jeger Buana Lombok to expand their market for their cassava chips business (photo by Achmad Ibrahim).

- (ii) **Increase gender equality in governance, leadership, and the workforce.** Clients can set targets to increase women's presence on boards, in leadership, and in the workforce. Example gender points of entry:
  - Client increases the number or percentage of female board members.
  - Client increases the number or percentage of female employees hired for technical roles.

- (iii) **Enhance gender equality in the workplace.** Policies that facilitate gender parity in the workplace are lacking. Clients can adopt anti-sexual harassment policies and training programs; gender inclusion policies for recruiting, hiring, retention, and promotion; and flexible work arrangement policies that support women's contribution to the workforce. Example gender points of entry:
  - Client adopts an anti-sexual harassment policy with a confidential reporting mechanism, confidential investigative procedure, mechanism for redress, and a non-retaliation clause.
  - Client creates and implements a recruiting strategy to support greater gender inclusion.



A lab technician is evaluating blood samples with the help of a microscope in a pathology lab of Medanta Hospital (photo by Amit Verma/ADB).

- (iv) **Improve gender inclusion in procurement.** Large corporations spend less than 1% of their global procurement budget on women-owned businesses.<sup>4</sup> Companies of all sizes can accelerate gender equality by taking proactive steps to include women-owned businesses and individual women entrepreneurs among their suppliers of goods and services.

To enhance gender inclusion in procurement, clients could increase the number, percentage, or value of purchases from women or women-owned businesses.

<sup>4</sup> E. Vazquez and A. Sherman. 2013. *Buying for Impact: How to Buy from Women and Change Our World*. Advantage Media Group.



## The Business Case for Gender Equality

Gender inequalities persist across Asia and the Pacific; this is evident in various sectors, including but not limited to education, health outcomes, employment, entrepreneurship, and decision-making. A McKinsey Global Institute report estimated that if gender inequalities were eliminated, the region could add \$4.5 trillion to the regional annual gross domestic product in 2025, a 12% increase over the no-action scenario.<sup>a</sup>

**Gender equality is good economics for individual companies.** Businesses with genuine gender diversity, particularly at the senior level, perform better. For example, a Peterson Institute for International Economics study of 22,000 companies in 91 countries found that the difference between having no women in corporate leadership and a 30% female share is associated with a one-percentage-point increase in net margin—which translates into a 15% increase in profitability for a typical company.<sup>b</sup> A study by the International Labour Organization of 13,000 enterprises in 70 countries found that companies with initiatives to increase gender diversity in management reported profit increases from 5% to 20%.<sup>c</sup>

**Gender diversity translates into improved ability to attract and retain talent.** It improves the company's ability to meet customer needs and gauge customer sentiment, as the workforce better reflects customers. A study by the Center for Talent Innovation found that companies with diversity are 70% more likely to capture new markets and 75% more likely to get innovative ideas to market.<sup>d</sup> Including women suppliers allows a company to mirror its customer and employee base, enhancing the company's brand and enabling it to tap into local networks and knowledge.<sup>e</sup>

<sup>a</sup> J. Woetzel et al. 2018. *The Power of Parity: Advancing Women's Equality in Asia Pacific*. New York: McKinsey & Company.

<sup>b</sup> M. Noland and T. Moran. 2016. *Study: Firms with More Women in the C-Suite Are More Profitable*. *Harvard Business Review*. 8 February.

<sup>c</sup> Bureau for Employers' Activities. 2019. *Women in Business and Management: The Business Case for Change*. International Labour Organization. 22 May.

<sup>d</sup> S. A. Hewlett, R. Rashid, and L. Sherbin. 2018. *Diversity's Positive Impact on Innovation and Outcomes*. In B. Larvin and P. Evans, eds. *The Global Talent Competitive Index 2018: Diversity for Competitiveness*. Fontainebleau, France: INSEAD.

<sup>e</sup> E. Vazquez and A. Sherman. 2013. *Buying for Impact: How to Buy from Women and Change Our World*. Advantage Media Group.

Source: Asian Development Bank.



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