

## **Observations on IDB Invest’s Environmental and Social Sustainability Policy draft from a gender-sensitive perspective**

Fundeps – Foundation for the Development of Sustainable Policies

### **Introduction**

The IDB Invest is the private branch of the Inter-American Development Bank (IDB), in charge of providing funding to the private sector in the Latin American and Caribbean region. On the 17th June 2019, IDB invest began the process of revising their Environmental and Social Sustainability Policy, opening a 120-day period of virtual and face-to-face consultation in different countries of the region<sup>1</sup>, particularly regarding the new draft of the Environmental and Social Sustainability Policy published by the bank.<sup>2</sup>

Broadly speaking, the draft recognises a situation that was already happening in IDB Invest and it adopts the eight environmental and social sustainability performance standards of the International Finance Corporation (IFC)<sup>3</sup>, the private branch of the World Bank. These rules essentially establish the responsibilities of both the clients and the bank to prevent, manage and address the social and environmental risks of the projects financed by the Bank.

Thus, the review of IDB Invest’s environmental and social policy responds to the need to establish “*a single framework of standards that clients must comply with instead of using multiple third-party standards. The updated process includes a review of current trends and best practices related to environmental and social sustainability, including those designed by other international finance institutions (IFIs) operating in the private sector.*”<sup>4</sup> According to the recommendations made by the Office of Evaluation and Oversight (OVE) in the evaluation of IDB’s environmental and social safeguard policies<sup>5</sup>, IDB Invest is in the search for borrowers to adhere to IFC’s Performance Standards. It also seeks to remove references to other third-

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<sup>1</sup> IDB Invest. Webpage on the Consultation of IDB Invest’s Environmental and Social Sustainability Policy: <https://www.idbinvest.org/es/consultation/environmental-and-social-sustainability-policy>

<sup>2</sup> IDB Invest. IDB Invest’s Environmental and Social Sustainability Policy Draft. Available at: [https://www.idbinvest.org/sites/default/files/Sustainability\\_Policy-Spanish.pdf](https://www.idbinvest.org/sites/default/files/Sustainability_Policy-Spanish.pdf)

<sup>3</sup> IFC. International Finance Corporation (IFC) Performance Standards. See: [https://www.ifc.org/wps/wcm/connect/Topics\\_Ext\\_Content/IFC\\_External\\_Corporate\\_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards](https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards)

<sup>4</sup> IDB Invest. Consultation Plan. IDB Invest’s Environmental and Social Sustainability Policy Draft. Available at: [https://www.idbinvest.org/sites/default/files/2019-%20Consultation%20Plan-Sustainability\\_Policy](https://www.idbinvest.org/sites/default/files/2019-%20Consultation%20Plan-Sustainability_Policy)

<sup>5</sup> OVE. Environmental and Social Safeguarding Evaluation. 2018. Available at: [https://publications.iadb.org/publications/spanish/document/Evaluaci%C3%B3n\\_de\\_Salvaguardias\\_Ambientales\\_y\\_Sociales.pdf](https://publications.iadb.org/publications/spanish/document/Evaluaci%C3%B3n_de_Salvaguardias_Ambientales_y_Sociales.pdf)

party standards. Further, according to OVE's recommendations, IDB Invest must adopt a solid single set of standards.

Thus, the objective of the public consultation *"is to establish a constructive and transparent dialogue that allows IDB Invest to listen to the suggestions of interested parties, providing everyone with an opportunity to contribute and improve the effectiveness of the Policy."*<sup>6</sup>

The review of the environmental and social policy will have an impact on the Bank's scope of addressing the social and environmental risks of the projects it finances in the region. In order to achieve good risk and impact management, IDB Invest must ensure that the new policies comply with the highest international standards and good social and environmental management practices.

This document aims to present the observations and comments to the draft of IDB Invest's new Environmental and Social Sustainability Policy from a gender perspective, which is practically absent in the current draft. These observations are made with the aim of making conflicts and existing problems in the actions of IDB Invest more visible, related to the violation of rights, inequality, violence and the sexual division of labour, first and foremost. At Fundeps we hope to see the following comments and suggestions effectively incorporated into the new Environmental and Social Sustainability policy passed by the Executive Director of IDB Invest.

### **Observations and Recommendations**

- The draft published by the Bank appears to incorporate a gender perspective into IDB Invest's Environmental and Social Sustainability Policy. However, such an intention seems to simply reflect a strategy to show itself as politically correct, rather than a real commitment to address the issue in an effective and committed way, as mentions of gender have little substance, are volatile and lack specificity. It takes a superficial approach to gender. No reference is made to any of the Conventions, Declarations, Committees, General Recommendations, or international treaties on the subject, nor does it reference and provide sustenance and content to their scarce hypotheses on gender. In the absence of clarity, specificity and development of actions and proposals for the protection of women's human rights which they seek to protect and promote, it is impossible to establish concrete forms of application, monitoring and evaluation, as well as to analyse impacts differentiated by gender. **The language must be modified to make it clearer and more specific, making explicit mention of the Conventions, Declarations, Committees, General Recommendations and international treaties on gender.**

The United Nations Committee for the Elimination of Discrimination against Women (CEDAW) has developed a General Recommendation on the gender dimensions of

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<sup>6</sup> IDB. Consultation Plan.

disaster risk reduction in the context of climate change (General Recommendation No.37 of 13th March 2018). There the Committee establishes the general and specific principles of the CEDAW Convention applicable to disaster reduction and climate change. The recommendation is important since, not only does it establish women's human rights standards that States part of the convention must comply with, but it includes non-state actors as well. Paragraph 15 states: *"The current general recommendation is centred in the obligation of member States the non-state actors to take effective steps in order to respond to disasters and climate change, as well as to foresee and mitigate their adverse effects and to ensure that the human rights of women and girls are respected, protected and fulfilled under international law in that context. Three areas of stakeholder action which are mutually reinforced are distinguished, namely, the general principles of the Convention applicable to disaster risk and climate change, specific actions to address disaster risk reduction and climate change, and the specific areas of concern."*

- We understand gender inequality as a transverse and structural problem. However, the policy document addresses it in isolation, without considering that each of the points addressed in the different articles has impacts differentiated by gender.

In addition, the policy understands gender as a "transverse" category that participates in the strengthening of inequality and discrimination, along with other "vulnerabilities" such as race, language, religion, sexual orientation, accounting for an understanding of intersectionality. On the contrary, this is not reflected concretely in each of the articles, therefore **it is necessary to make the gender perspective visible in the four specific areas of focus within the Policy.**

For example, when addressing issues like biodiversity, natural resource management and climate change, it is women who are most affected due to their role as caregivers, assigned to them on the basis of the sexual division of labour. They are the ones left without access to drinking water to feed and clean their families, the ones who care for family members who are ill due to environmental pollution, or the ones who are cut off from all kinds of resources after resettlement. This takes away their autonomy and overloads them with work that for the most part occurs in violent environments as much in the public sphere as in the private sphere. **In these cases, it is necessary to apply gender-sensitive criteria that allows the management of these resources in order to take into account the particular vulnerability and exposure of women to risky situations.**

- One of IDB Invest's commitments, Art. 7, letra IV, is *"gender equality, including preventing gender exclusion, gendered violence, including sexual exploitation or*

*human trafficking, and sexually-transmitted diseases in IDB Invest-funded projects (for example in the workplace and public consultations)."*<sup>7</sup>

The article mentions that the Bank promises to promote, through its investments, gender equality, especially at work, and prevent and eradicate gender-based violence at work. However, it is stated in very broad and abstract terms, excluding and ignoring the private sphere (households, domestic and care tasks, and families) of workers. There International Labour Organisation's (ILO) criteria specify the concepts of violence with specific attention to work environments. In turn, they propose ways of addressing these cases while providing clarity and concrete measures to be taken for the real protection of said cases, of which their incorporation and contemplation indicate a collaboration to implement the aforementioned vague standards. Thus, **the Bank must commit to promoting gender equality in a more clear and real way, including the private sphere of workers, and incorporating the criteria on violence embodied in different ILO conventions.**

In particular, **IDB Invest must incorporate what has been established by the 190th Convention of ILO** (*Convention on the elimination of violence and harassment in the world of work in 2019*) that in particular **takes into account the private sphere of workers as a scope of application and establishes specific measures of protection and prevention** (articles 7, 8 and 9); **the control of the application and the means of recourse and redress** (article 10); **orientation, training and awareness** (article 11) **and methods of application** (article 12) in order to promote an inclusive and integrated approach that takes gender into account avoid and eliminate violence and harassment in the world of work.<sup>8</sup> Such an approach considers, among other things:

- prohibiting violence and harassment by law;
- ensuring that there are relevant policies addressing violence and harassment;
- adopting an integral strategy in order to apply measures to prevent and fight violence and harassment;
- establishing mechanisms for monitoring implementation and follow-up or strengthening existing mechanisms;
- ensuring that victims have access to means of recourse and redress and support measures;
- foreseeing sanctions;

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<sup>7</sup> IDB Invest. IDB Invest's Environmental and Social Sustainability Policy Draft.

<sup>8</sup> ILO. 190<sup>th</sup> Convention of ILO – Convention on the elimination of violence and harassment in the world of work – 2019. Available at:  
[https://www.ilo.org/dyn/normlex/es/f?p=1000:12100:0::NO:12100:P12100\\_INSTRUMENT\\_ID:3999810](https://www.ilo.org/dyn/normlex/es/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:3999810)

- developing education and training tools, guidance and activities, and awareness-raising activities in accessible form as necessary and
  - guaranteeing that effective means of inspection and investigation of violence and harassment cases are in place, including through the work inspectorate or other responsible bodies.
- The responsibilities should not rest solely with the bank's customers. In addition, the bank should not fund projects that do not incorporate gender equality into their criteria or whose evaluations result in the continuation of gender inequality, violence, abuse and discrimination. At the same time, **the Bank should incorporate an evaluation of the domestic spheres of the people involved in the project as a prerequisite for funding, especially the vulnerable communities, making an evaluation of the impacts differentiated by gender and addressing the structured inequalities determined by the sexual division of labour.**
  - The environmental and social sustainability policy takes into account extreme cases of violence such as human trafficking and smuggling, in particular of women and other gender identities, but it ignores other types of gendered violence like symbolic, psychological and structural, such as the sexual division of labour. In cases of human trafficking victims, it imposes non-recruitment on their customers, which poses a contradiction since it keeps victims in that condition, excluding them from the possibility of access to formal work. **The policy must incorporate all forms of gender-based violence such as symbolic, psychological and structural, not solely the extreme cases of violence mentioned -human trafficking and smuggling- putting concrete measures in place in order to dismantle the actions that reproduce inequalities in access to opportunities for work and professional development.**
  - For their part, the consultation mechanisms are not designed from a gender perspective. Although, as was established in article 7, gender equality is sought in public consultations, it is not clarified what this equality consists of, even less so considered are the structural inequalities that limit access to information and the participation of women and other identities in said mechanisms. Nor does it consider the naturalisation of gender-based violence that prevents its approach and presentation among such affected communities and consultation mechanisms. The seriousness of the situation could lead to this invisibility being exploited by projects funded by the bank and the Bank itself, which should be promoting the eradication of such violence. **The consultation mechanisms must be modified to ones with a gender perspective, clarifying how gender equality is to be ensured in public consultations, incorporating the structural inequalities that limit access to information as well as the participation of women and other identities in these mechanisms.**

- In the policy document customers are required to prevent harassment, however they do not state or recommend measures through which this requirement can be met. In this respect, there is a lack of clarity and an approach that incorporates truly preventive measures: training, gender awareness, incorporation of gender indicators in all funded projects, among others. **Thus, clear preventive measures to prevent harassment must be explicitly incorporated into the policy.**
- Article 7 (line VI) proposes the “*participation and inclusion of indigenous peoples and other vulnerable groups.*” In this regard, the Bank establishes that “*vulnerable may be considered to be related to race, colour, gender, sexual orientation, language, religion, political or other opinion, national or social origin, property or other circumstance. Customers should also consider factors such as gender, age, ethnicity, culture, literacy, illness, disability, poverty or economic disadvantage and dependence on a particular natural resource.*”

Although sexual orientation is mentioned, the same occurs as with the category of gender and all the analyses related to it. This translates into a limited perspective on gender, stated in binary terms that excludes sex/gender non-conformity. Bearing in mind that these non-conforming identities are the most vulnerable, in particular if they are combined with other vulnerabilities, the Bank should take an approach that views diversity from an intersectional perspective, incorporating appropriate categories and specific indicators to evaluate projects and impacts differentiated by gender. In addition, the Bank states that the principle of non-discrimination only applies to migrant communities, resulting in an exclusionary view toward other types of discrimination. **Therefore the policy must establish a non-discrimination principle for all vulnerable groups, and not only for migrant communities, as currently established. Further, it must incorporate all identities and the binary gender perspective must be put aside.**

- We understand that the private sector must be held accountable for its actions, always embodying an intersectional and transverse outlook on gender. In order to achieve this, the Bank must carry this out itself and demand that its customers carry out a detailed field study that identifies the role of women and sex/gender non-conformity in each community, in order to develop projects that address these particular differences and, instead of increasing gaps and violence, reduce them. **Incorporating a gender perspective means thinking about how women and other sex/gender identities are the primary caregivers, domestic workers and protectors of biodiversity. Consequently, the strategic needs of each sex/gender identity must be included.**

## Conclusion

On the whole, promoting gender equality, preventing exclusion, discrimination, abuse and gender-based violence, as well as the promotion of good practices in favor of equality of opportunity and gender equality does not seem to be a sincere commitment of the Bank. The gender perspective developed throughout the Policy is scarce, if at all. There is no mention of any of the international standards on human rights of women and other identities, nor of the instruments needed to avoid gender-based violence, as well as to ensure equality.

Therefore the institution **must carry forward a conceptual analysis of equality (formal, material and structural equality) and from there establish a minimum performance standard.** In turn, **IDB Invest should implement a Gender Audit.** These are relevant to ensure that policies, strategies, programmes and projects adhere to international standards that promote gender equality. Although policies are aimed at avoiding “exclusion”, **the main goal should be to include and create affirmative action measures that contribute to the visibility of people who are made inferior by the question of gender and placed solely into the role of a vulnerable victim.**

On the other hand, **it is extremely necessary that IDB Invest develops an gender-specific operational policy – or a new performance standard to be added to the existing 8 from the IFC – that applies to the institution, strategies, policies and projects undertaken by IDB Invest;** in the same way that IDB has its own gender operational policy.

In this way, IDB Invest can follow the model of IDB’s Operational Policy on Gender Equality in Development 2010<sup>9</sup> and on that basis develop its own policy or standard. It should be noted that this policy must include, as a minimum, those standards from IDB’s own gender policy that have brought it to the forefront in comparison with other similar financial institutions. In particular, IDB’s Gender Policy stands out as the best among the gender policies and strategies of IFIs because:<sup>10</sup>

- it is mandatory;
- it seeks to promote women’s rights and strengthen gender equity;
- it is applied to all operations, including all investments and loans based on Bank policies;
- it is driven by proactive acciones to promote gender equity and women’s empowerment; and preventive actions to reduce the negative impacts of gender;
- it addresses gender-based violence and identifies dimensions of the care economy;

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<sup>9</sup> IDB. Operational Policy on Gender Equality in Development. 2010. Available at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35428394>

<sup>10</sup> Gender Action. How do IFI Gender Policies Stack Up? April 2013. Available at: <http://www.genderaction.org/publications/ifigenderpolicies.pdf>

- it includes a “do no harm” safeguard element to prevent operations from harming women;

The observations made about the policy are intended to highlight areas that need improvement or those that lack a gender perspective. Mainstreaming the topic would include people not covered by the policy, which would mean a great step forward in terms of human rights and financial institutions.

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