TRANSFORMATIVE IMPACT FINANCING FOR WOMEN’S ECONOMIC EMPOWERMENT
The elimination of gender inequalities and the empowerment of women and girls will accelerate the realization of the Sustainable Development Goals (SDGs). Evidence shows that women’s economic empowerment raises economic productivity, reduces infant and maternal mortality, improves nutrition, promotes health, increases the chances of education for future generations and advances women’s rights. To accelerate progress in the years ahead, we must recognize women as vital agents of change and remove the barriers, including their disproportionate burden of unpaid care work, to their full economic potential.

Fostering the full participation of women in local economic development and entrepreneurship requires overcoming entrenched discriminatory attitudes and stereotypes and challenging existing inequitable historical, social and economic structures. Support is needed for both national and local governments and the private sector to design, plan, implement and sustain local public and private investments with a particular emphasis on unlocking barriers to women’s economic empowerment.

The Inclusive and Equitable Local Development Programme (IELD) is a joint UNCDF, UNDP and UN Women initiative, which aims to remove or reduce the structural impediments (i.e. infrastructure, access to financial services, etc.) that prevent them from entering the labour market. This will be done by unlocking domestic capital for public and private gender-responsive infrastructure projects, which can have a transformative impact on women’s entrepreneurship and economic empowerment. IELD uses the “One UN” approach which strategically leverages three agencies’ niche and comparative advantages in programming on gender equality and women’s empowerment.

Unpaid Care Work

Unpaid care work includes domestic work (meal preparation, cleaning, washing clothes, water and fuel collection) and direct care of people (including care of children, the elderly, people with disabilities and with illness) performed mostly by women and carried out in homes and communities. This unpaid care work remains largely invisible in economic calculations, statistics, policy and political discourse, and is commonly undervalued by society and policymakers, despite the fact that its monetary value is estimated at from 10 to over 50 per cent of GDP.
Programme Approach

Identify barriers to women’s economic empowerment
Unlock fiscal transfers from central to local governments
Invest in infrastructure projects based on local needs

Public Sector
IELD will work with central and local governments to build their capacities on gender-responsive economic policy and identify, together with local stakeholders, the structural bottlenecks that hinder women’s participation in income-generating activities. For example, if women have to spend hours fetching water, IELD will work with local authorities to utilize their capital mandate and unlock fiscal transfers from central to local governments to invest in water infrastructure projects which will save women time and enable them to engage in the economy.

Private Sector
At the same time, IELD will examine the role of the private sector at the local level, its potential for growth, its driving forces, as well as its relation to national, regional and global economies. With this in mind, IELD will identify a local pipeline of investable projects – women-led enterprises and gender-sensitive businesses, which are large enough to have a transformative impact on the livelihoods of the communities, recognize multiplier effects, and create jobs for women and men.

IELD will work with these enterprises, invest in grant mechanisms to build their capacity, upgrade their business plans and financial sheets, and bring them up to standards for domestic commercial banking institutions. Concurrently, IELD will build the capacities of both women entrepreneurs and commercial banks, for the latter by helping them to adjust their risk mitigation policies and compliance measures, which often prohibit women from qualifying for business loans. As such, IELD will minimize this market friction and help unlock domestic capital for women entrepreneurs.
Beginning in 2016, the IELD programme will have a duration of 5 years, with an initial presence in 3-4 LDCs, and an intention to systematically increase country presence based on availability of resources, country demand and, most importantly, the capacity of the project to effectively achieve the desired results and capture lessons learned.

<table>
<thead>
<tr>
<th>Output</th>
<th>Outcome</th>
<th>Expected Results</th>
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<tbody>
<tr>
<td>Women entrepreneurs’ capacities developed through establishment of women business incubators</td>
<td>Women have greater access to information and have better ability to develop effective businesses</td>
<td>Barriers to women’s economic empowerment eliminated and enabling environment for women’s local economic empowerment created</td>
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<tr>
<td>Strategies to address key national and local bottlenecks and barriers to women’s economic empowerment developed</td>
<td>Barriers to women’s economic empowerment eliminated and enabling environment for women’s local economic empowerment created</td>
<td>Domestic financing is unlocked and increased for gender-responsive local economic development</td>
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<td>Capacities of policy makers at local and national levels enhanced through targeted capacity building initiatives</td>
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<td>Gender-sensitive pipeline of investable projects established</td>
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<td>Local development funding mechanisms are gender-responsive</td>
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<td>National plans, budgets and investments at country level are gender-responsive and targeted to promote gender equality and reduce and redistribute unpaid care work</td>
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<tr>
<td>Women entrepreneurs’ capacities to establish productive partnerships with potential investors developed</td>
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Barriers to women’s economic empowerment eliminated and enabling environment for women’s local economic empowerment created.
Examples of IELD Investments

A Modern Market & Women’s Entrepreneurship in Tanzania
With an investment of technical expertise and seed capital ($250,000), UNCDF is supporting the development of a modern market in Tanzania’s Kibaha District, which will benefit 834,956 locals, especially women. Unlocking $7.6 million in commercial loans from Tanzania Investment Bank, the project is helping aspiring women entrepreneurs establish businesses at the market.

Lupali Small Hydro-Electric Power Project in Tanzania
With a seed investment of $250,000 in technical and capital support, UNCDF developed a public-private partnership for a hydropower project run by entrepreneurial nuns, which will increase rural electrification to an estimated population of 5,625 people (1,372 households). The project is yielding a large number of domestic investments which will have a transformative impact on women’s empowerment and local economies.

Fostering Capacity Building & Knowledge Sharing

Gender and Economic Policy Management Initiative (GEPMI)
To ensure that government investments address the structural barriers to women’s economic empowerment, UNDP has developed a comprehensive programme to train local and national government officials in gender-responsive economic policy making. Together with UN Women, UNDP will bring this capacity building and policy advisory programme to IELD programme countries. GEPMI has trained over 1,000 policy makers in Africa, Asia and the Pacific and the Arab States since 2010, providing them with the knowledge and tools to design and implement gender-responsive policies on unpaid care work, budgeting, trade, employment and labour markets on national level.

Empower Women
Empower Women is a dynamic and innovative platform facilitated by UN Women that is dedicated to promote women’s economic empowerment globally through knowledge exchange and community building. It will capitalize on both registered members and numerous visitors to provide information, resources and shared experience for IELD beneficiaries. With its knowledge sharing, capacity-building and connecting opportunities, the UN Women platform – EmpowerWomen.org – will equip women entrepreneurs and other stakeholders with the required confidence, knowledge, skills, resources and network to create change for gender equity and women’s empowerment.
Economic growth that leaves no one behind, including disadvantaged women, can deliver sustainable development more quickly. IELD programming focuses on the elimination of gender inequalities and the empowerment of women to strategically approach delivery on the Agenda 2030 and the SDGs and to accelerate sustainable development overall. Specifically, its multidimensional approach contributes to the achievement of the following SDGs:

For more information, please visit www.uncdf.org/ield

A joint global initiative to promote women’s local economic empowerment

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