

## INTERNATIONAL DEVELOPMENT ASSOCIATION'S TWENTIETH REPLENISHMENT MID-TERM REVIEW:

### *NOTE ON IDA'S CONTRIBUTION TO SEXUAL ORIENTATION AND GENDER IDENTITY INCLUSION*

#### I. INTRODUCTION

1. The IDA20 Replenishment Report '**Building Back Better from the Crisis – Toward a Green, Resilient, and Inclusive Future**' notes that **"IDA will learn from the publication of the 'Equality of Opportunity for Sexual and Gender Minorities' report to define and develop its contribution on this agenda, and report back at the IDA20 Mid-term Review."** This Note describes IDA's contribution to inclusive development with respect to sexual orientation and gender identity (SOGI) and presents some of the work to date to advance opportunities for sexual and gender minorities in IDA countries. The Note defines IDA's contribution fully within IDA's country-led engagement model, which recognizes that countries face heterogeneous challenges and have differences in policies and legal frameworks. To achieve sustainable development, IDA's contribution to this agenda relies on the premise of IDA responding to country demand and on the importance of tailoring support to fit country circumstances and priorities. It builds on the 'Equality of Opportunity for Sexual and Gender Minorities' report, published by the World Bank in 2021.<sup>1</sup> It was developed in parallel with the forthcoming World Bank Gender Strategy (2024–2030), which will support further institutionalization of SOGI inclusion across the World Bank.

#### II. CONTEXT

2. **Lesbian, gay, bisexual, transgender and intersex (LGBTI) people face widespread discrimination and violence worldwide.** The work to tackle exclusion of LGBTI people is constrained by stigma, social norms, and legal frameworks. Currently, 63 countries across the world criminalize same-sex consensual behavior or some forms of gender identity: 44 of them are IDA-eligible countries and seven are IDA donors. Among IDA's donors and borrowers, six countries (from both the borrower and donor constituencies) impose the death penalty for same-sex acts. It is worth noting that the application of laws that criminalize same-sex consensual behavior or some forms of gender identity varies considerably, with many countries choosing not to actively enforce them.

3. **Research suggests that the effects of SOGI-based exclusion could be costing economies billions of dollars, amounting to up to 1.7 percent of countries' GDP.**<sup>2</sup> Addressing SOGI inclusion provides an opportunity for IDA countries to ensure that more people can benefit from, and contribute to, development regardless of personal characteristics such as sexual orientation, gender identity and expression, and sex characteristics.

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<sup>1</sup> Cortez, Clifton; Arzinos, John; De la Medina Soto, Christian. 2021. Equality of Opportunity for Sexual and Gender Minorities. © Washington, DC: World Bank. <http://hdl.handle.net/10986/36288> License: *CC BY 3.0 IGO*."

<sup>2</sup> Badgett L, Park A, Flores A, Links Between Economic Development and New Measures of LGBT Inclusion, Williams Institute, 2018.

4. **Despite this challenging environment, LGBTI people have made progress in claiming rights and promoting inclusive societies in recent decades.** As of 2023, 13 countries provide constitutional protections for sexual and gender minorities. A further 55 countries provide broad protections and a total of 77 countries have laws protecting people from discrimination in the workplace based on sexual orientation.<sup>3</sup> In the past five years, countries including Angola, Gabon, Botswana, Mozambique, the Seychelles, Trinidad and Tobago, Belize, India, and Bhutan have decriminalized same-sex behavior.

### III. WORLD BANK'S APPROACHES TO SOGI INCLUSION

5. **The adoption of SOGI inclusion by the World Bank in 2015 was grounded in its commitments to non-discrimination, social inclusion, and gender equality.** Under the Bank's environmental and social policies, particularly the ESF (introduced in 2018), Bank-financed projects must be designed and carried out in a way that is inclusive of vulnerable and marginalized groups and prevents discrimination in project design and implementation. In addition, a Bank Directive on "*Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups*" requires Bank staff to ensure inclusion and non-discrimination on the basis of sexual orientation and gender identity. Building on this authorizing environment, the World Bank supports the design and implementation of projects with the goal of minimizing the possibility of discrimination based on SOGI and promoting social inclusion for all, regardless of their sexual orientation or gender identity.

6. **The World Bank has been building the knowledge and tools necessary to support clients in effectively integrating SOGI inclusion in development.** Since 2016, the World Bank has generated original data on discrimination and exclusion of LGBTI people and has studied the economic costs of SOGI-based exclusion, albeit mostly in IBRD countries. Collecting data from LGBTI people remains challenging, as many are reluctant to self-identify on surveys due to the risk of discrimination and exclusion. The generation of more and better SOGI-disaggregated data is a key priority for the World Bank, which is working with partners to develop a protocol to include SOGI-identifying questions in multi-topic household surveys. The body of inferential research continues to grow, with a focus both on the costs to economies of SOGI exclusion, and on generating evidence on how to boost inclusion.

7. **As part of its knowledge work, the World Bank has launched a study to assess the laws and regulations that affect LGBTI people worldwide.** The Equality of Opportunity for Sexual and Gender Minorities (EQOSOGI) study shows that only two of the 16 surveyed countries prohibit discrimination, bullying, cyberbullying, and harassment based on SOGI in educational settings and school admissions. Similarly, most of the countries surveyed lack legal frameworks that allow health-care providers to deliver services to sexual and gender minorities, including vaccinations and HIV prevention therapies. Only three of the 16 countries prohibit employers from dismissing employees based on their SOGI, leaving them more susceptible to losing their jobs. Only four of the 16 countries surveyed did not consider crimes based on a person's SOGI to be aggravating circumstances under the law (Box 1).

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<sup>3</sup> ILGA World Database <https://database.ilga.org/en> accessed on July 20, 2023

**Box 1. The Equality of Opportunity for Sexual and Gender Minorities (EQOSOGI) Study**

In 2021, the World Bank launched the EQOSOGI study in 16 countries, the first in a series of regular studies assessing the laws and regulations that affect the lives of LGBTI people. The first 16 countries—Bangladesh, Canada, Costa Rica, India, Indonesia, Jamaica, Japan, Kosovo, Lebanon, Mexico, Mozambique, Nigeria, South Africa, Tunisia, Ukraine, and Uruguay—represent different geographic areas, income levels, and inclusiveness of sexual and gender minorities. The report measures six indicators to identify differences in the legal treatment of sexual and gender minorities, including criminalization, political and civil inclusion, hate crimes, and access to inclusive education, the labor market, public services, and social protection. Although most of the 16 countries address discrimination against sexual and gender minorities in some way, no economy has achieved true equality under the law.

The World Bank is currently working with the Asian Development Bank to expand the EQOSOGI study and collect data in 64 countries. The EQOSOGI initiative provides a unique opportunity for the World Bank to use the legal and policy recommendations as the basis for advice on development policy financing and other interventions.

**8. World Bank-supported operational support for SOGI-inclusive development has to date been provided mostly, but not entirely, to IBRD countries: Argentina, Bangladesh, Chile, Colombia, India, Pakistan, Sri Lanka, Thailand, and Vietnam, in addition to a few regional projects.** The experience suggests key entry points for SOGI inclusion in IDA’s work using the country-led engagement model. Through country dialogue based on evidence and data, IDA can offer support to any IDA country that hopes to make progress toward SOGI inclusion. This can include operational support to: (i) build and protect human capital through increased access to safe and effective health care, education, and social protection programs; (ii) remove obstacles for access to more and better jobs; (iii) expand ownership, control, and management of assets, including better access to finance; and (iv) enhance individuals’ voice and leadership.

**9. Another entry point is the research on progress towards SOGI inclusion in IDA countries’ legal and regulatory frameworks.** The EQOSOGI research provides an opportunity to develop a dataset covering all IDA countries, by tracking progress toward non-discriminatory legal and regulatory frameworks in areas including criminalization, political and civil inclusion, hate crimes, and access to inclusive education, the labor market, public services, and social protection. Management will further refine its approach to engage and report on IDA countries’ progress towards SOGI inclusion.

#### **IV. IDA’S CONTRIBUTION**

**10. Using IDA’s country-led engagement model, and in support of ongoing institutional work in this area, IDA will:**

- a. Build further knowledge, data, and tools, including inferential research and impact evaluations on what works (and what does not) in closing SOGI inclusion gaps;
- b. Work with partners to develop a protocol to include SOGI-identifying questions in multi-topic household surveys;

- c. Continue to offer countries operational support for SOGI inclusion, including through development policy financing that supports policy and institutional reform; and
- d. Implement the EQOSOGI analysis to track and report on IDA country progress toward non-discriminatory legal and regulatory frameworks, covering criminalization, political and civil inclusion, hate crimes, and access to inclusive education, the labor market, public services and social protection.