

Executive Summary

The National Bank's leadership willingness and efforts to implement this audit, reflects a critical driver for ensuring gender mainstreaming in the Palestinian banking sector, which forms a vital component of the Palestinian private sector.

The management of the bank has contributed to achieving gender equality through several initiatives; they believe that gender equality plays a key role in the sustainability and comprehensiveness of the development process. This clearly indicates the high awareness and commitment of the Bank's senior management to achieve gender equality, which was obvious through the audit process. "We believe that the private sector cannot achieve its objectives without the implementation of gender equality", said Mr. Ahmad Haj Hasan (Director General of the National Bank), he adds: "We are an institution that believes in gender equality, besides we have taken in mind to be the national alternative for Palestinians who are seeking a sound, modern and superior financial service provider. This vision makes us develop untraditional banking products which are responsive to the needs and aspirations of the people according to their priorities in the local market. "Haj Hasan also stated, "The economic development process would be efficient without the real and equal participation of women, and it cannot prosper with only one half of the community and population."

The National Bank has adopted a sustainable Corporate Social Responsibility program, starting with the creation of responsible banking products, and through allocating a percentage of 2%-4% of its annual net profit to contribute towards developing the Palestinian community. Through "Hayati Savings Account", The National Bank has financed 125 micro projects led by women with zero interest rates in the West Bank. Through the same program that is dedicated to women, the National Bank contributed towards Dunya Women's Cancer Center with \$1 for each Hayati account in the year 2017 making the program the first Palestinian banking product that holds a direct community social responsibility message, seeking to achieve sustainable development by empowering Palestinian women financially and socially.

"We are committed to developing our Palestinian national economy through providing responsible banking products, based on meeting the actual financial needs of various sectors and segments of the Palestinian society," said Mr. Nasereddin, Chairman of the Board. He emphasizes that this also includes women, as an integral part of the Palestinian society.

The National Bank shows a high concern in developing the Palestinian society and women in particular through its CSR program and banking products. In the year 2017, The National Bank contributed to women's empowerment socially and economically with a total sum of US \$39,444 according to the bank's annual report that year.

Participatory gender audit:

The PGA is an important step forward in the mainstreaming of gender equality in different institutions, whether the governmental, semi-governmental, non-governmental, or private sector institutions, including banking institutions. The importance of gender issues was highlighted after the Declaration of the "United Nations Decade for the Advancement of the Status of Women", which was announced at the beginning of the year 1975, during the conference held in Mexico, and the subsequent follow-up resulted in the convening of several international conferences and adopted various methodologies and agendas aimed at improving the status of women to implicate gender in all development issues as a radical solution to eradicate the feminization of poverty. This is because females represent the vast majority of the world's poor as a result of all prevailing societal cultures that have excluded women from accessing and controlling income resources. That impact of is not limited to one country, but rather becomes a global issue affects all countries and societies in various economic, political, cultural and social aspects. The most prominent manifestations of these are the issues of asylum from poor countries to much wealthier countries in search of better living

conditions. Studies have shown that their negative effects are often more severe on women and children.

As a result of UN Women's interest in gender mainstreaming in all aspects of development, UN Women has taken an interest in using this tool (Participatory Audit) in the private sector companies, including the banking sector as part of its mandate to enhance women access to equal economic opportunities, sustainable and secured income. The National Bank (based on the interest of its board of directors) was one of the national banks to use this tool and the first to seek it.

The Participatory Gender Audit will become an integral part of the National Bank's management policy. In order to achieve the results of the PGA efficiently, the presence of an external professional party helps to promote the change and makes the Bank's initiatives towards gender equality more effective and efficient. International experiences in auditing are the most important approach for the audit. Therefore, an agreement was signed with Eatidal Al-Jariri / Saif (the PGA consultant), who formed an audit team with Mr. Riad Al-Dissi, an internationally certified member of the Palestinian National Audit team, to facilitate the auditing process in the bank. In addition to a team of the Bank's staff who were trained to participate in the audit.

This audit was distinctive and qualitative. It was initiated by the Bank's management, who approached UN Women to execute it, which reflects a sober political will to change and promote equality in an effective way. It is worth mentioning that The National Bank is the first Palestinian banking institution that approaches the UN Women to execute this audit, which indicates the serious will to enhance their implementation of gender equality internally and externally.

The audit process resulted in several positive results that can be dealt with as strengths that are supposed to be documented and approved in a systematic and planned manner, while some gaps have been identified. In order to achieve that, a plan should be drawn with both long and short terms activities according to the recommendations.

The bank's employees' number (females and males) is 587 in totals of the date of the audit. The percentage of female employees marked 32%, which is much higher compared to other local banks, which is only 19%. The representation of women in the higher administration is one of the matters that the administration will give attention to in the future and will take into consideration. On this matter, Mr. Haj hasan explained "the percentage of female employees in the middle management level is high, and by default you will see more females in top level in the next few years."

Prominent Pros of the Audit process:

- A real committed political will to adopt and implement gender equality by the Bank, with actual actions and procedures on gender mainstreaming towards gender equality, prior to the audit execution.
- The Bank's management is fully convinced that the Bank's sustainability is linked to the sustainability of development of the Palestinian society, and that sustainability cannot be achieved unless we all invest in all human resources (males and females), because their sustainability is directly linked to the sustainability of the local economic, cultural, social and political development.
- The Bank's management is also convinced that the financial and banking services provided by the Bank cannot be assessed by measuring the short-term financial returns only, but also by the Bank's contribution to support the development of the national economy.
- There is certainty that empowering women financially by financing MSME lending projects with zero or preferential interest rates, would reflect on sustainable development for the economy and women. since these projects have a clear impact on women financial independency, opening the door for more women entrepreneurs, job creation, and activating the internal trade results in a sustainable development in all aspects.
- Another strength that is worth mentioning is that the National Bank has signed and adopted the international reputable initiatives to promote and engage equality in its day to day business. In 2015, the bank signed and adopted the Women Empowerment Principles (WEPs), which is a joint initiative between the UN Women and UN Global Compact- The National Bank is the only

Palestinian bank adopting these principles. In 2013, The National Bank adopted the United Nations Global Compact (UNGC) initiative for business and become a signatory to the UNGC's universally accepted ten principles for human rights, labour, environment and anti-corruption. The National Bank also adopted OPIC's Environmental and Social policy installing a monitoring system to track its investments and projects adhering to the policy's principles on compliance with law, human rights, gender equality and women's empowerment, labour right, protection of natural habitats, conservation of biological diversity, climate change, pollution prevention and resource efficiency, public health, physical and cultural heritage and the protection of agricultural lands and soil conservation.

- The bank has undertaken a number of important initiatives and started implementing them effectively in order to achieve equality, notably breaking the psychological barrier that prevents women from reaching senior positions in the bank.
- The Board of Directors consists of 11 members, two of whom are females; Dr. Grace Khoury and Ms. Dina Masri. Thus, the representation of women is 2 to 11, or 18%. The Bank's General Assembly has approved recently amending the memorandum of association term to increase the BOD members to 13 and there is a decision to increase females' representation on board in the few coming years to become three members instead of two.
- There's an existing effort to facilitate women's access to banking services, through designing special banking products and through reaching out to unserved rural areas in the West Bank. The National Bank has also found a solution to allow women open saving accounts for their children whereas the local law restricted this.
- Conducting studies prior to the launch of any product, in order to design banking products based on the actual needs of the served segment. "Hayati" was designed to meet the actual need of women "Financial security" which was the main outcome of the study, the product had a significant impact on increasing the bank's women's clients' base, and contributed to increasing financial inclusion ratios for the segment.
- The 2017 Annual Report indicated that the bank will continue its efforts to enhance the financial inclusion ratio for women, especially after launching "Hayati" program. The bank has also conducted several banking literacy workshops for women focusing on residents of villages and rural areas.
- The Bank has also over-rid the minimum rights of workers (female workers specifically), which is implicated by the Palestinian Labour Law and overcame many of the points of this law in favour of achieving gender equality.
- Balance and equality, most notably the adoption of Paternity Leave, health insurance for family members and other related issues that will be explained in details in this report.
- Strengthening building partnerships with local organizations concerned with empowering Palestinian women.
- implementing a Corporate Social Responsibility program that includes adequate awareness of women's needs and responds to these needs in a deliberate and planned manner.
- Dealing fairly with women when it comes to employment, some serious measures were taken in consideration, such as; Human Resources Department never requests photo for any job applicant (woman or men), which indicates that the bank doesn't hire according to appearance or physical features...

Accordingly, the audit team made several recommendations, the most important of which are:

- Adopting gender awareness trainings within the routine trainings required to prepare and qualify the female and male employees of the bank, existing and new staff.
- Developing a written strategy to take gender mainstreaming into account in all aspects of the Bank's work, including identifying the entrusted body to follow up the implementation and enforcement of this strategy.
- Providing health insurance for female employees, including husbands and children, to become equal to male employees.