

# Impact on human capital

Promoting equal  
opportunities





# Impact on human capital: promoting equal opportunities

- Contents
- President’s foreword
- EBRD activities and projected results in 2024
- Delivering impact
- Impact on financial markets
- Impact on the green transition
- Impact on human capital**
- Impact on the digital transition
- Managing our impact
- Future impact
- References
- Acronyms and abbreviations
- Annex

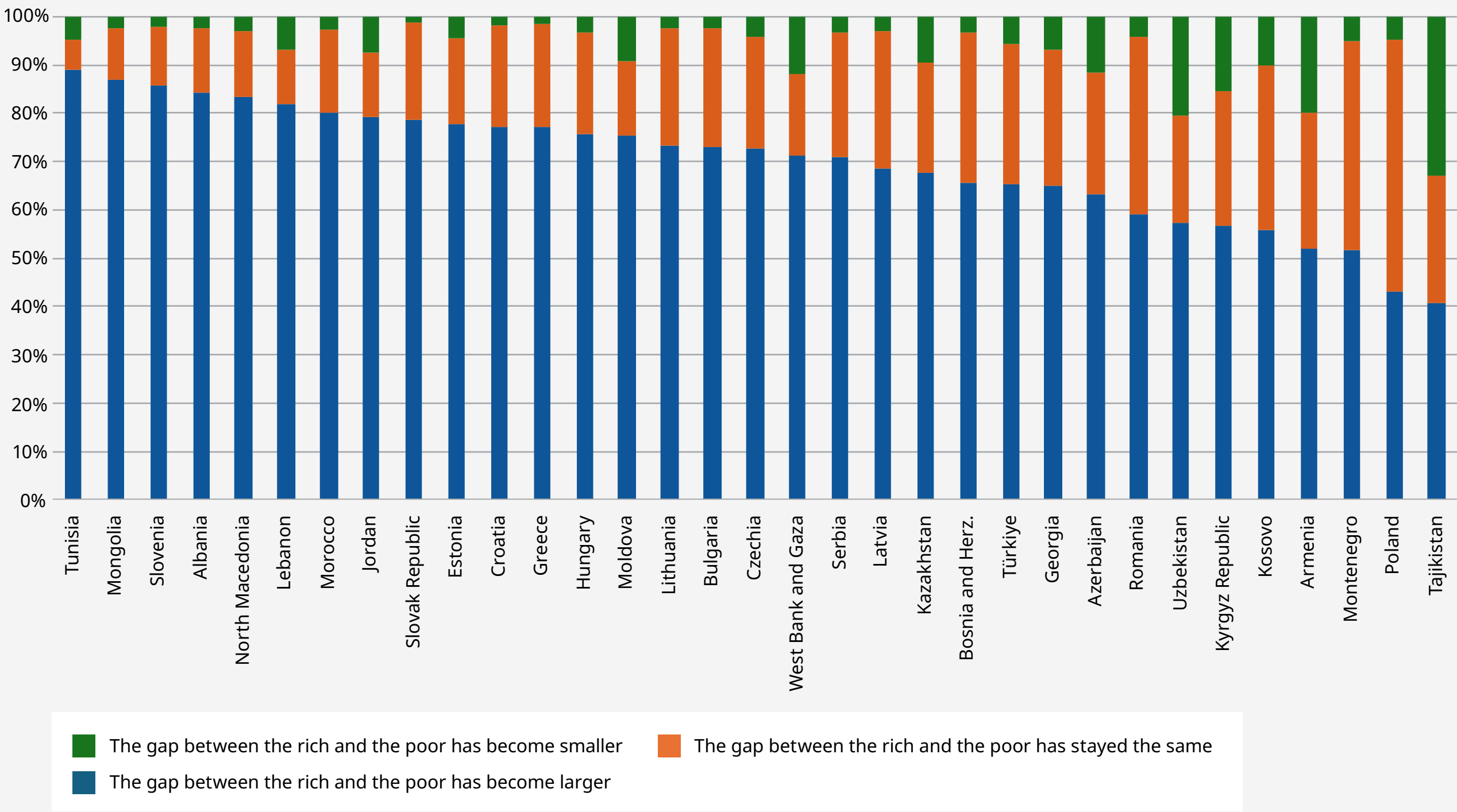
## Challenges and opportunities

**The EBRD believes that equality of opportunity drives economic growth.** Developing human capital – the skills and knowledge of individuals and wider populations – and enabling the empowerment of women in workplaces yields undeniable benefits for companies and countries. It builds broader talent pools, enables economies to benefit from more diverse skill sets and, in turn, boosts business growth and profitability by fuelling competitive innovation and contributing to sustainable market development. Countries that are more inclusive and have greater equality of opportunity are not only more cohesive and politically stable but are also more prosperous.

**However, inequality of opportunity has continued to widen in most EBRD regions over the past decade.** This includes countries that have experienced improvements in per capita income. South-eastern Europe (SEE) and Türkiye in particular have witnessed an increase in income inequality due to circumstances such as people’s family background and gender. More widely, an average of 70 per cent of people interviewed across 33 countries as part of the *Life in Transition Survey IV* in 2022-23 believed the gap between rich and poor to have widened between 2018 and 2022 (Figure 10).<sup>28</sup> Only in two of the countries surveyed, Poland and Tajikistan, did a majority of the population perceive inequality to be stable or declining. Growing inequality of opportunity can have significant socioeconomic impacts, discouraging effort and hard work while fostering a sense of unfairness. In turn, this can erode trust in political institutions and undermine confidence in the market-based economic system.

28. See EBRD and World Bank (2024).

Figure 10. Perceptions of inequality between 2018 and 2022



Source: EBRD and World Bank (2024).

Contents

President’s foreword

EBRD activities and projected results in 2024

Delivering impact

Impact on financial markets

Impact on the green transition

Impact on human capital

Impact on the digital transition

Managing our impact

Future impact

References

Acronyms and abbreviations

Annex

**Rigid social norms and restrictive policies are exacerbating inequalities.** The legal environments that are meant to support equality of opportunity remain a significant concern in some countries. Laws and policies are either failing to protect women effectively or lack proper enforcement, making it harder for women to achieve equal rights and opportunities. Moreover, gender-based violence and harassment (GBVH) remains a persistent challenge across the EBRD regions. These ongoing challenges not only affect women’s safety, but also limit their ability to fully participate in the economy and contribute to business development and sustainable markets.

**The EBRD remains steadfast in advancing human capital and supporting gender equality.** The Bank has committed to 40 per cent of its projects supporting actions that enhance women’s economic empowerment. Our strategy for equality of opportunity also sets out a target that 25 per cent of our investments promote economic inclusion through material objectives. The EBRD’s strategic support for gender equality and human capital has the potential to boost economic opportunities for under-represented populations and support the transition of countries towards sustainable market economies. By integrating the resilience of human capital and preservation of equality of opportunity into the EBRD’s crisis response, the Bank works to protect livelihoods and support businesses, helping to facilitate a faster and more sustainable economic recovery. Closing gender gaps in labour-force participation and working hours can also result in significant GDP gains across many EBRD economies. This can in turn provide the resilience that will enable faster recovery from various shocks – including economic and conflict-related – as these can disproportionately affect vulnerable groups such as women.

The EBRD’s impact

**The Bank is advancing sustainable market development by promoting equality of opportunity on numerous fronts.** It signed 319 investments (worth a combined €8.5 billion) in 2024 that support economic inclusion and/or the economic empowerment of women – a 31 per cent increase in terms of project numbers from 2023. It also launched 44 new technical cooperation projects – support for clients and partners to prepare for or improve the implementation of investments or policy dialogue– bringing the total number of active initiatives to 126. Technical cooperation is a cornerstone of the EBRD’s work and plays a vital role in maximising the impact of its projects, equipping Bank clients with customised support to fulfil their commitments. Donors contributed to 181 investments and technical cooperation projects last year, underpinning EBRD efforts to promote sustainable markets. To spur systemic change at a sector and country level, the Bank also participated in 33 policy engagements dedicated to fostering equality of opportunity and/or women’s economic empowerment across its regions in 2024.

**Broadening access to skills, employment and livelihoods:** The EBRD continued supporting the adoption of higher corporate standards in 2024 by assisting in the design and implementation of market-relevant skills-development programmes. This enabled clients to access and attract a broader talent pool, as well as to improve staff retention by offering more equitable and inclusive workplaces.

Results achieved since 2022

**200+** new partnerships between clients and training institutions

**25,000+** people with improved skills

**70,000** sub-loans disbursed to women- or youth-led businesses



Contents

President’s foreword

EBRD activities and projected results in 2024

Delivering impact

Impact on financial markets

Impact on the green transition

Impact on human capital

Impact on the digital transition

Managing our impact

Future impact

References

Acronyms and abbreviations

Annex

A total of 67 EBRD clients and their suppliers introduced higher workplace standards last year to enhance female representation, especially in technical and senior management roles, as well as to address GBVH risks. This led to long-term behavioural transformation among Bank clients, with leading market players signalling change at sectoral level.

Client-led training programmes promoted by the Bank in 2024 also significantly increased access to skills for more than 21,000 individuals through 66 clients in 24 countries, with a focus on future-ready capabilities such as green and digital skills. This addressed critical business needs by expanding and enhancing talent pools and reducing skills gaps, while also creating new economic opportunities and improving the livelihoods of women, youth, refugees and war veterans, among others.

At a policy level, the EBRD capitalised on its clients’ local presence and the Bank’s strong government partnerships to address key systemic barriers in labour markets. By establishing Sectoral Skills Councils in countries such as Albania, Egypt, Jordan and Serbia and developing the first national occupational standard for energy in Kazakhstan, the EBRD is fostering greater coordination and alignment between industry and education, ensuring that the development of labour markets and human capital remain consistent with evolving economic demand.

**Reintegrating Ukraine veterans into the economy:** EBRD projects in wartime Ukraine are helping to reskill and reintegrate more than 17,000 combat veterans into the labour market, while supporting the economic resilience of war-affected businesses. A collaboration between the Bank and the State Employment

Service is also supporting skills matching in order to ensure market resilience amid the challenges of the ongoing conflict.

**Supporting financial inclusion and entrepreneurship:** The EBRD is playing a key role in creating more inclusive financial systems and business environments. Through its partner financial institutions (PFIs), the Bank extended 44,950 loans to women and youth-led micro, small and medium-sized enterprises (MSMEs) in urban and rural areas across 16 countries in 2024 (up sharply from 18,821 in the previous 12 months).<sup>29</sup> This work is enabling entrepreneurs to secure essential funding to launch and expand their businesses, which strengthens the private sector and boosts local economic growth.

The EBRD has also continued supporting PFIs in enhancing their practices and product offerings to better cater to the needs of underserved segments and tap into unrealised market and business opportunities. In Mongolia, the Bank worked with Khan Bank – one of the largest financial institutions in the country, with a 32 per cent market share<sup>30</sup> – on a dedicated digitalisation financial product to support women-led businesses in identifying and developing viable technology options and software solutions. This not only provided women entrepreneurs with the skills and resources to grow their businesses, but also helped expand and diversify Khan Bank’s portfolio.

In addition, the EBRD has made significant progress on policy engagement with national central banks to foster systemic change. The signing of Women Entrepreneurs Finance Code memoranda of understanding in nine countries across Central Asia, the southern and eastern Mediterranean (SEMED), eastern

Europe and the Caucasus and south-eastern Europe is expected to create further investment opportunities and foster sustainable growth in these regions.

Last year also saw the launch of a new Charter for the Financial Inclusion and Reintegration of War Veterans in Ukraine. Developed in collaboration with the National Bank of Ukraine and signed by local banks, it is supporting broader access to financial services for underserved groups.

**Ensuring access to services and public goods for all – including in Ukraine:** Enhancing infrastructure enables individuals and businesses to connect to markets, access jobs and expand their economic activities, thereby preserving existing opportunities and unlocking new ones across the EBRD regions. This is why the Bank has continued working to improve the design and delivery of infrastructure and municipal services that provide access to essential services such as water, transportation and energy.

In Ukraine, the EBRD is helping millions of people in the cities of Kyiv, Kharkiv and Kryvyi Rih to retain access to vital municipal services such as heating, drinking water and public transit, thanks to €77 million of emergency liquidity lines supplied to municipal service providers in 2024.

The Bank also began supporting the Ministry of Energy of North Macedonia last year in decommissioning fossil-fuel facilities and driving investment in green energy. This includes ongoing programmes to reskill workers and support affected communities through “just transition” action plans developed as part of the Accelerating Coal Transition investment programme, ensuring that the transition to low carbon leaves no one behind.

29. Data are obtained with a six-month lag. The figure for 2024 refers to loans issued from July 2023 to July 2024.

30. See Fitch Ratings (2024).



Contents

President’s foreword

EBRD activities and projected results in 2024

Delivering impact

Impact on financial markets

Impact on the green transition

Impact on human capital

Impact on the digital transition

Managing our impact

Future impact

References

Acronyms and abbreviations

Annex

Inclusion focus area 1

Supporting women entrepreneurs

**Equality creates economic opportunities for everyone.**

Enabling women to go further in business or to start their own private companies is not just a question of gender equality, but a significant opportunity for economies and financial institutions. Yet access to financial services remains unequal across the EBRD regions, preventing individuals from realising their full entrepreneurial potential. Women entrepreneurs, in particular, face disproportionate challenges in obtaining loans due to factors including limited credit history and lack of collateral, and because of bias in credit scoring and loan evaluations. EBRD research conducted in Türkiye found that loan officers were almost 30 per cent more likely to make loan approval conditional on the presence of a guarantor when an application appeared to come from a female rather than a male entrepreneur.<sup>31</sup> Across the EBRD’s regions, 17 per cent of women-led small and medium-sized enterprises (SMEs) perceive access to finance to be a major constraint on doing business, while 56 per cent are credit constrained, demonstrating that financial institutions still struggle to recognise women as a market segment.<sup>32</sup> In Central Asia, 64 per cent of women-led businesses are credit constrained, the highest rate of financial exclusion in the EBRD regions. Closing the gender gaps in the retail banking sector could unlock at least US\$ 40 billion (€38 billion) in additional annual revenue.<sup>33</sup> This is why a focus on building inclusive financial systems and business environments is crucial.

**The Bank has long worked on promoting inclusive financial services for women beneficiaries.** This includes through its flagship Women in Business (WiB) programme, launched in 2014 in Türkiye, which offers a comprehensive approach to supporting women-led businesses through financing, technical cooperation and capacity building. It also helps PFIs tailor their offerings to women-led MSMEs. So far, the EBRD has channelled €1.3 billion in financing to this segment across 22 countries, from Morocco to Mongolia, building the capacity of 6,853 women entrepreneurs. In 2024 alone, 38,479 new MSME loans were extended to women-led businesses, while 591 businesses accessed advisory services. Eighty-five per cent of women-led businesses that received advisory services in the previous year reported improved revenue or employment. On-lending through the EBRD’s PFIs also increased, particularly in Central Asia, where Kazakhstan saw sharp growth. In 2024, the programme expanded further, adding 21 new projects in 10 countries, with commitments to channel around €139 million to PFIs.



31. See EBRD (2019c).

32. Data extracted from Business Environment and Enterprise Performance Survey dataset, which uses the EBRD-EIB-WBG Enterprise Surveys conducted in 2018-20 covering almost 28,000 enterprises in 41 economies across most EBRD countries of operation.

33. See BNY Mellon and United Nations Foundation (2018).



- Contents
- President’s foreword
- EBRD activities and projected results in 2024
- Delivering impact
- Impact on financial markets
- Impact on the green transition
- Impact on human capital
- Impact on the digital transition
- Managing our impact
- Future impact
- References
- Acronyms and abbreviations
- Annex

**The EBRD uses policy engagement to maximise its impact.** To increase the effects of its work on equality, the EBRD combines its WiB programme with targeted policy engagement through the Women Entrepreneurs (WE) Finance Code programme. This global initiative launched by the Women Entrepreneurs Finance Initiative (We-Fi) unites regulators and financial service providers in accelerating financing for women-led SMEs. By collecting and utilising sex-disaggregated data on SMEs, the initiative quantifies the gender finance gap, identifies regulatory bottlenecks and designs evidence-based policies to enhance financial inclusion. The WE Finance Code launched towards the end of 2023 and has already reached 14 economies across Central Asia, the Western Balkans, SEMED and the Caucasus. In 2024, it made significant strides, with memoranda of understanding signed in nine of the 14 countries and Georgia launching a data dashboard on women’s entrepreneurship. Diagnostics in Central Asia are complete, with work ongoing in the Western Balkans and SEMED in 2025.

**Levelling the playing field enables long-term private-sector growth.** Programmes that blend private and public finance, such as WiB, and those that enable policy reforms, such as the WE Finance Code, can be powerful tools for sustainable growth. They motivate and enable banks to lend more to underserved business segments, removing market barriers and enabling women to fulfil their potential to start and scale up businesses. By levelling the playing field for women entrepreneurs, reducing financial disparities and transforming the financial sector into a more inclusive ecosystem, the EBRD catalyses long-term, sustainable economic development while promoting gender equity (Box 4).

**Box 4**  
**Blended finance supporting women entrepreneurs: insights from WiB Türkiye**

**The first EBRD WiB programme in Türkiye underscored how blending private and public finance can expand access to credit for women.** The initiative, which ran from 2014 to 2019, combined public and private funding to facilitate €417 million in loans to more than 12,000 women-led businesses. It incorporated three key elements aimed at encouraging partner banks to treat women-led businesses as a viable and profitable segment: (i) EBRD credit lines worth €300 million were disbursed to five banks and pooled with the banks’ own resources to create lending portfolios targeting women entrepreneurs; (ii) first-loss risk cover guaranteed 10 per cent of each bank’s portfolio, reducing the perceived risk of lending to women-owned businesses; and (iii) the programme incorporated tailored consultancy packages including training on awareness and marketing for financial services to women entrepreneurs.

**A rigorous evaluation of the programme showed that it increased lending to women and had economically meaningful impacts.**<sup>34</sup> The study showed that participating banks increased their share of all business lending allocated to women by 2 percentage points within two years. As participating banks allocated only around 8.6 per cent of their total lending to women entrepreneurs in 2014, this is an economically meaningful increase of 23 per cent. Moreover, a 10 per cent increase in credit supply to women-led businesses was estimated to have led to increases in investment (of 1.3 per cent), sales (of 1.3 per cent) and profits (of 8.2 per cent). These impacts ensured that beneficiary firms were 2.4 percentage points more likely to remain in business one year after the start of the programme.

The WiB programme in Türkiye remains active in the country, with over €332 million of EBRD loans made across 10 transactions and eight partner financial institutions since 2020. The new phase of the programme will focus on the most vulnerable and underserved women entrepreneurs – including first-time borrowers and those based outside of the main commercial centres in Türkiye – and prepare for the long-term sustainability of the programme.

34. See EBRD (2023).

Contents

President’s foreword

EBRD activities and projected results in 2024

Delivering impact

Impact on financial markets

Impact on the green transition

Impact on human capital

Impact on the digital transition

Managing our impact

Future impact

References

Acronyms and abbreviations

Annex

**Case study**  
**Helping women entrepreneurs build businesses in Mongolia**

**Women-led businesses in Mongolia face significant barriers.** From limited access to finance – including credit options – to cultural biases and a lack of tailored financial products, many factors hinder their growth. Yet women still own two-thirds of Mongolia’s SMEs<sup>35</sup> – a relatively high share of female entrepreneurs – most likely due to the long tradition of women being involved in economic activities such as agriculture, livestock herding and small-scale trade. However, these businesses often face challenges such as limited collateral and insufficient credit history. In addition, the absence of a clear legal definition of women-led or owned enterprises and the resulting lack of gender-specific data hinders banks from effectively serving this segment. Approximately 70 per cent of women-led SMEs are either unserved or underserved, contributing to 25 per cent of the country’s total credit gap, which is estimated at US\$ 5 billion (€4.8 billion).<sup>36</sup> Despite these challenges, there is increasing evidence that addressing this financing gap would not only benefit women-led businesses but also strengthen the Mongolian economy as a whole.

**The EBRD has worked closely with Mongolia’s three major banks to better serve women.** These banks have a combined market share of more than 35 per cent and the EBRD’s engagement with them has included work through the WiB programme. Since its launch in 2021, WiB has provided 14,273 loans worth €32.9 million (€16.4 million of them in 2024) to Mongolian women entrepreneurs, while 162 women entrepreneurs (27 in 2024) have received training and mentorship thanks to the initiative, helping them to access finance, build resilience and grow their networks. During the Covid-19 pandemic, 100 women entrepreneurs were supported with technical cooperation projects, training and mentoring. These efforts are having a significant impact, with 96 per cent of EBRD-supported, women-led businesses in Mongolia reporting increases in revenues or employment in 2024. Furthermore, EBRD PFIs have received specialised training to better serve women entrepreneurs, implementing changes such as higher unsecured loan limits and financial products to close the digital gap, and combining financing with non-financial services such as financial literacy training.

**The Bank is working to enhance the collection and use of sex-disaggregated data.** Breaking down data for women and men can shed light on gender disparities in areas such as business capacity, skills, innovation and economic prospects. The EBRD has been working in close collaboration with the Mongolian authorities – including the central bank and national statistics office – to develop a unified definition of women’s entrepreneurship across PFI reporting. This has helped to identify regulatory bottlenecks and will facilitate the design of evidence-based policies to support women-led businesses. It is also enabling local financial institutions to provide training on how to use sex-disaggregated data to better support women entrepreneurs.

35. See Buckholtz and Yu (2025).  
36. See World Bank (2014).



Contents

President’s foreword

EBRD activities and projected results in 2024

Delivering impact

Impact on financial markets

Impact on the green transition

Impact on human capital

Impact on the digital transition

Managing our impact

Future impact

References

Acronyms and abbreviations

Annex

Inclusion focus area 2

Preserving human capital in Ukraine

Russia’s war of aggression continues to imperil and diminish Ukraine’s economy.

This is causing significant harm to people, livelihoods and businesses. Around 6.2 million Ukrainians remain displaced abroad, while a further 3.7 million are registered as internally displaced. Ukraine’s workforce has shrunk by around 28 per cent and the unemployment rate has more than doubled from pre-war levels, reaching 19 per cent in early 2024.

Critical skills remain out of reach for many employers.

This is particularly the case in traditionally male-dominated roles left vacant by conscription. Care responsibilities are also mounting for many, as a growing number of people with war-related physical and psychological injuries and an increasing number of single-parent households are leaving many working-age people (particularly women) cut off from the labour market. Consequently, Ukraine’s employers are facing extreme difficulties in terms of workforce volatility and skills shortages, as well as due to the ongoing damage and destruction in the country.

Much of the EBRD’s work in Ukraine has focused on preserving livelihoods and enhancing workforce resilience as part of its crisis response.

From the time of Russia’s full-scale invasion in February 2022 to the end of 2024, the Bank has deployed more than €6.2 billion in various sectors of Ukraine’s economy, with 77 per cent of EBRD investments targeting the preservation of human capital. The EBRD has helped some of the largest employers continue to operate, sustain jobs and

provide employment. More than 3,000 people have benefited from (re)skilling programmes and over 17,000 war veterans are being supported with reintegration into the workplace through human resources initiatives.

**The EBRD is also specifically assisting women affected by the war.** This includes providing access to financial services and promoting opportunities for women entrepreneurs, as well as addressing the risks of GBVH through improved workplace policies. The Bank’s first-of-its-kind investment in Esper Bionics is making prosthetic products designed specifically for female amputees, improving their mobility and enhancing their access to the labour market, thereby supporting their livelihoods.

**The Bank is collaborating with the authorities and key stakeholders to address labour-market challenges.** This is driving systemic change at a sectoral and national level: policy engagement with the State Employment Service has resulted in reforms to better support skills matching, employment and training opportunities in the disrupted wartime labour market; and a new Human Capital Charter focused on workforce inclusivity, gender equality, training, health and safety has seen more than 20 leading employers commit to promoting responsible workforce practices.

**The EBRD has also helped Ukraine rebuild its infrastructure.** The Bank has worked with providers of essential services to restore access for millions and sustain economic activity, including through 11 new investments in 2024.

A woman with blonde hair, wearing a red and black high-visibility jacket with a logo on the chest and blue work gloves, is working in a factory or warehouse. She is standing behind a wooden workbench, handling several cardboard boxes and bags. In the background, other workers and industrial equipment are visible, creating a busy manufacturing environment.

38



- Contents
- President’s foreword
- EBRD activities and projected results in 2024
- Delivering impact
- Impact on financial markets
- Impact on the green transition
- Impact on human capital**
- Impact on the digital transition
- Managing our impact
- Future impact
- References
- Acronyms and abbreviations
- Annex

Case study  
Reintegrating veterans

Using targeted investments and technical assistance, the EBRD is helping Ukraine reabsorb war veterans into the workplace. With more than 1.4 million individuals mobilised in Ukraine’s armed forces and an estimated 5 million–6 million veterans expected by the end of the war, reintegration is critical for Ukraine’s labour market and society. The EBRD has been working closely with the Ukrainian government and key stakeholders, including the Ministry of Economy and Ministry of Veterans Affairs, to drive systemic policy changes and improve access to financial services for veterans and the businesses employing them. A key milestone was the signing of a memorandum of understanding with the National Bank of Ukraine in April 2024, enhancing the financial sector’s role in veteran reintegration. This initiative promotes a sector-wide financial inclusion charter and supports the EBRD’s Veterans Reintegration Programme, which has seen five new transactions with Ukrainian banks under the upgraded EU-EBRD SME Competitiveness and Inclusion programme, increasing access to finance for war-affected businesses.

**The EBRD is supporting the reintegration of more than 17,000 veterans into the workforce.** Through 24 technical support initiatives, the Bank has helped companies and policy partners address workforce gaps, expand training access, promote sustainable livelihoods and implement return-to-work policies, workplace safety measures and manager training (Box 5).

Box 5  
Building resilience and inclusivity in Ukraine

The EBRD’s partnership with one Ukrainian firm has reinforced veteran reintegration and empowered women. With more than 2,800 employees in Ukraine, pharmaceutical producer Farmak faced several challenges related to the war, including recruiting new production personnel and training new hires in line with good manufacturing practices and standards. The company lacked employees and quality managers to sustain operations and support growth. In 2024, it partnered with the EBRD to implement a structured reintegration programme for veteran workers and broadened access to training for women entering hard-to-fill vacancies in traditionally male-dominated occupations. These efforts not only supported Farmak’s growth, but also helped to build a more resilient and inclusive workforce.

The 2024 launch of the EBRD’s Human Capital Investment Incentive grant programme marked a significant step in supporting Ukraine’s workforce recovery. This programme provided the first co-investment grants to help client companies address their critical needs around human capital, including workforce rebuilding, skills development and job creation. With this support, firms are expected to achieve transformative results in recruitment and workforce reintegration, while enhancing productivity through future-proofing initiatives that prepare workplaces for the evolving demands of a returning and more diverse workforce. With plans to scale up in 2025, the programme has the potential to expand to other economies in which the EBRD operates, offering a powerful tool for fostering resilient labour markets across the Bank’s regions.