

Management Comments on Cluster evaluation

“Paving the way for gender-equality. Evaluation of EBRD’s support to Gender Equality-Phase 1 (2017-2022)”

Executive summary

Management welcomes the cluster evaluation of EBRD’s support to Gender Equality through transactions signed and implemented over a period of 2017-2021. IEvD introduced a phased approach to evaluate EBRD’s support to gender equality to maximise the evaluation’s usefulness. The Phase 1 evaluation focuses on the evaluation of 23 selected activities of the Bank centred on addressing gender gaps at the client-level in two of the Bank’s countries of operations (CoOs).

Management supports the initiative to assess results of the EBRD’s gender projects in these two countries, and welcomes the positive findings on the sustainability of results, the good strategic alignment of EBRD’s work on gender and the very positive assessment of the engagement of the GEI team.

Management agrees with the emphasis on the importance of ensuring robust monitoring and reporting of the Bank’s projects, including (but not limited to) those focusing on gender. Indeed, Management is already approaching these goals via existing workplans to further improve existing processes and systems (e.g. Monarch TOMS/TIMS system), as “improved processes and systems for results management and reporting” has been a theme of a number of past IEvD studies. Management strongly believes that the MRV tool and methodology is therefore not the most suitable method for monitoring and reporting of gender related activities. The combination of the Gender SMART methodology (with its classification deriving from the OECD DAC gender marker) and Monarch TOMS/TIMS constitutes the Bank’s “MRV” for gender projects. By further improving existing Bank processes and systems for monitoring and reporting, including with a focus to further embed the Gender SMART process in TOMS, the availability of data on gender-tagged projects is expected to improve. Management will also explore ways to further strengthen incentive mechanisms for the implementation and monitoring of gender activities, also looking at the experience of other IFIs/DFIs.

Management also acknowledges that doing more frequent trainings on gender equality would help with awareness-raising, as well as strengthen the know-how of Banking and other internal stakeholders when dealing with the Bank’s clients. Management notes that a range of capacity building events already take place regularly and will continue to further strengthen these activities.

However, Management notes the very small sample size of 23 projects over a 5 year period in only two countries of operations as well as the fact that more than 90 percent of these projects (21) were board approved between 2017 and 2021, before the introduction of the Bank’s new gender SMART process in October 2021. Given the substantial enhancement of the Bank’s approach to gender mainstreaming brought upon by the gender SMART process implemented during 2022 and beyond, many of the issues identified in the report have already been addressed.

The sample affects some of the findings, and more specifically:

- The skewed nature of the sample towards pre-2021 projects explains the study’s claim that gender components are often seen as small in terms of scale. Management partly agrees that this is the case for *some* projects approved prior to the introduction of the Gender SMART process in 2021. Indeed, the gender SMART process was introduced to scale up ambition in line with the SPGE 2021-25, learn from the challenges of previous approaches and ensure robust and meaningful gender activities across projects and sectors. It should however be noted that based on the level of commitment by a client the Bank classifies and treats gender

additionality differently than (gender) inclusive transition impact. This reflects the approach by the OECD Gender Marker, which has been adopted by most MDBs: Gender additional projects correspond with the OECD Gender Marker level 1, where the main objective of a project is not gender, but where gender elements are integrated into activities in line with the level of capacity of a client and based on clear and regularly monitored indicators. OECD Gender Marker level 2 projects focus on gender as a key rationale for a project, and EBRD classifies those as projects with (gender) inclusive transition impact. The EBRD's gender SMART process will be reviewed again ahead of the new strategic phase 2026-2030 with a focus on further streamlining and strengthening ambition across both, OECD levels 1 (gender additionality) and 2 (gender transition impact). However, the study's claim that some of the gender projects assessed either feature gender activities repeated across multiple engagements with the same client or lack a project-specific gender component is incorrect. This can be explained by sub-projects applying framework-level indicators or being presented as bundled approval items.

- The study moreover claims that some TCs reviewed in the context of this study are not gender focused. This raises questions about the sampling methodology applied for the study since these projects were never classified as gender related and not included in any reporting.
- In addition, the study includes statements about gender elements in green projects not working and not being valued by clients. It is important to note that these are based on the feedback from a single client.

Management believes that the report would have benefited from analytical insights drawn from: (a) a closer look and understanding of the Bank's wider policy dialogue activities related with gender, (b) on-going work by other teams (e.g. LTT) on gender equality and inclusion and (c) an overview of what other MDBs, private companies and civil societies achieved in Albania and Morocco, as well as other comparator countries.

Management response to study recommendations

Recommendation 1: *In order to enhance the Bank's effectiveness of gender components, the EBRD should focus its efforts in enhancing clients' gender commitments and internal gender culture, by: i) scaling-up internal gender-training to Bank's staff and reinforcing gender champions' roles; and ii) identifying suitable incentive mechanisms, including whenever feasible legal covenants on the implementation of specific gender activities with reporting commitments in the legal agreement for all projects with a gender activity.*

Management **agrees** with the spirit of this recommendation.

On Point (i), Management acknowledges that doing more frequent trainings on gender equality would help with awareness-raising, as well as strengthen the know-how of Banking and other internal stakeholders when dealing with the Bank's clients. Management notes that a range of capacity building events already take place regularly (e.g. the introduction of the Bank's Gender Academy with sector / thematic modules, the incorporation of gender into the Bank's induction programmes for staff and board members, as well as banking masterclasses and practical advice sessions on gender). These target both, banking and staff in other relevant teams, as well as specifically Gender Champions. However, Management will step up its focus on these activities and seek to organise more communication activities and gender equality trainings to build the capacity of banking teams further.

On Point (ii), Management agrees on the need to continuously identify opportunities to strengthen incentive mechanisms for the design of gender activities in projects, and related implementation and reporting. This includes regular updates of the Bank's project design and implementation cycle, updates in project templates, updates in business processes, and related communication to highlight the focus gender design in projects, and closer involvement of the GEI staff in client meetings. In addition, opportunities to further strengthen incentive mechanisms for the implementation and monitoring of gender activities will be explored, also looking at the experience of other IFIs/DFIs and in alignment with the Bank's approaches to other TI qualities and areas of non-financial additionality.

Recommendation 2: *In order to strengthen monitoring, reporting and ex-post accountability -and thus enhance the Bank's ability to tell the story of its activities to support gender equality-, the EBRD should start at first by conducting a pilot of an ex-post signing monitoring, reporting, and verification system (MRV) for gender-related investments and TC activities, at least since the introduction of the gender SMART tag (2021).*

Management **partly agrees** with this recommendation. Management agrees that there is a need to continuously improve the Bank's monitoring and reporting systems to fully capture important priorities, such as (but not limited to) gender. Management, however, does not agree with the proposed action to create a new and parallel system for the monitoring, reporting and verification of gender projects.

Management has responded to the recommendation in a meeting with IEVD as well as in writing in comments to the draft study, and has specified and evidenced the following key points:

- The challenges related to monitoring and reporting reflect the study's skewed sample towards pre-2021 projects, which were approved prior to the introduction of the gender SMART process as well as subsequent improvements of the Bank's TIMS/TOMS systems.
- There is no separate gender database in the Bank. The 'dataset' referred to in the report is GEI's internal management tool which is not used for reporting purposes.
- The combination of the Gender SMART methodology and Monarch TOMS/TIMS constitutes the Bank's "MRV" for gender projects.
- The Bank's data management, monitoring and reporting limitations are not specific to gender. This recommendation is therefore viewed as overlapping with ongoing efforts to improve processes and systems for results management and reporting, and related Management Actions on the improvement of the Bank's overall monitoring and result architecture.

It should moreover be noted that, over the past years, significant improvements have been introduced to the Bank's monitoring and reporting systems, specifically to tag gender projects and improve monitoring and reporting on gender indicators and targets. This includes the introduction of the gender SMART project tag as well as a broader Gender SMART process which allows for the tracking of gender projects from CRM to Board approval. The Gender SMART process was introduced during 2021 in close partnership with the Opscom Secretariat, as a mandatory step at all stages of project preparation through to project approval. In addition, the Gender SMART process streamlined the definition of gender indicators and introduced the inclusion of reporting indicators into the project document. Finally, the enhancement of TIMS and TOMS in Monarch has introduced a function to

integrate monitoring indicators for non-financial additionality (including on gender) as an integral part of project monitoring.

It is important to note that “Improved processes and systems for results management and reporting” is a theme of a number of past IEvD studies. More generally, there are broader ongoing efforts in the Bank to improve processes and systems for monitoring and reporting, for example: (i) Ongoing efforts to improve systems for TCs (including policy) by improving and migrating TCRS into Monarch; (ii) Improving how the Bank measures impact in ongoing work on ToC and reviewing compendium as part of TOMS 2.0.

Management has therefore identified the associated action plan for this recommendation with a cross reference to these existing workstreams while specifying the focus on further improving and migrating the gender SMART process into Monarch.

Other comments on findings

Management notes that the suggestion to “*strengthen the gender culture*” at the Bank, this goes beyond the scope of the SPGE: Such activities are delivered by the Bank’s HR function as well as its Diversity and Inclusion Steering Group. Management therefore strongly disagrees with any reference to the Bank’s ‘gender culture’ as part of this report.

The Bank’s internal D&I programmes have:

- rolled out Bank-wide the Inclusion e-learning – one module for managers ‘Managing inclusion’ and the other for all staff ‘Enabling Inclusion.’
- made a public commitment to disability inclusion at the Global Disability Summit with a four-year action plan on improving disability inclusion both internally and externally.
- offered a Bounce Back programme to staff as the Bank returned to regular office commuting ex-post the COVID disruption.
- updated the Bank’s Diversity and Inclusion Policy that highlights its commitment to valuing the difference amongst all Bank Personnel and to foster principles of diversity, inclusion, and equality of opportunity within the workplace, etc.

In 2017, EBRD have been EDGE certified and reached ‘Move’ level in 2021. EDGE stands for Economic Dividends for Gender Equality and is a global business certification for gender equality based on a standardised methodology for assessing and tracking progress in closing the corporate gender gap.

Some of the Bank’s Diversity & Inclusion ambitions 2022-2025 include:

- increase female representation at CLG level.
- continue developing female talent with initiatives such as ‘Minerva,’ the female development programme and global mentoring programme).
- accelerate efforts to recruit more disabled talent to the organisation with the move to HQ.
- identify job roles that require experience over academic qualifications and ways to include socio-economic diversity into EBRD’s entry points, etc.