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## Acronyms

AFI	Alliance for Financial Inclusion
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
GBVH	Gender-based violence and harassment
GDP	Gross domestic product
GEI	Gender and economic inclusion
IFC	International Finance Corporation
ILO	International Labour Organization
IOM	International Organization for Migration
ITU	International Telecommunications Union
MENA	Middle East and North Africa
OECD	Organisation for Economic Co-operation and Development
OMFIF	Official Monetary and Financial Institutions Forum
SARS	Severe acute respiratory syndrome
SME	Small and medium-sized enterprise
STEM	Science, technology, engineering and mathematics
TVET	Technical and vocational education and training
WHO	World Health Organization
W20	Women 20

# 1. Introduction

## 1.1. Overview and objective

**1.1.1.** The Covid-19 pandemic has unleashed an unprecedented global economic, financial and social crisis. The European Bank for Reconstruction and Development (EBRD) forecasts an average slowdown of about 3.5 per cent in the regions where it invests,<sup>1</sup> while the World Bank forecasts around a 5.2 per cent<sup>2</sup> slowdown in global economic growth in 2020. The impact is already being felt in record job losses, the abrupt freeze in key economic growth sectors and shifting coping strategies of governments, companies and citizens.

**1.1.2.** The Covid-19 crisis risks putting gender equality and inclusion efforts on hold and even reversing the progress made on furthering gender equality in recent decades. Even before the pandemic, women were undertaking three times as much unpaid care and domestic work as men, while millions of young women had limited access to quality education.<sup>3</sup> This is only likely to worsen due to the pandemic. Moreover, women around the world were already experiencing gender-based violence and harassment (GBVH) in both their private and public lives, with little legal protection in many countries. The Covid-19 pandemic and the resulting mandatory shelter-in-place orders have put women's health, economic security, personal security at greater risk.

**1.1.3.** Research suggests that the impact of the pandemic on men and women is both extensive and different: women are disproportionately affected, as they more often work in those sectors hit hardest by lockdown policies, they are more likely to be in lower-paid, part-time, informal and

precarious jobs, and they have had to spend more time on care duties.<sup>4</sup> Previous pandemics, such as Ebola, Zika and Severe Acute Respiratory Syndrome (SARS), suggest we may see a longer-lasting and heightened negative effect on gender equality and the economic inclusion of women.<sup>5</sup>

**1.1.4.** Lastly, the G20 group of nations and its global partners have a unique opportunity to rebuild stronger and more efficient markets in the wake of Covid-19. There is a substantial body of literature suggesting that markets have been highly inefficient due to an intrinsic bias with regard to the involvement of women in economic activity, and that greater gender inequality in education and/or employment is detrimental to economic growth. Policies that ensure women participate in the economy not only promote and diversify growth, but also reduce income inequality, mitigate demographic shifts and contribute to financial-sector stability,<sup>6</sup> creating stronger, more efficient and more sustainable economic growth for all.

**1.1.5.** This policy brief aims to share gender-responsive insights from the EBRD's experience with its Covid-19 Solidarity Package.<sup>7</sup> It presents EBRD-Women 20 (W20) joint policy recommendations for the immediate post-pandemic recovery phase, as well as longer-term rebuilding efforts, which can be implemented across the G20. The brief highlights how mainstreaming gender- and economic inclusion considerations can strengthen the private sector during the recovery.<sup>8</sup>

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<sup>1</sup> See EBRD (2020a). The EBRD invests in economies across three continents, from the southern and eastern Mediterranean, through central and eastern Europe, to the Caucasus and Central Asia.

<sup>2</sup> See World Bank (2020a).

<sup>3</sup> See UN Women (2020).

<sup>4</sup> See OECD (2020).

<sup>5</sup> See Smith (2019).

<sup>6</sup> See Bertay et al. (2020).

<sup>7</sup> The EBRD responded swiftly to the Covid-19 pandemic with a Solidarity Package that gives clear consideration to gender and inclusion as part of the recovery and rebuilding process for both private-sector clients and policymakers.

Consequently, all of the EBRD's activities in 2020-21, worth up to €21 billion, will support efforts to counter the economic impact of the coronavirus pandemic.

<sup>8</sup> These insights and recommendations also reflect the key messages shared at a high-level webinar held jointly by the EBRD and W20 on 24 June 2020, featuring EBRD President at the time Suma Chakrabarti, W20 Chair Thoraya Obaid, and experts and policymakers from numerous economies in which the EBRD invests.

## 1.2. The EBRD and W20 Knowledge Partnership

**1.2.1.** The EBRD promotes gender equality and women's economic inclusion as a key strategic objective in its investments. Over the past five years, the EBRD has been stepping up its activities to support gender equality. It became a W20 Knowledge Partner in early 2020, committing to work with the W20 and to support G20 leaders in developing inclusive market-recovery policies. The G20 and the W20 work to influence governments to "build back better", with a stronger focus on preserving and enhancing gender equality. This policy brief contributes to that shared focus by outlining a set of challenges that build on the EBRD's experience of working for and cultivating gender equality in the private sector. It suggests priority policy responses to be considered in concert with immediate and longer-term recovery efforts, highlighting how gender mainstreaming and economic inclusion can bolster the private sector over the course of the crisis recovery.

**1.2.2.** Founded in 1991 after the fall of the Berlin Wall, the EBRD's mission is to support countries' transition to open and sustainable market economies and to foster private and entrepreneurial initiative. While the Bank originally focused on the countries of the former Soviet Union and Eastern Europe, its geographical scope has expanded to include investments in 38 economies. The EBRD spearheads the promotion of private-sector and entrepreneurial initiative as an essential part of any recovery from economic and financial shock. To date, 79 per cent of EBRD investments have been in the private sector, with a record €10.1 billion in annual investments

made in 2019. The Bank's investments – and its current crisis and recovery responses – are underpinned by its commitment to promote equal opportunities for women and other groups,<sup>9</sup> as set out in its Economic Inclusion Strategy (2017-21) and its Strategy for the Promotion of Gender Equality (2016-20). Public-private partnerships are crucial to supporting crisis recovery while also promoting gender equality.

**1.2.3.** The W20 is a policy recommendation engagement group of the G20 that aims to ensure that gender considerations are mainstreamed into G20 discussions and translated into G20 Leaders' Declarations as policies and commitments that foster gender equality and women's economic empowerment. The W20 is formed of a transnational network of delegates representing non-government women's organisations, civil society, female entrepreneurs, businesses, and think tanks across G20 member states. Through a broad dialogue facilitated by digital tools, expert meetings, roundtables and the final summit, W20 delegates jointly formulate concrete actionable policy recommendations to advance gender equality in G20 negotiations. Every year, the W20 develops and addresses to the G20 Leaders a Communique which contains a series of actionable policy recommendations aimed at fostering gender equality and women's economic empowerment in order to boost gender-inclusive economic growth for each and every country. The W20 has identified key policy focus areas centred around the inclusion of women across all segments of society, economy and industry. The W20's overarching priority during the 2020 Presidency is inclusive decision-making, focusing primarily on labour inclusion, financial inclusion and digital inclusion, with women's entrepreneurship as a cross-cutting issue.

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<sup>9</sup> Young people, workers in remote regions, people with disabilities, migrants and refugees, and LGBTI individuals.

## 2. The gender-differentiated economic impact of the Covid-19 crisis

### 2.1. Women at work

**2.1.1. Labour force:** Women's high participation in those sectors most affected by Covid-19 means that crisis-recovery policies need to pay special attention to getting women back into work. More women than men are employed in retail, accommodation and food services, and other business activities affected by global lockdowns. In central Europe and the Baltic States, women account for more than 75 per cent of employees in retail, one of the sectors worst hit by the crisis, while nearly half a million women work in accommodation and food service-related industries in economies from central Europe to Central Asia and the southern and eastern Mediterranean.<sup>10</sup> In contrast, many of the sectors that are growing thanks to shifts in consumption and production patterns due to Covid-19 are still largely dominated by men. Indeed, women are consistently underrepresented in sectors less affected by the crisis. In warehousing and logistics, only one-quarter of employees are women. The transport, storage and communications sector in the economies where the EBRD invests employs only 20 per cent women, on average, while several Middle East and North Africa (MENA) and Central Asian economies are far below 10 per cent.

**2.1.2. Non-standard employment and social protection:** Similarly, women's participation in non-standard forms of employment (such as part-time, gig-economy, zero-hour contracts and job-sharing arrangements) warrants particular scrutiny, as it significantly increases the risk of sudden dismissal during the downturn. Nearly half of all women employed in the West Bank and Gaza, Georgia, and Armenia, for example, are in part-time jobs. Globally, full or partial lockdown measures are having a significant impact on 1.6 billion informal workers, with women again over-

represented in the hardest-hit sectors.<sup>11</sup> Non-standard employment can leave female workers struggling to meet contribution requirements or eligibility criteria for income support if they lose their job. The insufficient reach of social-protection mechanisms for women affects the extent to which they will be covered by any Covid-19 crisis response measures governments put in place.

**2.1.3. Care burden:** As a result of the crisis, a large additional volume of care work will move from the paid economy (schools, nurseries and childminders, elderly care homes and home cleaning) to the unpaid one, presenting a further challenge to getting women back into employment. Across the economies in which the EBRD invests, women already spend nearly five hours per day, on average, on unpaid domestic and care work. The numbers are highest in Azerbaijan (6.0 hours), Egypt (5.4 hours), Tunisia (5.3 hours) and Albania (5.2 hours).<sup>12</sup> For men, this number is significantly lower, at less than two hours. The unequal distribution of care work reduces the capacity of all women to contribute productively to the economy.<sup>13</sup> These developments underscore the urgency of continuing efforts to empower women by removing constraints to more and better employment.

**2.1.4. Building back better – the future of work:** Long-term efforts should focus on employment readiness initiatives and sector alignment. Far more women than men are currently unavailable for work, but would become available within a short period of time, or are currently available and want a job, even if they are not actively seeking

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<sup>10</sup> All data presented in the following paragraphs reflect EBRD analysis based on ILOSTAT (<https://ilostat.ilo.org/data/>) unless otherwise stated. All data presented are for the latest available year as of April 2020.

<sup>11</sup> See ILO (2020).

<sup>12</sup> See World Bank (2020b).

<sup>13</sup> See Family Caregiver Alliance (2003).

one. This potential labour force<sup>14</sup> is particularly high in the MENA region, but also in countries such as Armenia, Montenegro and Albania. Channelling women towards science, technology, engineering and mathematics (STEM)-related professions can help mitigate women's significantly higher risk of losing their jobs.

## 2.2. Women entrepreneurs

**2.2.1. Business size:** The size and concentration of women-led businesses in those sectors most affected by Covid-19 mean crisis-recovery policies need to pay particular attention to supporting smaller firms. The typical characteristics of women-led businesses are affecting their ability to respond effectively to the crisis and achieve a fast post-crisis recovery: for example, women-led businesses tend to be smaller in size and have smaller cash flows to cushion the effect of the crisis. Across the economies in which the EBRD invests, the proportion of women-led and women-owned businesses is significantly higher among small and medium-sized enterprises (SMEs) than among large firms. On average, 20 percent of these SMEs are owned by women, compared with 13 percent of large companies.<sup>15</sup> In Turkey, for instance, the share of firms with at least 50% female ownership is 5 per cent in the SME segment and just 2 per cent among large firms. Just as for employment, women entrepreneurs are over-represented in those sectors particularly hard hit by the current crisis. Female-owned firms in the countries where the EBRD invests are generally far more prevalent in retail than in manufacturing or other services: almost 3 in 10 retail firms are women-owned, compared with fewer than 2 in 10 manufacturing or other service firms.

<sup>14</sup> The potential labour force measures labour-supply underutilisation. It is a better measure than unemployment for women, as unemployment only captures people who are not working and are actively seeking a job, while women are often discouraged from working, so out of the reported labour force. The potential labour force is defined as all persons of working age who are neither employed nor unemployed, and are actively "seeking employment", are not "currently available" but will become available within a short period of time (unavailable jobseekers), or are not actively "seeking employment", but want employment and are "currently available" (available potential jobseekers).

### 2.2.2. Funding gaps and social networks:

Globally, the funding gap for women entrepreneurs is widening, reaching US\$ 1.7 trillion in 2020, according to the SME Finance Forum, which estimates the annual financing gap for women entrepreneurs to be between US\$ 260 billion and US\$ 320 billion.<sup>16</sup> Women-led SMEs are smaller in size and carry lower cash reserves; as a result, they are more likely to face liquidity constraints during shelter-in-place provisions and to fall behind on loan repayments. Women entrepreneurs rely more on loans from friends and family than on loans from formal financial institutions,<sup>17</sup> which has implications for the effectiveness of recovery policies implemented through traditional financial intermediaries. Women business owners also rely more on remittances from abroad, which are likely to see a decline as a result of the crisis.<sup>18</sup> In a survey of six eastern European and Central Asian economies, respondents said 5-10 per cent of the remittances they received were invested in business activities.<sup>19</sup> A number of studies<sup>20</sup> also suggest that the majority of remittance recipients are women. Should remittances decline, women are likely to be affected.

### 2.2.3. Building back better – accessing credit:

Women-owned businesses tend to be more credit constrained than those owned by men, so may suffer more as a result of crisis-induced credit-market tightening. To obtain a loan from a financial institution, women entrepreneurs tend to rely more heavily on their personal credit history to prove their creditworthiness, for example, credit-card usage, payments of utilities or mobile-phone bills, or repayments of loan from microfinance institutions.<sup>21</sup> This can negatively affect their credit score and increase the likelihood that future loan applications will be rejected. According to the Enterprise Surveys

<sup>15</sup> All data are based on the Enterprise Surveys conducted in 2018-20 by the EBRD, the European Investment Bank and the World Bank Group, published 2 April 2020 (<https://www.enterprisesurveys.org/>).

<sup>16</sup> See SME Finance Forum (2020).

<sup>17</sup> See McCracken et al. (2015).

<sup>18</sup> See United Nations Network on Migration (2020).

<sup>19</sup> See World Bank (2018).

<sup>20</sup> See IOM (2010).

<sup>21</sup> See Almodovar-Reteguis et al. (2013).

conducted in 2018-20 by the EBRD, the European Investment Bank (EIB) and the World Bank Group,<sup>22</sup> 77 per cent of female-owned firms that needed a loan in Turkey were credit constrained (either discouraged from applying for a loan or rejected when they applied), compared with 63.1 per cent of male-owned firms. In Russia, 80.9 per cent of female-owned firms and 73.9 per cent of male-owned firms were credit constrained. Indeed, in most economies where the EBRD invests, women-owned firms were more likely to be rejected if they applied for a loan than male-owned firms.<sup>23</sup>

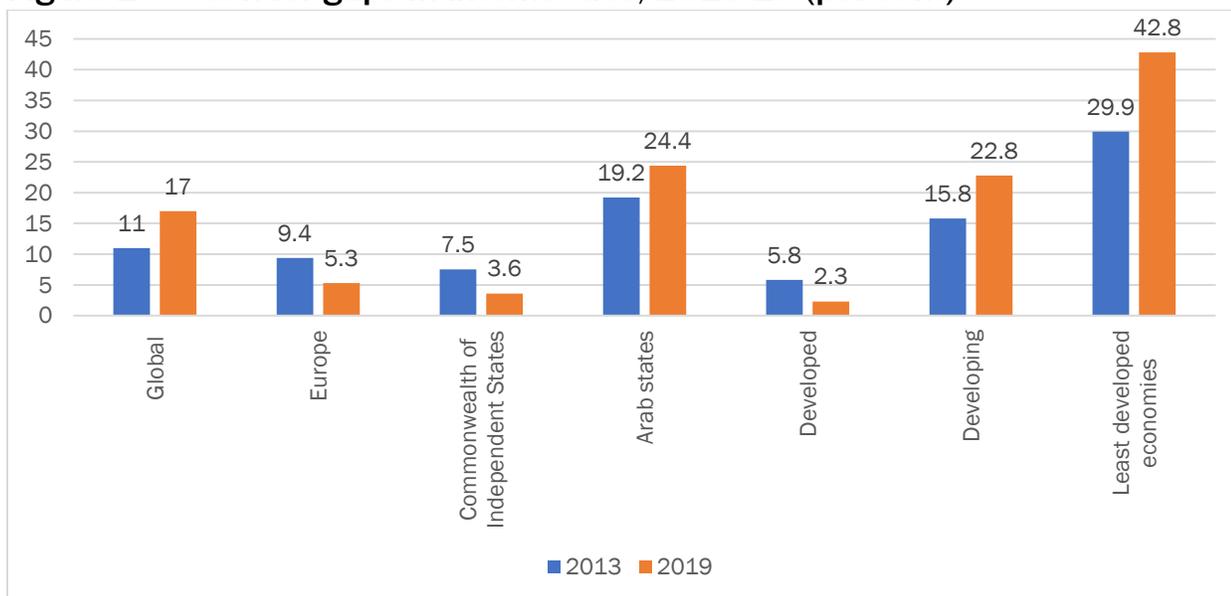
## 2.3. Women and digitalisation

**2.3.1. The widening digital divide:** The Covid-19 crisis has stepped up the importance of digitalisation for businesses in many ways, creating both opportunities for and new challenges to gender equality. Though overall internet use continues to grow year on year, figures for 2019 show a widening global gender gap in internet use of 17 per cent (up from 11 per

cent in 2011).<sup>24</sup> Figure 1 shows regional disparities.

**2.3.2 Access to digital skills:** Women are less likely than men to know how to use the internet and associated devices to their full potential. It is, therefore, vital that we improve women’s digital skill levels, so that they can avail themselves of the flexible job opportunities and additional income offered by teleworking. Moreover, the vast majority of workplaces require managers and professionals to have at least basic digital skills (in the European Union, for example, digital literacy rates among managers and professionals are 98 per cent and 90 per cent, respectively).<sup>25</sup> Labour-market returns are significantly higher in digital-intensive industries than in less digitally intensive industries. Digital technologies can fuel the international expansion of women-led SMEs, while digitally upskilling women can make workforces more resilient to displacement caused by automation.

**Figure 1 Gender gaps in internet use, 2013-19 (per cent)**



Source: ITU (2019).

<sup>22</sup> All data are based on the Enterprise Surveys conducted in 2018-20 by the EBRD, the European Investment Bank and the World Bank Group, published 2 April 2020 (<https://www.enterprisesurveys.org/>).

<sup>23</sup> See Demircuc-Kunt et al. (2018).

<sup>24</sup> See ITU (2019).

<sup>25</sup> See EBRD (2020b).

**2.3.3. Access to digital finance:** Women are often excluded from digital financial services and products: 57 per cent of adult women in low- and middle-income countries are unbanked, and globally, unbanked women are less likely than unbanked men to own a mobile phone.<sup>26</sup> Improving women's access to digital finance (and, by necessity, their digital financial literacy) is an effective way to accelerate women's financial inclusion, increase their formal savings, boost women's labour-force participation by enabling them to work from home or in the community, and increase the performance of women-owned businesses through access to credit and insurance.

**2.3.4. Platform economies.**<sup>27</sup> Platform economies, which operate online, can offer the professional flexibility that some women want, allowing them to balance family responsibilities or to supplement other work commitments. However, lower pay and lower job quality are common, while the use of the 'contract-worker model' for various jobs in the platform economy can leave workers without access to social-protection mechanisms, such as the minimum wage, family leave and employment insurance. Some women experience barriers to digital platform access, due to the

gender gap between levels of access to digital and mobile services.

## 2.4. Gender-based violence

**2.4.1.** Women and girls have been exposed to greater risk of intimate partner violence and other forms of domestic violence during the pandemic. Apart from the violation of their human rights and the related human cost, GBVH – be it at home or in the workplace – also negatively affects productivity and creates significant costs for firms, including lost working days. Failing to tackle GBVH can also cost companies the trust of investors and communities and significantly impact a company's survival. World Health Organization data suggest that more than one-quarter of women across south-eastern Europe and the Caucasus, central Europe and the Baltic States, Central Asia and Turkey experience physical and/or sexual intimate partner violence during their lifetime. In the MENA region, this number is nearly 40 per cent.<sup>28</sup> An assessment of the legal frameworks pertaining to violence against women shows that only a small number of the economies in which the EBRD invests have high levels of legal protection in place (Albania, Bulgaria, Croatia, Lithuania and Slovenia).<sup>29</sup>

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<sup>26</sup> Ibid.

<sup>27</sup> Chan et al. (2018) define "platform economy" as "companies [that typically provide] online networks that facilitate digital interactions between people". They note that there is "a large variation between the function and type of digital platforms available in today's marketplace, ranging from platforms providing services (e.g., Uber and Airbnb), to products (e.g. Amazon and eBay), to payments (e.g., Square, PayPal), to software development (e.g., Apple, Salesforce) and many more".

<sup>28</sup> See WHO (2013).

<sup>29</sup> Ibid.

## 3. Policy priorities for gender-responsive recovery and building back better

The economic impact of the Covid-19 crisis is likely to be extensive and to impact men and women differently. Women's economic participation in most sectors and countries continues to lag that of men. There needs to be a strong focus on policy dialogue to ensure that the global and regional economic recovery process remains gender responsive. We recommend the following key policy priorities for the G20 leaders' consideration.

### 3.1. Recovery phase: Short-term policy priorities

#### 3.1.1. Equitable access to employment opportunities

##### **Support alternative working arrangements for men and women**

Policies should support women's re-entry into the workforce, particularly in sectors that will have weathered the impact of Covid-19. Promoting greater flexibility in the labour market can foster women's employment, for example, by regulating part-time employment, short-term contracts, home-based work, flexible working hours and better job-loss protection. Such regulation is key to preventing and mitigating against the potential exploitation of workers. Policy actions that provide additional paid leave for women and men forced to take time off to care for children, elderly or sick family members and those with disabilities are also important. Policies should also pay greater attention to the needs of workers who contract Covid-19, by ensuring additional paid sick leave and other insurance solutions.

##### **Recognise and value women's care responsibilities and ensure accessible, affordable and high-quality childcare and eldercare to boost women's employment.**

Policies that incentivise investment in affordable, accessible and high-quality childcare and eldercare can boost female labour-market

participation, as can regulating statutory and non-transferable paid leave for both mothers and fathers and incentives to return to work after motherhood.

#### 3.1.2. Women-led and -owned SMEs

##### **Design and promote alternative financial solutions and easier access to banking services through new regulation.**

Financial regulators play a key role in promoting the adoption of gender-sensitive financial regulations that facilitate women's access to credit and loans, such as enabling the use of alternative collateral registries or movable collateral. In addition, by making financial services more widely available and lowering the costs and barriers to access, financial technology (fintech) may offer innovative solutions, such as alternative credit history requirements to meet women's specific financial needs. Such solutions need institutional support to be mainstreamed in government policies aimed at fostering women entrepreneurs' access to finance.<sup>30</sup> For instance, new credit-scoring methods that rely on new technologies or non-traditional information (such as specific (big) data on women's businesses and registries of movable collateral) are promising, but require governmental support and monitoring (due to potential data-privacy issues).

##### **Promote digitalisation to increase women entrepreneurs' access to supply chains.**

Standardising financing products and services can be used to increase women's access to finance and contribute to the stabilisation and success of women-owned SMEs in a time of great disruption for value chains globally. Such financial standardisation can relate to inputs, equipment, asset-based financing using warehouse receipts, export guarantees, services such as digital financial services and financial education, developing appropriate digital tools for financial and supply-chain management, fostering efficient digital payment systems (and extending these for

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<sup>30</sup> See W20-T20 (2019).

home-based businesses), establishing business-network platforms that can connect regional and global marketplaces and e-commerce, and improving the digital skills of women-led SMEs.

Online insurance marketplaces for women entrepreneurs are emerging that can simplify and digitise the process of purchasing vehicle, travel and health insurance policies, which can be tailored to specific user needs and delivered on demand through apps or marketplaces. Therefore, expanding and improving the efficiency of information and communications technology infrastructure will need to be scaled-up urgently. Women's access to supply-chain financing can also be improved when the policy framework is improved to promote and encourage the use of digital payments, ensure the robustness of digital platforms and mobile banking and enable regulation for fintech.

### **3.1.3. Gender-inclusive infrastructure and access to services**

#### **Promote gender equality in public procurement.**

Policy actions that promote inclusive procurement and increase the prevalence of women in the infrastructure development and value chain will be important for Covid-19 crisis recovery. This can include actions such as contractual clauses requiring participation by women across industrial sectors. Adopting a legal requirement to include contractual clauses requiring women's participation in service contracts can boost the participation rates of women in infrastructure planning, design and implementation. Policy actions that increase the safety and security of women and girls on public transport can significantly increase their access to employment opportunities, as can continuing their education and skills development and employment readiness programmes.

## **3.2. Building back better: Medium- to long-term policy priorities**

### **3.2.1. Equitable access to employment opportunities**

#### **Address existing educational and skills mismatches to improve career prospects and develop education and training programmes that will meet future skills needs.**

Tackling women's over-education in employment means offering better working conditions and better career and earnings prospects. This can be developed in addition to creating new and focused learning paths and campaigns to encourage people to choose educational options in sectors with labour shortages. Policies to support girls in the school-to-work transition can also help to reduce the mismatch between skills demand and supply.<sup>31</sup> Policies also need to consider re-skilling programmes for women who may have taken time out of the labour force, especially for women who may have been unable to access employment in line with their experience and qualifications.<sup>32</sup>

#### **Enhance gender equality in technical and vocational education and training (TVET) for young adults and lifelong learning to broaden access to employment opportunities and market-relevant skills.**

TVET can provide market-relevant skills and be sufficiently dynamic to address changing industry needs in crisis situations. TVET institutions and programmes will need to ensure gender equality in their action plans and work to break down gender stereotypes among students and teachers. Moreover, information and promotional campaigns should encourage women to apply to TVET and training providers should support their specific needs, for example, with pre-training programmes on basic concepts, terminology and tools. Private-sector linkages should be geared towards the needs of women, to help facilitate their employment prospects after TVET, for example, by tackling occupational stereotyping and promoting assertiveness, self-confidence and interpersonal skills.

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<sup>31</sup> See OECD.

<sup>32</sup> See Cedefop (2015).

**Reduce gender sectoral segregation and enhance gender equality in the workplace, including equal access to leadership positions and equal pay for work of equal value.**

Policies that boost girls' access to STEM in school from an early age will be important to eliminate gender segregation in education, employment sectors and occupations. There need to be incentives to encourage more women into STEM and more men into the care and education sectors. More broadly, education policies should be coordinated closely with industry leaders, so that they are relevant to future market needs. Sex-disaggregated labour-market indicators are also needed to provide a consistent and holistic response to the obstacles girls face in advancing through education and the school-to-work transition. Reforming policies and regulations that continue to restrict women's economic decision-making and employment prospects should also be addressed in this regard.

### **3.2.2. Women-led and -owned SMEs**

**Create an enabling environment for women's entrepreneurship by working to lift legal restrictions and regulations that still discriminate against women in principle or in practice.**

Traditional know-your-customer and customer due diligence requirements hinder access to finance for certain groups of people (including women) who lack specific documents (such as identification, passports, proof of address, and so on). The digital economy has the potential to lift some of those barriers, but could also add to the burden on some groups who are less digitally literate. Regulations that promote the use of tiered know-your-customer requirements (which exempt certain groups from certain due diligence requirements up to a certain transactional or value limit) can help overcome financial barriers to access for women with limited proof of identity or other necessary documentation. Such measures have been successfully implemented in several countries, enabling women's financial inclusion.<sup>33</sup> Although there is no longer any legal restriction on women opening a bank account in any economy where the EBRD invests, other

discriminatory regulations persist, and those have an impact women's opportunity to access finance to the same extent as men.

**Launch targeted financial and digital literacy programmes.**

Ensuring that women enjoy affordable access to the internet, mobile products and services is one way to foster their financial inclusion, but this needs to go hand in hand with national financial and digital literacy programmes, to provide them with the knowledge and skills to engage into entrepreneurial activities.

**Improve women's representation and decision-making roles in the financial sector, business associations and networks.**

The absence of female representation in financial and economic decision-making positions is a worldwide issue, but is even more prevalent in some of the economies in which the EBRD invests. According to the Official Monetary and Financial Institutions Forum (OMFIF) Gender Balance Index 2020, which tracks the presence of men and women in senior positions at central banks, sovereign funds and public pension funds and ranks institutions accordingly, one-fifth of central banks still have no women in senior positions.<sup>34</sup> The promotion of inclusive decision-making, with concrete gender targets and quotas, equal opportunities and gender-biases training, can ensure women's representation at every stage of the decision-making process. In addition, to deepen women's financial inclusion, governments could partner with international financial institutions to promote the use of gender-responsive public procurement, establishing concrete targets and incentives to encourage more buying from women suppliers.<sup>35</sup>

### **3.2.3. Gender-inclusive infrastructure and access to services**

**Provide for the different infrastructural needs of women and men, to enable women's full economic participation.**

Building capacity for inclusive planning ensures that infrastructure is designed, developed and built to take into account the needs of all users.

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<sup>33</sup> See AFI (2019).

<sup>34</sup> See Official Monetary and Financial Institutions Forum (OMFIF) (2020).

<sup>35</sup> Ibid.

This involves engaging all key stakeholders and gender experts, ensuring women are sufficiently represented in decision-making processes and positions, and making use of data that are disaggregated by gender.

### **3.2.4. Eliminate gender-based violence and harassment**

**Design and implement policies that focus on mitigating the risk of GBVH and other forms of violence against women in the workplace.**<sup>36</sup>

Policies that consider GBVH risks in the context of broader gender risks and the costs to business of gender inequality (for example, in relation to non-discrimination and equal opportunities) can improve women's access to economic opportunities at home and in the workplace. This requires companies and organisations to adopt appropriate governance policies, processes and systems, including grievance and reporting mechanisms. Improved awareness among staff and management, including supply chains, is also crucial. Additional actions include discussing the need for action on GBVH with co-investors during policy dialogue and in developing country strategies, so that consistent expectations are

presented to companies. This would promote the economic case for the integration of GBVH measures into corporate policies and practices, spurring action on the part of companies themselves.

### **3.2.5. Collect sex-disaggregated data**

**Require systematic sex-disaggregated data collection, monitoring and reporting for industry-wide crisis-recovery measures.**

Addressing the paucity of sex-disaggregated data across sectors, industries, financial institutions, the private sector and government is important to establish the impact of the Covid-19 crisis on women's access to economic opportunities. The availability of sex-disaggregated data further enables gender-responsive crisis-recovery policies and actions across industries. It can provide valuable inputs to industry-specific labour-market changes that could promote new opportunities for women's employment and skills development. Financial institutions can also use sex- and age-disaggregated data to better target female clients as business owners and in the design of new savings and investments products.

## **4. Conclusion**

**4.1.** The economic and social impact of the Covid-19 crisis – both globally and the economies in which the EBRD invests – is extensive, though the full impact remains unclear. Sector-specific data, while still limited, point to a clear deterioration from the previous progress made on gender equality and women's economic participation. While the private sector has been hardest hit by the pandemic, women have been disproportionately affected, as their economic opportunities in key industries, SMEs, access to financial services and contract-based employment

have evaporated. Women's participation in a sustainable and accelerated economic recovery will, therefore, be crucial, given the impact of the crisis on labour and skills dynamics. First and foremost, this can be achieved through well-informed and evidence-based policy choices. The impact of the crisis could also allow reforms in areas that may not have been prioritised before. The EBRD is contributing to such policy reforms in those economies where it invests. This policy brief is the Bank's contribution to the W20 and G20 dialogue on a more gender-responsive crisis recovery.

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<sup>36</sup> See EBRD, IFC and CDC (2020).

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