The Equality of Opportunity Strategy 2021-2025
Strengthening Human Capital across the EBRD region
President’s Recommendation

Inequality is one of the key political, social and economic challenges shaping the EBRD region today. While inequalities of opportunity affect advanced and transition economies alike, EBRD economies experience higher levels of inequality of opportunity compared to advanced economies, but also face specific additional challenges, such as lower human capital resilience, weaker social safety nets, social norms that limit personal choices and lower levels of trust in meritocratic systems. Taken together, these can jeopardise inclusive growth and achievement of the Sustainable Development Goals (SDGs) across the region. This is recognised in the Bank’s Strategic and Capital Framework (SCF) 2021-2025 which underlines the importance of equality of opportunity in shaping transition in our countries of operations, in addition to the other two cross-cutting themes of green and digital.

The Equality of Opportunity Strategy (EOS) 2021-2025 builds on, strengthens but also substantially broadens the Bank’s existing distinct private sector focused approach to promoting economic inclusion. It seeks to tackle inequality of opportunity as it arises throughout a person’s life, introduces a broader focus on building human capital, and reflects megatrends such as climate change, digitalisation and the future of work, regional disparities, urbanisation, as well as large-scale shocks such as the COVID-19 crisis. As such, it expands the Bank’s current operational and policy approach, as well as the scope and scale of its impact.

The EOS (2021-25) opens up new areas for the EBRD’s investments that more closely reflect the specific challenges that its clients and policy partners face, thereby achieving more targeted and relevant impact. Specifically, the Equality of Opportunity Strategy (2021-25) proposes an operational response along three expanded focus areas of (i) broadening skills, jobs and sustainable livelihoods; (ii) building inclusive and gender-responsive financial systems and business environments; and (iii) creating inclusive and gender-responsive services and public goods – with a stronger emphasis on systemic impact, ranging from the individual, to the way a company operates, to the market / institutional level. New operational approaches include the development of Inclusive Financial Systems, Inclusive Regions and supporting green and digital skills and jobs.

The EOS (2021-25) solidifies the EBRD’s strong commitment to enhancing equality of opportunity throughout the EBRD region in partnership with its clients and policy stakeholders. In this context, the Strategy draws on the Bank’s Environmental and Social Policy and fully aligns with the Strategy for the Promotion of Gender Equality (SPGE).

I recommend that the Board of Directors approve the proposed Equality of Opportunity Strategy for 2021-2025.

Odile Renaud-Basso
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## List of Abbreviations

| AEB | Agreement Establishing the Bank |
| AFI | Alliance for Financial Inclusion |
| ATC | Advanced Transition Countries |
| ATQs | Assessment of Transition Qualities |
| BTCA | Better than Cash Alliance |
| CA | Central Asia |
| CEB | Central Europe and Baltic States |
| CEDEFOP | European Centre for the Development of Vocational Training |
| CoO | Country of Operation |
| CSEU | Civil Society Engagement Unit |
| CSO | Civil Society Organisations |
| D&I | Diversity & Inclusion |
| EEC | Eastern Europe and the Caucasus |
| EIB | European Investment Bank |
| EIS | Economic Inclusion Strategy |
| ENR | Egypt National Rail |
| EO | Equal Opportunities |
| EOAP | Equal Opportunity Action Plan |
| EO2 | Equality of Opportunity |
| EOs | Equality of Opportunity Strategy |
| ESP | Environmental and Social Policy |
| ESF | Environment and Sustainability Department |
| ETC | Early Transition Countries |
| ETF | European Training Foundation |
| ETI | Expected Transition Impact |
| EU | European Union |
| FAO | Food and Agriculture Organisation |
| Fi | Financial Institutions |
| GBVH | Gender-based Violence and Harassment |
| GEF | Green Economy Financing Facility |
| GE | Gender and Economic Inclusion |
| GET | Green Economy Transition |
| ICA | Industry, Commerce & Agribusiness |
| ICT | Information Communications Technology |
| IDPs | Internally displaced Persons |
| IFI | International Financial Institutions |
| ILO | International Labour Organisation |
| IO | International Organisations |
| IOP | Inequality of Opportunity |
| JT | Just Transition |
| LGBTI | Lesbian, Gay, Bisexual, Transgender and Intersex |
| MDB | Multilateral Development Banks |
| NGOs | Non-governmental Organisations |
| OECD | Organisation for Economic Cooperation and Development |
| PFIs | Partner Financial Institutions |
| PMF | Performance Monitoring Framework |
| R&D | Research & Development |
| RO | Resident Office |
| SF | Skills for an Inclusive Future |
| SCF | Strategic and Capital Framework |
| SDGs | Sustainable Development Goals |
| SEE | Sexual Exploitation, Abuse, and Sexual Harassment |
| SEAH | South-Eastern Europe |
| SEMED | Southern and Eastern Mediterranean |
| SIB | Skills in Business |
| SIG | Sustainable Infrastructure Group |
| SIP | Strategy Implementation Plan |
| SME | Small- and medium enterprises |
| SPGE | Strategy for the Promotion of Gender Equality |
| SSF | Shareholder Special Fund |
| TC | Technical Cooperation |
| TI | Transition impact |
| TMT | Telecommunications, Media and Technology |
| TOC | Theory of Change |
| TVET | Technical and Vocational Education and Training |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNWTO | World Tourism Organization |
| We-Fi | Women Entrepreneurs Finance Initiative |
| WEP | Women Empowerment Principles |
| WHO | World Health Organisation |
| WIB | Women in Business |
| WWB | Women's World Banking |
| YiB | Youth in Business |

*See Annex for glossary of terms*
An unequal distribution of economic opportunities in a country—when circumstances beyond an individuals’ control constrain their access to economic opportunities throughout life—has a significant detrimental impact on the growth potential of economies as well as their social cohesion and, ultimately, political stability. Broad access to economic opportunity is integral to sustainable market development. When individuals are unable to make the best use of their skills and talents because they were born in a remote and by climate change affected area, or because of their disadvantaged background or their gender, market outcomes are negatively affected. However, if people are given a chance to succeed, they are more likely to pursue education, participate in the workforce and invest or engage in activities that lead to economic growth and prosperity.

In order to promote the development of sustainable and inclusive economies that create opportunities for all, the EBRD’s Equality of Opportunity Strategy (EOS 2021-2025) builds on, strengthens but also substantially broadens the Bank’s existing distinct private sector focused approach to economic inclusion. It does so by applying the lessons learned from the implementation of the Economic Inclusion Strategy (2017-2021), and by analysing how megatrends such as climate change or digitalisation, and shocks including COVID-19 or fragility, are impacting on people’s equality of opportunity in the EBRD region.

The resulting EOS is designed based on the recognition that characteristics that lead to inequality of opportunity can change throughout a person’s life—shaped by external events such as long term stressors and shocks, as well as by changing social norms, biases and legal frameworks. These characteristics overlap and intersect across factors such as gender, place of birth or residence, age, disability, skills types and levels, displacement, sexual orientation and identity, as well as life events triggered by other external factors. Tackling the resulting inequalities therefore requires a broader focus on developing and preserving human capital at an individual, company and market level.

The EOS therefore considers the specific challenges and potential opportunities in relation to a wider range of target groups with intersecting characteristics—including women, youth, aging populations, people with disabilities, people who see their skills ‘stranded’ due to changes in the labour market or those whose livelihoods depend on declining sectors or regions, migrants and refugees, LGBTI people or ethnic and other minority groups.

The focus on equality of opportunity to strengthen human capital development and resilience differs from other IFI’s mandate and builds on EBRD’s strong private sector focus. The EOS puts emphasis on the private sector’s role in addressing inequalities, introducing a clear operational response to EoO at the level of investments and policy engagements.
The vision of the Equality of Opportunity Strategy (EOS 2021-2025) is to significantly expand the Bank’s approach to and impact on promoting equality of opportunities through investments and policy engagement, to strengthen human capital development and resilience across the EBRD region and enable all parts of society to contribute to and benefit from sustainable growth.

Specifically, the Equality of Opportunity Strategy (2021-25) proposes to introduce:

- **An enhanced approach to equality of opportunity as it arises throughout a person’s life**, reflecting megatrends such as climate change, digitalisation and the future of work, regional disparities, urbanisation, as well as large-scale shocks such as the COVID-19 crisis. In this context, the new strategy moves beyond the definition of narrow target groups towards an approach that is more flexible and in line with the specific realities and needs of people, companies and policy partners across the EBRD region.

- **An operational response along three expanded focus areas** of (i) broadening skills, jobs and sustainable livelihoods; (ii) building inclusive and gender-responsive financial systems and business environments; and (iii) creating inclusive and gender-responsive services and public goods. This opens up new areas for the EBRD’s investments, that more closely reflect the specific challenges that its clients and policy partners face, thereby achieving more targeted and relevant impact.

- **A stronger emphasis on systemic impact**, ranging from the individual, to the way a company operates, to the market / institutional level.

On this basis, the EOS sets out an ambition to increase the share of EBRD inclusive projects from currently 11 percent of total annual projects to 25 percent.

**Strategic Priorities and Operational Response**

<table>
<thead>
<tr>
<th>Addressing inequality of opportunity through an enhanced response that recognises the multi-faceted and changing nature of inequality</th>
<th>Operating across three expanded focus areas...</th>
<th>...utilising EBRD’s strengths and toolbox...</th>
<th>...to promote equality of opportunity and human capital development / resilience at a systemic level across the EBRD region</th>
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<tr>
<td>DIGITALISATION / FUTURE OF WORK</td>
<td>BROADENING ACCESS TO SKILLS, EMPLOYMENT AND LIVELIHOODS</td>
<td>INVESTMENTS</td>
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<td>CLIMATE CHANGE</td>
<td>BUILDING INCLUSIVE AND GENDER-RESPONSIVE FINANCIAL SYSTEMS AND BUSINESS ENVIRONMENTS</td>
<td>TECHNICAL COOPERATION</td>
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**Strategy Ambition:** Increase the share of EBRD operations with Inclusive TI from 11% to 25% by the end of the strategy period.
The EOS scales up existing inclusive investments and policy engagements, including the Bank’s successful Women in Business programmes, its vocational and private sector led skills programmes across corporate sectors and SMEs, its gender-lens investments in green technologies and sectors, or its focus on supporting inclusive infrastructure investments.

It furthermore enables the development of new types of investments and policy support interventions, for example more targeted support for inclusive regions, the promotion of digital and green skills and access to related employment across sectors, the development of inclusive financial systems, the introduction of ESG standards into investments, the piloting of sustainability and other similar bonds, the support of a ‘just’ transition of economies away from carbon intensive industries, or potential investment opportunities in the care economy. **Priority activities** drive sustainable impact by prioritising countries and sectors with large equality gaps, client demand and by leveraging the EBRD’s distinct business model and strengths.

**SUPPORTING JUST TRANSITION TOWARDS A GREEN ECONOMY**

JT projects aim to identify the inequality implications of the green economy transition (through assessments of skills profiles and gaps) and define reskilling opportunities for the affected local workers. JT projects typically **introduce high-quality re-training programmes** for internal or external re-deployment, in partnership with local education providers; while enhancing client’s participation in dialogues on regional economic development.

**CREATING INCLUSIVE AND EQUAL FINANCIAL SYSTEMS**

EBRD will further expand its Women in Business flagship programme and further develop new initiatives to financial inclusion such as the Youth in Business and Star Venture programme. New initiatives will help boost financial inclusion of underserved segments through dedicated facilities and capacity building on digital / fintech solutions. **Inclusive supply chains** and supply chain financing will be explored in this context.

**ENHANCING GREEN, DIGITAL AND STEM SKILLS AND JOBS**

Investments focus on areas where skills gaps remain large and address mega trends such as green and digital to strengthen human capital for the future of work and skills demanded by the private sector. EBRD will strengthen its engagement with TVET / tertiary education providers and authorities to enhance national skills standards and governance, while skill audits and training solutions will ready clients for new technology adoption and green advancements.

**PROMOTING INCLUSIVE REGIONS AND CITIES**

With a focus on the SEMED region where equality gaps are large, a new pilot for Inclusive Regions will address regional disparities in human capital development by increasing local skills and employment opportunities, access to finance and services while improving connectivity to thriving cities. Activities will combine different types of investments with targeted policy advice to national authorities on regional development plans. **Digital smart cities and inclusive regeneration** will be explored in this context.

**PROMOTING INCLUSIVE INFRASTRUCTURE SOLUTIONS**

The Bank promotes inclusive and gender-responsive infrastructure planning and design, at both investment and policy levels, and inclusive stakeholder engagement under the extension of the flagship EBRD’s Green Cities programme. The Bank will step up its support of corporates and public sector to deliver infrastructure solutions that address key challenges such as GBVH and provide safe and equal access to services and public goods for all.
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In parallel, and in collaboration with relevant strategic partners, the EBRD will continue to **shape inclusive policy solutions, support reforms and public-private partnerships** that promote high quality skills development and fair employment, inclusive financial systems (such as through the introduction of gender responsive budgeting or the application of disaggregated SME data to promote women entrepreneurship), and inclusive design in infrastructure and public services opening up economic opportunities for all.

The EOS reflects the Bank’s strategic priorities set out in its **Strategic and Capital Framework (2020-25)** and is embedded into the EBRD’s strategic framework, directly complementing its **Strategy for the Promotion of Gender Equality (SPGE 2021-25)**, its **Environmental and Social Policy (ESP)** as well as sectoral and country strategies.

The delivery of the EOS will be underpinned by a **continuing and strengthened focus on knowledge creation and lessons learned, internal capacity building, streamlined processes and stronger incentives**, as well as the **close engagement with donors and external partners** across sectoral, regional, national and international levels.

On this basis, the EBRD will build on and further expand its active engagement and contribution towards the promotion of a more equal, green and digital future for all across its region – in line with its active role in the wider European and international development architecture.

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<tr>
<th>ENHANCED INCENTIVES</th>
<th>BUILD KNOWLEDGE</th>
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<tr>
<td>NEW TOOLKITS &amp; TRAININGS</td>
<td>SCALED UP MDB COOPERATION</td>
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<td>KNOWLEDGE REPOSITORY</td>
<td>ENHANCED INCENTIVES</td>
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<td>TARGETED RESEARCH</td>
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- EoO in the face of megatrends
- Expanding the approach to promoting EoO
- Strategic priorities and operational response
- Positioning EBRD via a vis other IFIs, partners and donor engagement
- Monitoring performance and results
- Monographs and updates
1 | Introduction
1. Introduction
1.1 Addressing key challenges to Equality of Opportunity

While inequalities of opportunity affect advanced and transition economies alike, EBRD economies have not successfully converged to the levels of equality of opportunity seen in more advanced economies. In addition, EBRD economies face particular barriers due to:

- **Weaker social safety nets** make individuals’ livelihoods more vulnerable to shocks.
- **Lower human capital resilience** with vocational and higher education providing fewer market-relevant skills while life-long learning is less prevalent, weakening workers’ adaptability to changing skills demands over time.
- **Rigid social norms and stereotypes** constrain labour markets’ adaptability to shocks and structural changes (e.g. by limiting the socially acceptable choices open to individuals).
- **Lower levels of trust** in meritocratic systems reduce incentives for investing in human capital accumulation.

In the face of inequality challenges, EBRD economies experience several vulnerabilities...

... which can jeopardise their inclusive growth and achievement of the SDGs.

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**Socio-economic background** still explains up to 75% of inequality of opportunity in education, which has contributed to increasing intergenerational persistence of inequality in outcomes since the start of transition.

**20-50%** of total income equality across EBRD region is explained by factors beyond an individual’s control. These values are higher than in Western Europe.

**25%** of population in EBRD regions possesses sufficient digital skills for standard office tasks, in contrast to 47% in advanced economies.

**Youth unemployment rates are twice as high** in EBRD regions than in advanced economies.

**3x** Women and girls perform over 3/4 of unpaid care work globally – three times as much as men.

**37%** below what they could have achieved with complete education and full health (as opposed to 24% in advanced economies).

**Future earnings potential of children born today in the EBRD region is 20-50%** of total income equality explained by factors beyond an individual’s control. These values are higher than in Western Europe.

**Youth unemployment rates are twice as high** in EBRD regions than in advanced economies.

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**REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES**

**TARGET 10.2** | By 2030, empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

**TARGET 10.3** | Ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and actions in this regard.
1. Introduction
1.2 Promoting Equality of Opportunity is a strategic priority of the EBRD

A lack of equality of opportunity can preclude political inclusion, undermine democratic process and, ultimately, lead to political instability. Broad access to economic opportunity is therefore an integral part of the Bank’s mandate as enshrined in Article 1 of the Agreement Establishing the Bank (AEB), inasmuch as it helps achieve sustainable market development but also creates an environment conducive to more democratic governance.

The EBRD’s Strategic and Capital Framework (SCF 2021-2025) highlights equality of opportunity as one of the three thematic priorities of the Bank. It commits the EBRD to scaling up its activities and impact to promote access to equality of opportunity for all, regardless of their circumstances, by providing access to skills, employment and livelihoods, finance and entrepreneurship, as well as services, infrastructure and public goods. This is aligned with its other two priority themes, which seek to tackle deep-rooted broader challenges – and leverage new opportunities—that stem from environmental and technological transformation, in order to build a more resilient and sustainable future.

The Equality of Opportunity Strategy (EOS 2021-2025) seeks to deliver the Bank’s priority to promote equality of opportunity by strengthening and scaling up the EBRD’s response to promoting an inclusive economic transition. It expands the Bank’s current operational and policy approach, as well as the scope and scale of its impact. It does so by recognising, analysing and tackling factors that occur throughout a person’s life time that negatively impact their equality of opportunity. This includes long term stressors such as climate change or digitalisation, as well as shocks such as economic or health crises, conflict and fragility. By supporting the development and resilience of human capital, the strategy ensures that the Bank’s approach is well targeted and reflective of the specific needs of its countries of operations, clients and people. This includes supporting people who see their skills ‘stranded’ due to changes in the labour market or those whose livelihoods depend on declining sectors or regions. It also seeks to enable companies and policy partners to capitalise on opportunities that future economies bring, especially in the context of the green economy transition or the use of new technologies.

The EOS builds on lessons learned from the Bank’s Economic Inclusion Strategy (EIS 2017-2021) and the earlier Economic Inclusion Approach (launched in 2013) which established the Bank’s ‘inclusive’ transition approach to achieve sustainable market economies. The EIS also aligns with the Bank’s Environmental and Social Policy (ESP).
1. Introduction

1.3 Distinct but interlinked strategies

The EBRD promotes gender equality through its **transition approach** as well as through the **mainstreaming of gender equality measures across its operations**.

- The **Equality of Opportunity Strategy** recognises the importance of targeted transition impact to promote gender equality in line with the Bank’s Strategy for the Promotion of Gender Equality, and mainstreams gender across EoO activities at project and policy levels.

- The **Strategy for the Promotion of Gender Equality** seeks to create equal economic opportunities for women by integrating measures to enhance gender equality across the EBRD’s operations and policy engagements (gender ‘mainstreaming’), including through key enablers such as reducing GBVH risks and promoting the care economy.

Together, both strategies contribute towards the creation of **more equal societies and inclusive growth** across the EBRD region.

They are supported by the Bank’s **Environmental and Social Policy** which takes into consideration the environmental and social impacts and risks of the Bank’s projects, and addresses and mitigates adverse impacts on human capital to ensure that the Bank’s projects do not create harm and/or exacerbate existing gender and inclusion challenges.

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**RELATIONSHIP BETWEEN EBRD STRATEGIES AND POLICIES**

- **STRATEGY FOR THE PROMOTION OF GENDER EQUALITY**

  - Other means of promoting gender equality through EBRD operations

- **EQUALITY OF OPPORTUNITY STRATEGY**

  - Other areas and target groups* of Inclusive TI

- **ENVIRONMENTAL AND SOCIAL POLICY**

  - Ensures compliance with key Performance Requirements and mitigates risks related to the environmental and social impact of the Bank’s operations

* Gender mainstreamed where possible
1. Introduction

1.4 Structure of the Equality of Opportunity Strategy 2021-2025

The Strategy document is structured in seven sections. Following this introduction (Section I), the Strategy will take stock of the Bank’s past Economic Inclusion Strategy (EIS) 2017-2021 and the lessons learned (Section II).

It will analyse EoOs in the face of megatrends and large-scale shocks (Section III) and introduce the expanded approach to equality of opportunity and human capital development, focusing on different levels of impact – from the individual to the company, and market – for systemic change (Section IV).

The Strategy’s strategic priorities and operational response (Section V) introduce priority project approaches and policy engagements along three expanded focus areas and the enhanced EBRD processes and systems to support the scaling-up towards 25% inclusive projects across the Bank by 2025.

Finally, the EBRD’s relationship with donors and other partners (Section VI) and strong performance management (Section VII) will further support delivery of the strategy ambition.

**STRATEGY AMBITION:** Increase the share of EBRD operations with Inclusive TI from 11% to 25% by the end of the strategy period.
2. Implementation of the EIS 2017-2021

2.1 Overview of the EIS objectives and approach

Approved in 2017, EBRD’s first Economic Inclusion Strategy (EIS) defined and operationalised ‘inclusive’ transition as one of the Bank’s six transition qualities for sustainable market economies (i.e. competitive, resilient, well-governed, green, integrated and inclusive), to achieve sustainable and inclusive market economies that create economic opportunities for groups facing disproportionate barriers at birth.

Recognised as a source of transition impact, inclusion was placed at the heart of EBRD’s project development and impact rating across all sectors and countries. The EIS approach combined investments and technical assistance with policy reforms supported by donor funding with the objective to achieve systemic impact.

The approach was based on the concept of Equality of Opportunity. The EIS recognised that inequality of opportunity arises when individuals face uneven starting points and disproportionate barriers to economic opportunity due to factors over which they have no control. These factors were defined as circumstances determined at birth, such as gender, year of birth/age, and place of birth/residence. Primary inclusion target groups were, consequently, identified as:

- WOMEN
- YOUTH
- PEOPLE IN LESS-DEVELOPED REGIONS

The vision and objectives set by the EIS were as follows:

- To deepen and strengthen the Bank’s private sector focused inclusion approach across three priority thematic areas: access to employment and skills; access to finance and entrepreneurship; and access to services.
- To gradually widen the inclusion approaches from core inclusion groups (gender, youth, regions) to other target groups (e.g. people with disability, ageing workforce, LGBTI, migrants and refugees) based on country priorities and through client engagement.
- To expand policy engagement to remove regulatory barriers and unlock inclusive growth.
- To enhance know-how and knowledge creation.
2. Implementation of the EIS 2017-2021

2.1 Overview of the EIS objectives and approach

Drive the transition to inclusive market economies by harnessing the power of the private sector to create equitable access to economic opportunity along three distinct areas of impact.

<table>
<thead>
<tr>
<th>GOAL</th>
<th>FOCUS AREAS</th>
<th>ACTIVITIES</th>
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|      | FINANCE & ENTREPRENEURSHIP | AT PROJECT LEVEL:  
• Scaling up the Women in Business (WiB) model with advisory services, in 24 economies through 40+ partner financial institutions.  
• Launching the Youth in Business programme.  
• Lending in refugees-affected regions. |
|      | EMPLOYMENT & SKILLS | AT PROJECT LEVEL:  
• Reducing skills gaps in the workforce and improving the quality of skills programmes.  
• Supporting female labour force participation.  
• Increasing the talent pool and workforce diversity across different sectors. |
|      | SERVICES | AT PROJECT LEVEL:  
• Promoting inclusive access to services and gender-responsive infrastructure design.  
• Supporting key infrastructure for previously underserved groups while addressing GBVH on public transport services. |
|      |            | AT POLICY LEVEL:  
• Building gender-responsive investment climates and regulatory impact assessments.  
• Promoting national data collection by gender and age.  
• Supporting women business associations. |
|      |            | AT POLICY LEVEL:  
• Establishing business-led multi-stakeholder Sectoral Skills Councils to shape training policies and public private policy platforms  
• Developing market-relevant skills standards, national skills frameworks, accredited curricula |
|      |            | AT POLICY LEVEL:  
• Increasing inclusion responsive designs in green urban development and planning  
• Integrating inclusive clauses into national procurement policies in infrastructure investments. |
2. Implementation of the EIS 2017-2021
2.2 Results of the EIS: Number, reach and scope of inclusive projects increased substantially

- Between Q1 2017 and Q4 2020, the number of projects with Inclusion TI increased by over 50 percent to a total of 154 projects.

- Inclusive projects are weighted towards Gender and Youth TI.

<table>
<thead>
<tr>
<th>Year</th>
<th>Other</th>
<th>Region</th>
<th>Youth</th>
<th>Gender</th>
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<tr>
<td>2017</td>
<td>17%</td>
<td>31%</td>
<td>48%</td>
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<td>2018</td>
<td>6%</td>
<td>58%</td>
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<td>16%</td>
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<tr>
<td>2019</td>
<td>15%</td>
<td>47%</td>
<td>34%</td>
<td>31%</td>
</tr>
<tr>
<td>2020</td>
<td>16%</td>
<td>38%</td>
<td>43%</td>
<td>38%</td>
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- Inclusion TI projects are present across all sectors, with ICA making the largest contribution and SIG growing in 2020 to constitute a third.

- The highest share of inclusive projects is found in SEMED, where gaps are substantial. Central Asia and Eastern Europe & Caucasus represent c. 20% each.
2. Implementation of the EIS 2017-2021
2.2 Results of the EIS: Access to skills, jobs, entrepreneurship and services

Significant achievements: The EIS opened up access to skills, jobs, entrepreneurship and services.

154 Investments designed to improve access to employment, skills, finance, entrepreneurship and services

~75k Training opportunities for youth, women, refugees and people with disabilities created

~4.6k Employment Opportunities for youth, women, refugees and people with disabilities created

~90k Women entrepreneurs supported through the Women in Business Programme

~7.5m People or households benefitting from new/improved infrastructure services

30 Institutional/Legal/Regulatory supported changes implemented
2. Implementation of the EIS 2017-2021
2.2 Results of the EIS: Targeted approaches in partnership with clients

CONNECTING YOUNG PEOPLE TO SKILLS AND EMPLOYMENT

Investing in the PSJC Datagroup in Ukraine, EBRD supported the company to scale up its internship programme by doubling its intake to 80-100 young people per year, geographically expanding the programme, encompassing new partnerships with learning providers, and introducing new areas of learning for participants with particular focus on women in digital sectors, including installation, network monitoring, and servicing equipment.

EMPOWERING WOMEN AND YOUTH IN BUSINESS

EBRD’s flagship Women in Business programme was scaled up during the EIS period with EUR 236m in projects particularly across Central Asia, Eastern Europe and the Caucasus. Extending this model the Bank launched a first of its kind Youth in Business programme with the National Bank in Egypt in 2019 to support access to finance and knowhow for young people, financing up to USD 120 million over five years.

CREATING NEW SKILLS STANDARDS FOR GREEN OCCUPATIONS

Investing in STEG, the leading player in Tunisia’s energy sector, EBRD supported the development of new skills standards and nationally accredited training programmes on green and digital skills for young energy engineers. This includes the development of four National Occupational Skills Standards to define what new skills will be required in the sector, ultimately enhancing the employability of young labour market entrants in Tunisia.

SUPPORTING WOMEN AND MEN IN LESS DEVELOPED REGIONS

EBRD provided a loan for the construction of a road alignment for the existing M41 highway connecting the Northeast region of Tajikistan and the Kyrgyz Republic. The project will enhance access to services and economic opportunities for women and remote populations through improved connectivity. Road safety and gender-sensitive design features have been enhanced following consultations with women and men in the target communities.

PROMOTING GENDER EQUALITY IN GREEN CITIES

EBRD supported the Tbilisi Transport Company (TCC) to improve its HR policies and standards with respect to equal opportunities. This included introducing a tailored gender action plan to create better access to employment and training for female candidates and staff, increasing the number of female bus drivers. To create signal in the market, TTC signed the UN’s Women Empowerment Principles (WEPs) in 2019.
EBRD is supporting the construction of a wastewater network in 15 towns in West Irbid in Jordan, while opening new skills and employment opportunities for refugees as well as the local Jordanian host community.

Through the introduction of inclusive procurement policies and practices Jordan’s national water authority has been empowered to engage private sector contractors to train and hire locally.

EBRD extended a loan, portfolio guarantee, and capacity-building to Microfund for Women, the largest microfinance institution in Jordan, to support Syrian refugees and host communities’ access to finance. Through technical assistance, loan officers and staff have been trained to adequately assess the risk of refugee clients and rapidly implement new processes and practices to better cater to the Syrian refugee client segment.

EBRD’s investment in Majid Al Futtaim in Egypt supported the establishment of an on-site ‘Almaza Recruitment and Training Centre’ as part of a retail centre, delivering accredited training programmes and employability support to young people and people with disabilities in line with the skills needs of tenant retailers, restaurants and other services providers. The programme was launched with virtual training features in response to the COVID-19 pandemic.

As a first of its kind project for the EBRD, an investment with Spar in Poland is designed to address inclusion gaps for older workers. The project introduces a new certified training programme tailored to the needs of the ageing workforce. It includes inter-generational mentorships and trainings focused on change management in retail with short modules on digital skills, customer service and financial literacy where skills gaps are largest.

EBRD is supporting the construction of a wastewater network in 15 towns in West Irbid in Jordan, while opening up new skills and employment opportunities for refugees as well as the local Jordanian host community.

The Bank has supported research and events with partners such as Open for Business and IFC to raise awareness about the costs to business and performance of LGBTI exclusion, guidance and key challenges. In addition, EBRD and the World Bank jointly facilitated the engagement of key Ministries from across Western Balkans countries to help address LGBTI economic inclusion.
2. Implementation of the EIS 2017-2021

2.2 Results of the EIS: Policy reforms opening up more equal access to economic opportunity

WESTERN BALKANS
- Joint EBRD / ILO Policy Task Force for inclusive labour market crisis response policies. Unemployment benefit cover was extended in North Macedonia as a result. Reports issued for Serbia, Montenegro, BIH.

TURKEY
- High quality national skills standards and dual learning provision introduced through a public private policy platform.
- Access to child care by fostering collaboration between public and private sector to promote women’s employment and career progression.

GEORGIA
- Developing a new professional licencing scheme for nurses and midwives, improving learning outcomes and employment opportunities for young women and men while boosting healthcare standards nation-wide.

TUNISIA
- Supporting women-led SMEs in supply chains and through digital technologies.

EGYPT
- Vocational skills reforms in the engineering and manufacturing sectors, with the introduction of a Sector Skills Council.

JORDAN
- Establishment of Sector Skills Councils to shape education and vocational training policies in the hospitality & tourism sector.
- Supporting the Ministry of Tourism and Antiquities to respond to the COVID-19 crisis.

KAZAKHSTAN
- Labour market reforms to eliminate the list of occupations that women are currently barred from performing.

TAJIKISTAN
- Review of the tax policy and business registration practices and policies for supporting women entrepreneurship and streamlining the business registration process for home based entrepreneurs.

EGYPT
- Vocational skills reforms in the engineering and manufacturing sectors, with the introduction of a Sector Skills Council.
### 2. Implementation of the EIS 2017-2021

#### 2.3 Findings of the external evaluation

<table>
<thead>
<tr>
<th>IMPACT</th>
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<td></td>
<td>- Projects with Inclusive TI have increased from 7% (2017) to 11% (2020) of EBRD’s portfolio...</td>
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| EFFECTIVENESS | - Growth in Inclusive TI has been supported by intensive and effective engagement of the GEI team in projects across sectors and regions  
  - 70% of banking colleagues feel they required G&EI expertise and knowledge to introduce and ‘sell’ inclusive approaches to clients  
  - 80% of banking colleagues feel sufficiently supported by the G&EI team | - Projects with potential positive inclusive impact are not always recognized and developed as Inclusive TI, especially for technology investments with upskilling needs, regional inclusion and intersectional groups (e.g. through enhanced transport). |
| EFFICIENCY | - An effective and skilled G&EI team (with 1/3 of staff in ROs) is in place that have delivered the scaling up of gender and inclusive projects since 2018 – with some economies of scale (i.e. more projects per person). | - Incentives for bankers to develop Inclusive TI projects is limited due to (i) crowding out of Inclusive TI by the Bank’s dominant focus on ‘green’; but also other (‘easier’) qualities, and (ii) perceived lack of appetite of clients. |

→ The number and impact of inclusive projects has increased, but scaling up requires further standardisation, better incentives, and ongoing technical support.

### IMPACT

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- Projects with potential positive inclusive impact are not always recognized and developed as Inclusive TI, especially for technology investments with upskilling needs, regional inclusion and intersectional groups (e.g. through enhanced transport).

- Incentives for bankers to develop Inclusive TI projects is limited due to (i) crowding out of Inclusive TI by the Bank’s dominant focus on ‘green’; but also other (‘easier’) qualities, and (ii) perceived lack of appetite of clients.

- Operations focused on a relatively narrow set of impact pathways as TI assessment currently discourages intersectional approaches.

- Bankers highlight a need for more standardised products that can be used to better ‘sell’ inclusion opportunities with clients.

### STRENGTHS

- Projects with Inclusive TI have increased from 7% (2017) to 11% (2020) of EBRD’s portfolio...

- ...including a widening to new target groups (e.g. people with disabilities) ...

- ... creating 75k training opportunities, 4.6k employment opportunities, reaching over 90k women entrepreneurs and supporting 30 legal or regulatory reforms.

### CHALLENGES

- The EBRD’s approach to promoting economic inclusion remains distinct and unique across MDNs and DFIs, integrating inclusive measures into investments and policy engagement across sectors and regions.

- Growth in Inclusive TI has been supported by intensive and effective engagement of the GEI team in projects across sectors and regions.

- An effective and skilled G&EI team (with 1/3 of staff in ROs) is in place that have delivered the scaling up of gender and inclusive projects since 2018 – with some economies of scale (i.e. more projects per person).

### RELEVANCE

- The Bank’s resources focused on inclusion are highly reliant on donor funding resulting in high staff turnover and high effort required to ‘match funding’ to projects.

- The current approach to inclusion is heavily TC reliant and hence, difficult to scale.
2. Implementation of the EIS 2017-2021
2.4 Lessons learned, challenges and opportunities

**CHALLENGES**

- Requiring a high burden of proof, including data that is often hard to obtain or unavailable restricts identifying and developing new impact pathways
- Focusing on a narrow set of (mutually exclusive) target groups leads to (i) reduced relevance of projects in a company or national context (e.g. by not targeting underlying reasons for inequality such as stranded skills), and (ii) precludes an intersectional approach (where several target groups are in focus).
- Incentives are a key driver for scaling up and need to be set in the context of the Bank’s wider strategic priorities
  - There is a crowding out of inclusion due to the prominence and high targets/incentives for green investments at EBRD
  - ... as well as a crowding out of other forms of inclusion by gender, driven by messaging and recent gender targets

**LESSONS LEARNED**

- Setting measurable indicators for client- and market-level outcomes is necessary for demonstrating systemic impact
  - A theory of change that includes quantifiable output- and outcome-indicators is important to track and communicate impact
- A clearer business case is needed to motivate both clients and banking teams to promote inclusive activities
  - Project-related case studies, client-facing products and materials are crucial in being able to demonstrate the ‘business case’
- Country or sector specific inclusive expertise is valuable for delivering impactful projects and policy engagements

**OPPORTUNITIES**

- Increase the ability to report on outcomes, efforts could be directed towards digitalizing and systematizing data collected during projects
- Target inclusion groups more flexibly (beyond the narrow, and often mutually exclusive, targeting of women, youth or regions), recognising the impact investments can have across other circumstances affecting EoO
- Roll out more standardized and scalable products across sectoral and regional teams
- Create more effective incentives for Inclusive TI projects, including more accurately recognising the inclusive impact of investments

(1) Further details from the evaluation results are available in the Annex
3 | Equality of Opportunity in the face of new challenges, megatrends and shocks
3. EoO in the face of new challenges, megatrends and shocks

3.1 Overview of long term stressors and megatrends

Factors such as gender, parental background and place of birth explain up to 50 percent of income inequality across the EBRD region, with income convergence slow and reversing in some countries. These inequalities are exacerbated further by megatrends and shocks that create additional drivers for inequality of opportunity.

Examples of groups particularly affected include women, young labour market entrants, aging workers, low skilled or those with stranded skills, people employed in declining sectors or living in remote/declining regions, people affected by job automation, people with disabilities, migrants and refugees, LGBTI people or ethnic minority groups. The EOS recognises the importance of addressing inequalities of economic opportunity that can emerge in dynamic, complex, and intersecting ways.

Section 3 assesses the impact of the above key megatrends and shocks on Equality of Opportunity across the EBRD region, and sets out the cornerstones of the conceptual frameworks for the Bank to formulate its operational response.
3. EoO in the face of new challenges, megatrends and shocks

3.2 Climate change

Climate change leads to economic disruption and threatens livelihoods across many sectors and large parts of the EBRD regions. It causes adverse health impacts from pollution, heat and other environmental factors, triggering displacement and asset loss for people in most affected regions. EBRD countries face a range of climate risk exposures such as water-stress, heatwaves, and physical climate risks such as flooding.

Climate change affects different parts of the EBRD region in differing ways, requiring a targeted approach to ensuring that people and communities – regardless of their circumstances – can benefit from the opportunities that a green economy transition can bring, and are empowered to take mitigation and adaptive measures.

The future viability and performance of a wide range of sectors will depend on their ability to adapt. This stretches from fossil fuel heavy industries such as mining, energy and transport, to sectors including tourism, agribusiness and food production, financial services, utilities companies, and manufacturing that are reliant on global supply chains. People and regions that are dependent on these sectors will require support to sustain livelihoods and build human capital capacity and resilience to adapt, build new skills and business models, and re-focus regional economies.

Inequalities also persist between low and high emission countries, with the former carrying increasing economic and social burdens, and vulnerable groups disproportionately affected due to their lower capacity to cope with the negative impacts of climate change.

The transition to the green economy requires mitigating the impact of climate change on livelihoods. By not leaving behind communities and people affected by the transition away from fossil fuel industries, a Just Transition can be ensured.

Livelihoods can be sustained by promoting sustainable business practices among resource-intensive and fossil fuel reliant sectors, and promoting green skills in these sectors, providing access to sustainable infrastructure and services in resource scarce regions, and promoting green and inclusive financial systems.

The transition to the green economy opens up new opportunities in a sustainable economic system that provides equal opportunities to all people and communities, regardless of their circumstances. Opportunities can be leveraged by ensuring equal opportunities in accessing employment in green sectors, by ensuring access to services in emerging green sectors and in green cities, and by enhancing access to the skills required for the green transition, as well as promoting equal access to green technologies, advisory services and finance for sustainable entrepreneurship.
3. EoO in the face of new challenges, megatrends and shocks

3.3 Digitalisation and the future of work

Digitalisation has the potential to be an enabler and equaliser for equality of opportunity. Digital technologies can indeed provide wider access to learning and employment opportunities; strengthen financial inclusion; expand the range of services available to under-served groups; and reduce bias and discrimination in decision-making around lending, recruitment and career development.

However, ongoing digital divides risk exacerbating existing inequalities – particularly when technologies are not accessible to or affordable for everyone, when the digital skills needed to use them are not widespread, or when the (over) adoption of technologies such as artificial intelligence can have unintended but negative consequences. Significant gaps in accessibility, adoption, quality, and responsible use of internet and digital services remain present in many EBRD economies, particularly impacting women, older workers and people living outside economic centres. In addition, basic and standard digital skills often lag behind advanced countries. Divides in digital skills can prolong inequalities around access to TMT services and employment opportunities in high growth (and high skill / paid) sectors while leaving behind workers that are vulnerable to technological disruption. Technologies can also replicate or embed existing biases and discriminatory practices when they are not designed or deployed in a responsible way, taking into considerations the needs of a diverse set of users.

Changes are taking place in how people work, learn and earn across the EBRD region. Digital technologies and new working structures are alleviating the disadvantages traditionally faced by less educated or less mobile workers, unlocking new opportunities. Meanwhile, the emerging world of work risks marginalising others – particularly those in routine occupations and without transferrable skills – resulting in stranded human capital and skills.

The key trends affecting the labour markets across EBRD countries encompass the following:

- **Technological change** can trigger rapid rises in productivity, altering work modalities and the demand for labour and skills. While this can fundamentally improve economic opportunities, the benefits are often skewed. Technological improvements, including automation and digitalisation, typically increase demand for high-skilled labour while reducing demand for semi-skilled roles, resulting in ‘job polarisation’.

- **Digital services** continue to transform and disrupt a multitude of markets and economic activities, generating new work opportunities alongside concerns over job quality, security and status. While outsourcing and the modern ‘servitisation’ of manufacturing can deliver lower costs and greater customisability for clients, the resulting work opportunities tend to be characterised by excessive self-reliance and insecurity. The resulting labour market divisions present challenges for job quality, workers’ engagement and livelihood security.

Note: The map shows a composite index measuring the degree of access, affordability, adoption, quality, and use of internet, and level of digital skills. The chart is based on methodology of OECD (2017), high-skill occupations encompass ISCO-88 Groups 1-3; medium-skill encompass Groups 4, 7 and 8; and low-skill encompass Groups 5 and 9.
3. EoO in the face of new challenges, megatrends and shocks

3.4 Urbanisation, regional disparities and migration

Trends across the EBRD region show rising within-country inequality and growing population density in large cities and conurbations. Especially in post-communist countries, income growth has been concentrated at the top of the income distribution, in part a legacy of privatisation and price liberalisation in the early transition period. Across the region, wealth is more concentrated among the very rich than it is in comparable economies elsewhere in the world. At the same time, population growth of cities has come at the expense of towns and rural areas; in almost half of EBRD’s CoOs, more than 50 percent of the population now lives in areas with declining population density.

Key advantages accrue in large, thriving cities, leading to high concentrations of national output. Agglomerations in particular generate productivity gains for businesses which benefit from closeness to product and factor markets as well as knowledge spill-overs and network effects. Public services and infrastructure can also be provided more cost effectively in large agglomerations. Workers often locate in large, thriving cities to benefit from higher wages and productivity, as well as a relatively wider choice of leisure activities. These factors explain in part why, across EBRD CoOs, the main metropolitan regions account for a median of 41 percent of national output.

EBRD will focus on regions based on a number of factors reflecting EBRD’s demand-driven approach, alignment with country and sectoral strategies and the suitability of local economic conditions:

- **Thriving cities**: those (first, second and sometimes third) cities where national output is highly concentrated, where investments can promote inclusive cities and provide positive spill over effects on lagging regions (e.g. providing new opportunities for commuting workers of periphery regions).
- **Lagging regions and rural areas**: where investments can boost opportunities for local populations in areas that are more remotely located and/or those that account for a low or shrinking share of national output, are experiencing declines in population and are grappling with the effects of structural change.
- **Connectivity**: between the core and the periphery as well as between regions in the periphery to enable greater integration and economic opportunities in the periphery.

Regional disparities and urbanisation:

- Regional disparities are high with significant outliers.

There are a number of channels through which rising regional disparities reduce equality of opportunity. For example, a “wealth bias” in national decision making processes can favour thriving regions over others. A “big city bias” has been observed in financial markets, whereby rural regions remain underserved by the banking sector. Prohibitive high housing costs in thriving cities might also inhibit migration from lagging regions.

Lagging cities can find themselves in self-reinforcing cycles of decline and often have high rates of outward migration. Low satisfaction with the quality of local services and amenities drive workers to search for job opportunities and a higher quality of life in thriving cities. Migration rates are significant, with 3% of the global population migrating internationally and 12% migrating internally. While outmigration might yield benefits in terms of remittance flows, the departure of a region’s skilled workforce reduces its ability to reverse the process of decline, respond to shocks or longer term challenges, and leaving their human capital weak and declining.
3. EoO in the face of new challenges, megatrends and shocks

3.5 Large scale shocks and COVID-19

COVID-19 has further exacerbated existing and created new inequalities for groups that already faced disproportionate barriers to economic opportunity before the crisis. The waves of unemployment caused by the crisis may give rise to pockets of ‘stranded skills’, particularly in the regions and sectors that were most dependent on face-to-face interactions and, therefore, affected by lockdown restrictions (e.g. hospitality, retail, services, and tourism). The achievement of the gender parity has been set back by a generation.

A sustainable recovery can only be achieved if not only these new inequalities are addressed but also the underlying ones that existed before the pandemic, for a more just and equitable future for all.

WOMEN have accounted for 54% of global job losses, even if they make up 39% of employment. This is because women – as employees as well as entrepreneurs – are more likely to work in sectors affected by lockdown restrictions. In addition, women are disproportionately concentrated within more precarious, lower quality employment roles. When they manage a business, women enjoy relatively limited access to finance, information, professional networks and support.

Because of school closures and reduction in services provided by elderly carers, women have taken up a large volume of unpaid care and domestic work. Although both women and men are bearing the extra burden, the average time spent on domestic work and care responsibilities has increased more for women than for men, even in couples where the woman earned more than her partner.

Incidences of gender-based violence and harassment (GBVH) have soared, attributed to heightened stress and financial difficulties experienced during the lockdown.

YOUNG people are more likely to work in non-standard employment, such as temporary or part-time work, and have been more vulnerable to dismissals and to reduction in working hours or pay. Being unemployed at a young age can have long-lasting ‘scarring effects’ and may ultimately lead to a ‘lost generation’ of talent, with fewer career opportunities, lower wage levels, poorer prospects for quality work, and less security in old age.

The pandemic disrupted the global education system. During the first wave of pandemic lockdowns, 80% of students globally were out of school. Despite later adaptation for remote teaching, at least 30% of the global student population lacked the technology to participate in digital and broadcast learning.

The economic shock from the coronavirus has exacerbated REGIONAL DISPARITIES. The impact is likely to differ depending on exposures to tradable sectors, integration into global value chains, and sectoral specialisation (e.g. dependence on tourism). In addition, the least developed economies have poorer health systems as well as weaker safety nets.

MIGRANTS see their remittances fall and their freedom of movement curtailed, which restricted their ability to seek seasonal agricultural work or other opportunities abroad.

OTHER EFFECTS include the acceleration of automation. For example, during COVID-19, firms adopted labour replacing technologies in response to sanitary requirements and labour shortages. Longer-term social distancing requirements, as well as broader shifts in business and risk management strategies, could further the uptake of automating technologies, particularly in the retail sector.
Expanding the EBRD’s approach to promoting Equality of Opportunity
4. Expanding the EBRD’s approach to promoting Equality of Opportunity

4.1 A human capital approach that recognises the multi-faceted nature of inequality and shocks

The conceptual approach to promoting Equality of Opportunity adopted by the EIS (2017-2021) created the basis for the EBRD to support sustainable and inclusive market economies through its investments and policy activities and achieved increasingly systemic impact across a range of areas. However, with the emergence of global challenges such as climate change and digitalisation, as well as shocks including the COVID-19 pandemic or conflicts and fragility, the need for a more flexible approach that targets the specific – and changing – needs of people and companies across the Bank’s region has become apparent. This is required not only to tackle the challenges but also harness the opportunities for people, companies and regions that these new developments can bring.

Whilst the EIS (2017-21) sought to address inequalities that arise from gender as well as inherent characteristics such as place of birth and socio-economic background, the Equality of Opportunity Strategy (EOS 2021-25) recognises that factors that lead to inequality of opportunity can change throughout a person’s life – shaped by external events such as long term stressors and shocks, as well as by changing social norms, biases and legal frameworks. These factors overlap and intersect across gender, place of birth or residence, age, disability, skills types and levels, displacement or migration status, sexual orientation and identity, as well as life events triggered by other external factors. Tackling the resulting inequalities requires a broader focus on developing and preserving human capital at an individual, company and market level. The expanded approach introduced by the EOS enables the EBRD to better target its activities in line with the specific challenges and needs of people, companies and countries across its region, and thereby enhances the relevance of its contribution and overall impact towards promoting equality of opportunity.
The Equality of Opportunity Strategy introduces a stronger focus on **impact beyond the individual level**. This enables the Bank to better target, measure and articulate broader and more systemic impact, which increases from the individual to the company and market level.

- **At market level**, the emphasis is on strengthening institutions and introducing inclusive policies, standards and practices, and the promotion of these through relevant public and industry bodies.

- **At the company level**, this approach enables the design of activities that reflect company-specific challenges and opportunities, thus enabling a nuanced and relevant response that in turn promises more sustainable changes in a company’s behaviour (e.g. in relation to its recruitment practices, talent management or product development).

- **At the individual level**, the focus lies on specific groups that are defined in line with EoO and human capital challenges. These groups include women, youth, the elderly, people with disabilities, people with stranded skills, those with difficulties to (re)enter or remain in the labour market, refugees and those living in more remote areas, LGBTI or those belonging to a marginalised / ethnic group. Targeting of these groups is subject to a clear and verifiable gap in terms of access to economic opportunity in their respective national/sectoral context. Importantly, target groups can be defined based on overlapping characteristics, encouraging **intersectionality**.

### Diagram

- **Market Level**
  - Improved / preserved regional or sectoral **human capital** to ensure ongoing and future growth and prosperity
  - Skilled and diverse **workforce**, better access to finance and markets, increased take up of services / products produced
  - Changing **company behaviour** towards more inclusive and gender-sensitive standards and practices
  - Access to **skills** and employment as well as enhanced livelihoods, **financial inclusion**, entrepreneurship opportunities or access to key services and public life

- **Company Level**

- **Individual Level**
5 | Strategic priorities and operational responses

5.1 Prioritises are focused on three operational areas and key strengths of the Bank

The Equality of Opportunity Strategy (2021-2025) seeks to significantly expand the Bank’s approach to and impact on promoting equality of opportunities through projects and policy engagement, to strengthen human capital development and resilience across the EBRD region and to enable all parts of society to contribute to and benefit from sustainable growth.

Drawing on EBRD strengths and tools the enhanced approach to equality of opportunity takes into account the impacts of megatrends and large-scale shocks on inequalities. In line with this approach, the Strategy sets out a targeted operational response across three focus areas. It prioritises projects and policy engagements with a focus on country level equality gaps (ATQs), client demand and a clear EBRD value proposition.

Driving Inclusive TI (transition impact), the response is expected to increase the share of EBRD operations with Inclusive TI from 11% to 25% of total EBRD ETI operations by the end of the strategy period.

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<th>DRAWING ON EBRD STRENGTHS AND TOOLS</th>
<th>ACROSS THREE OPERATIONAL FOCUS AREAS</th>
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<tr>
<td>INVESTMENTS</td>
<td>1 BROADENING ACCESS TO SKILLS, EMPLOYMENT AND LIVELIHOODS</td>
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<td>TECHNICAL COOPERATION</td>
<td>that better reflect challenges and opportunities resulting from new forms of work (for example platform economies, new digital ways of working) and to tackle informality.</td>
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<tr>
<td>POLICY DIALOGUE</td>
<td>2 BUILDING INCLUSIVE AND GENDER-RESPONSIVE FINANCIAL SYSTEMS AND BUSINESS ENVIRONMENTS</td>
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<td>with a focus on introducing a broader emphasis on financial inclusion and the development of inclusive financial system.</td>
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<tr>
<td>INSTITUTIONAL STRENGTHENING</td>
<td>3 CREATING INCLUSIVE AND GENDER-RESPONSIVE SERVICES AND PUBLIC GOODS</td>
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<td>that integrates a focus on broader public goods, including accessible infrastructure and an ability to use public realm and facilities in an equitable way that is open to all.</td>
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...IT AIMS TO TACKLE INEQUALITIES AS THEY ARISE DUE TO MEGATRENDS AND SHOCKS

PROJECTS AND POLICY ENGAGEMENTS ARE PRIORITISED AS PER:

- Operations that address equality gaps (ATQs) and related country strategy priorities
- Client and policy stakeholder demand and engagement
- A clear value proposition to address inequalities and promote inclusive economies through targeted investments and strategic partnerships; guided by the Bank’s distinct transition mandate, its strong private sector focus, its ability to combine project and policy work and local presence across its region.
5. Strategic priorities and operational responses of the EOS 2021-2025

5.2 Priority activities are targeted towards achieving sustainable impact

A JUST TRANSITION TOWARDS A GREEN ECONOMY

JT projects aim to identify the inequality implications of the green economy transition (through assessments of skills profiles and gaps) and define reskilling opportunities for the affected local workers. JT projects typically introduce high-quality re-training programmes for internal or external re-deployment, in partnership with local education providers; while enhancing clients’ participation in dialogues on regional inclusive economic development.

INCLUSIVE FINANCIAL SYSTEMS

EBRD will further expand its Women in Business flagship programme and further develop new initiatives to financial inclusion such as the Youth in Business and Star Venture programme. New initiatives will help boost financial inclusion of underserved segments through dedicated facilities and capacity building on digital / fintech solutions. Inclusive supply chains and supply chain financing will be explored in this context.

GREEN, DIGITAL AND STEM SKILLS AND JOBS

Investments focus on areas where skills gaps remain large and address mega trends such as green and digital to strengthen human capital for the future of work and skills demanded by the private sector. EBRD will strengthen its engagement with TVET / tertiary education providers and authorities to enhance national skills standards and governance, while skill audits and training solutions will ready clients for new technology adoption and green advancements.

INCLUSIVE REGIONS AND CITIES

With a focus on the SEMED region where equality gaps are large, a new pilot for Inclusive Regions will address regional disparities in human capital development by increasing local skills and employment opportunities, access to finance and services while improving connectivity to thriving cities. Activities will combine different types of investments with targeted policy advice to national authorities on regional development plans. Digital solutions and smart cities will be explored in this context.

INCLUSIVE INFRASTRUCTURE SOLUTIONS

The Bank promotes inclusive and gender-responsive infrastructure planning and design, at both investment and policy levels, and inclusive stakeholder engagement under the extension of the flagship EBRD’s Green Cities programme. The Bank will step up its support of corporates and public sector to deliver infrastructure solutions that address key challenges such as GBVH and provide safe and equal access to services and public goods for all.
5. Strategic priorities and operational responses of the EOS 2021-2025
5.3 Creating access to economic opportunities across intersecting target groups

The EBRD focuses on identifying win-win solutions for clients, often related to addressing business challenges (e.g., skills shortages, low capacity), while enhancing equality of opportunity for end beneficiaries, such as youth. The EOS will promote a more holistic human capital centred approach where initiatives may target several and intersecting groups. To do so, the Bank will complete country level assessments of the economic inequalities and needs of different populations as part of the country diagnostics.

- People with stranded skills, employed in fossil fuel intense sectors or regions, facing complex challenges to retrain and re-orient their livelihoods.
- Specific focus will be on women who tend to experience larger barriers to up/reskilling, but also to older men – who face restrictive social norms about which jobs are suitable for men vs women to do, limiting their choices and options.
- Women-led and owned businesses who face additional barriers to access finance, advisory and networks to grow and manage their enterprises.
- Young entrepreneurs under the age of 35, with less managerial experience and therefore credit constraints.
- SMEs and entrepreneurs in less developed regions with spatial barriers to services and markets or those wanting to borrow for new digital / green innovations.
- Priority activities will focus on groups that experience large equality gaps in a sector or country (e.g. are more affected by automation or changes in skills needs). Women or LGBTI people, who face barriers accessing jobs / career progression, especially in STEM.
- Young people, older workers, refugees or those with disabilities, who lack market relevant skills or opportunities for reskilling in areas such as digital / green.
- Populations in regions affected by changes in their economies – due to climate change (e.g. aridification in the SEMED region) and changes in global value chains.
- Lagging regions that see high outward migration flows, shrinking workforce, and limited overall human capital.
- Populations in rural areas disconnected from the thriving city centres, with ageing populations, with stranded skills. Inner city deprived areas.
- People with disabilities, the elderly and those requiring accessible transport solutions, people living in remote or disconnected areas who face barriers accessing infrastructure services, connectivity and technology.
- Women or LGBTI people in regions or cities with high prevalence of GBVH and related barriers to freedom of movement and access to employment, education or services as a result.
5. Strategic priorities and operational responses of the EOS 2021-2025

5.4 Focus area 1: Broadening access to skills, employment and sustainable livelihoods

In many economies, efficient flow of human capital is constrained by rigidities embedded within labour markets, education and skills-matching institutions as well as through persistent social norms. At every life-stage, such rigidities systematically disadvantage (or exclude outright) particular social groups, impacting upon: their career entry-points and the extent to which they are able and incentivised to participate in work; their career trajectories in terms of the fairness and transparency with which their professional effort and contributions are recognised and rewarded; and, ultimately, the quality of their livelihoods in terms of how productive and shock-resistant their economic roles may be. Some such rigidities are embedded in national laws and business practices that exclude or neglect particular social groups. Other such rigidities are the products of unforeseen or unforeseeable structural changes that strand particular skills and suspend human capital. Others still are prolonged through conscious or unconscious biases within society that nevertheless systemically disadvantage particular groups of individuals and curtail their human capital. Whatever their roots or drivers, such rigidities should be addressed in order to promote equal access to employment, learning opportunities and ultimately human capital.

The EOS prioritises the optimisation of regional and national labour market potentials by addressing skills mismatches and developing skills for the future. This includes strategic human capital development to enhance the institutional framework in a country at national, regional or sectoral levels, introduce more effective policy solutions and responses to shocks and longer term trends, fill skills gaps, support skills forecasting, inclusive labour market standards and practices, legislation and regional planning.

Support to companies in attracting, developing and retaining qualified talent through inclusive practices and policies, especially (but not only) in relation to green skills, digital technologies or other areas that are either labour intense or can provide high value added employment opportunities. Activities include the promotion of inclusive HR policies and practices, a strategic approach to training and workforce management, the responsible adoption of digital technologies, and the design of inclusive products.

And, aims to empower individuals who face disproportionate barriers to equal opportunities to build their skills fit for the future and enhance their employability and livelihood opportunities. This entails for individuals to become and remain a competitive participant in the labour market, putting their skills towards fuelling green and digital economic growth. A particular focus is put on creating a level playing field for all, regardless of characteristics and those affected by shocks and longer term stressors.
5. Strategic priorities and operational responses of the EOS 2021-2025

5.4 Focus area 1: Broadening access to skills, employment and sustainable livelihoods

<table>
<thead>
<tr>
<th>IMPACT LEVELS</th>
<th>SCALING UP EXISTING APPROACHES</th>
<th>NEW OPERATIONAL RESPONSES</th>
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<tbody>
<tr>
<td><strong>MARKET</strong></td>
<td>Expand policy dialogue on TVET and higher education reform, including for the establishment of Sector Skills Councils to develop occupational and skills standards in line with industry needs, especially in new areas of digital and green occupations and skills</td>
<td>Engage in policy dialogue to strengthen labour market institutions (e.g. employment agencies and skills certification authorities) through capacity enhancement and private sector engagement</td>
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<td></td>
<td>Expand policy engagement to address legal barriers to employment for women, people with disabilities, older workers, and others, and promote equal opportunities legislations (e.g. flexible work, care leave, child care)</td>
<td>Pilot policy dialogue with authorities to support national/sectoral educational and skills development strategies in line with life-long learning principles and market needs</td>
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<td></td>
<td>Scale up policy work to strengthen labour market information and skills forecasting systems through greater use of real-time ‘big data’ analytics</td>
<td>Explore policy work to promote job quality across CoOs including informal and precarious forms of work in partnership with the private sector</td>
</tr>
<tr>
<td><strong>COMPANY</strong></td>
<td>Enable clients to improve equal opportunities policies and practices, for higher workforce diversity, for (among others) older workers, people with disabilities, LGBTI, minority groups and others.</td>
<td>Advocate for gender-sensitive and inclusive digitalisation and green economy transition strategies, including the formulation of new green and digital occupation standards</td>
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<td></td>
<td>Support best practices in talent and workforce management, especially in relation to Just Transition, green and digital skills, including through e-learning</td>
<td>Promote well-managed migration through cross-border recognition and transferability of skills</td>
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<td></td>
<td>Promote clients’ inclusive procurement practices, across new sectors and countries, that open up opportunities for youth and disadvantaged groups (including long-term unemployed, migrants, refugees, Roma, etc.)</td>
<td>Invest in quality TVET and higher education including digital solution such as EduTech</td>
</tr>
<tr>
<td><strong>INDIVIDUAL</strong></td>
<td>Introduce entry level and lifelong learning that improve access to jobs / job retention / return to work opportunities</td>
<td>Leverage investments to enhance clients’ capacity for strategic workforce planning and management (e.g. skills audits, forecasting and training) responding to future of work trends</td>
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<tr>
<td></td>
<td>Promote women in digital and green occupations such as STEMs</td>
<td>Foster regional inclusion through (urban regeneration) investments in core cities that provide positive spill over effects in terms of access to employment and skills in lagging regions</td>
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<td></td>
<td>Leverage digital technologies to scale up access to skills verification solutions (including for refugees, migrants, IDPs, etc.)</td>
<td>Invest in poorer regions to unlock new opportunities for employment and learning through digital solutions (e.g. in tourism and agribusiness)</td>
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<tr>
<td></td>
<td><strong>Megatrends</strong></td>
<td><strong>Annexes</strong></td>
</tr>
<tr>
<td>Digital and Future of Work</td>
<td><strong>EBRD for Reconstruction and Development</strong></td>
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</table>
5. Strategic priorities and operational responses of the EOS 2021-2025

5.4 Focus area 2: Building inclusive and gender-responsive financial systems and business environments

<table>
<thead>
<tr>
<th>Challenge</th>
<th>IMPACT LEVELS</th>
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</thead>
<tbody>
<tr>
<td>Access to financial services remains unequal across EBRD CoOs and correlates with circumstances such as gender, region, legal/immigration status, age, education and income level. For women entrepreneurs, obtaining a loan can be challenging due to their company size or sector (often low growth, low capital-intensity), limited credit history, lack of collateral (often due to unequal ownership and inheritance laws) and gender-biased credit scoring and stereotyping in investment evaluations. Young entrepreneurs may be disadvantaged due to their limited credit history and managerial track record, entrepreneurs in underdeveloped regions may find it more difficult to access traditional banking networks, to build relationships with lenders while migrants are often constrained by an inability to provide adequate documentation and credit histories. For all these groups, these constraints may come to the fore specifically in relation to financing for green and digital investments. These underserved groups also typically do not have broad access to information and networking opportunities, and are less likely to seek or benefit from advisory services or coaching and mentoring. Fintech creates an opportunity to boost access to financial services, but risks exacerbating existing inequalities if inclusion issues are not carefully addressed.</td>
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<thead>
<tr>
<th>Priorities across impact levels</th>
<th>The EOS prioritises the development of inclusive and gender-responsive financial systems and business environments in collaboration with authorities and business associations, where business opportunities and financial services are accessible to entrepreneurs and individuals, regardless of their specific circumstances, including for underserved segments, those wishing to invest in green businesses or technologies, digital businesses and practices, and those in more rural and lagging regions. This includes inclusive investment climate reforms, national financial inclusion strategies and legislation for gender disaggregated data collection for reform.</th>
</tr>
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<tr>
<td>It enables Partner Financial Institutions (PFIs) to play an active role in creating a more inclusive and sustainable economy by tailoring their products and (non)financial services to underserved market segments through accessible financial services for all. An additional focus is introduced on supporting financial institutions to become inclusive workplaces, leverage digitalisation and data to open up equal opportunities, introduce ESG standards in their operations, and strive towards inclusive corporate governance to foster systemic change.</td>
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<tr>
<td>And, aims to equip individuals, entrepreneurs and SMEs with the advice, networks, skills, and finance to start and grow successful businesses. It enables individuals and entrepreneurs, regardless of their circumstances, to fully participate in the modern economy through access to financial and non-financial services. New initiatives will help boost financial inclusion of underserved segments, women, youth and those wishing to invest in green businesses or technologies, digital businesses and practices, and those in more rural and lagging regions.</td>
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5. Strategic priorities and operational responses of the EOS 2021-2025

5.4 Focus area 2: Building inclusive and gender-responsive financial systems and business environments

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<th>NEW OPERATIONAL RESPONSES</th>
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</thead>
<tbody>
<tr>
<td>MARKET</td>
<td>Expand policy dialogue to develop and implement inclusive investment climate reforms and financial systems (from the first programmes in Central Asia across wider parts of the EBRD region)</td>
<td>Engage in policy dialogue to promote legislation and policies to enhance the collection and use of gender data for policy reforms, and tech for data protection and cyber security</td>
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<td></td>
<td>Enhance the collection, analysis and utilisation of age, region, and sex-disaggregated data to inform policy making including through relevant national strategies to inform national policy reforms for financial inclusion</td>
<td>Promote digital regulation to improve access to finance of women and underserved groups</td>
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<td></td>
<td>Further promote Women in Business and Youth in Business programmes and scale up financing facilities and build capacity of local banks and microfinance organisations to on-lend to women and youth in business</td>
<td>Build local capacity to design or implement policies aimed at kick-starting growth and crowding-in private investment as part of the COVID-19 recovery phase</td>
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<td></td>
<td>Expand SME capacity, including through EBRD’s Skills in Business programme</td>
<td>Explore support for regional financial inclusion with a focus on national advisory and creation of strong ecosystems including through digital services</td>
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<td></td>
<td>Promote financing of supply chain and value chain linkage including the Bank’s VCCP</td>
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<td></td>
<td>Promote GEFF credit lines accompanied by capacity building with a differentiated approach to women businesses and other underserved segments</td>
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<td></td>
<td>Extend access to financial products and non-financial services, advisory, information, networking opportunities, and training for underserved SME segments and entrepreneurs, incl. through Star Venture programmes to support early-stage companies and local accelerators</td>
<td>Improve PFIs’ ability and knowhow to on-lend to SMEs in less-developed and periphery regions</td>
</tr>
<tr>
<td></td>
<td>Scale up on-lending and knowhow to SMEs in underserved regions</td>
<td>Support PFIs to integrate the principles of inclusive corporate governance and ESG standards</td>
</tr>
<tr>
<td></td>
<td>Provide broader capacity building support of relevant SME associations, including Women / Regional Entrepreneurship Associations</td>
<td>Pilot the promotion of inclusive finance of MSMEs by leveraging alternative scoring mechanism and fintech</td>
</tr>
<tr>
<td></td>
<td>Pilot financing, business advisory, and know-how to SMEs to enhance human capital resilience including through access to digital skills and strategic workforce planning</td>
<td>Scope the development of support for MSME credit lines that promote digital transformation with a differentiated approach to underserved borrowers</td>
</tr>
<tr>
<td></td>
<td>Explore financing to innovative tech firms to deliver inclusive products and services that open up economic opportunities for underserved groups</td>
<td>Pilot gender lens private equity fund investments</td>
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<tr>
<td></td>
<td>Scope entrepreneurship support and access to financial / non-financial services in underserved areas and regions with significant refugees population including through digital solutions</td>
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</tbody>
</table>
5. Strategic priorities and operational responses of the EOS 2021-2025
5.4 Focus area 3: Creating inclusive and gender-responsive services and public goods

Service infrastructure and the built environment are often designed based on the needs and perspectives of dominant population groups only, reflecting existing power dynamics and unequal access to decision making. However, services such as water, transport, digital connectivity or energy provision are crucial for enabling everyone to participate in the economy fully and equally – especially where access to economic opportunities is restricted due to an individual’s location or inability to work away from home. The built environment can equally create insurmountable barriers for people with restricted mobility or pose risks in terms of safety and security, especially for women and girls but also young men or people from an ethnic minority group. With a focus on the development of green infrastructure and the extension of digital services, inclusivity considerations need to be built-in from the start, to avoid perpetuating or even explicitly aggravating existing inequalities, and to create access to infrastructure, public realm and, with that, wider public goods for all.

The EOS prioritises the strengthening of institutional and strategic frameworks in its countries of operations to ensure inclusive infrastructure service provision as well as inclusive urban design and realms, with a focus on reaching and connecting more disadvantaged regions, boosting local connectivity, resource efficiency and inclusive service provision for a green and digital economic growth. A particular focus is put on policy dialogue to promote the integration of equality of opportunity and inclusive measures into relevant national or regional sector strategies and addressing legal restrictions related to access to economic opportunities for underserved groups.

It enables infrastructure and service providers to adopt measures, standards and corporate level policies to create equal and safe access for all. This includes applying universal design principles to urban planning, connectivity, transport, energy systems and water infrastructure, tackling GBVH, leveraging digital solutions to reach new market segments, and introducing inclusive procurement approaches as well as sustainable value chains, creating equal access for underserved groups and ensuring community participation, and innovative infrastructure design and services provision.

And, aims to empower people, regardless of their circumstances, to access infrastructure (from transport to municipal and digital), use urban and public realms safely whenever they need, and access public goods that are essential to fully participate in economic, social and community life – and related opportunities.
5. Strategic priorities and operational responses of the EOS 2021-2025

5.4 Focus area 3: Creating inclusive and gender-responsive services and public goods

<table>
<thead>
<tr>
<th>IMPACT LEVELS</th>
<th>SCALING UP EXISTING APPROACHES</th>
<th>NEW OPERATIONAL RESPONSES</th>
</tr>
</thead>
</table>
| MARKET        | • Scale up regional and sectoral *policy dialogue* to promote *sustainable infrastructure*  
                • Expand work with national governments and cities to scale up inclusive planning and infrastructure design including through the EBRD’s *Green Cities* Programme  
                • Promote inclusion in national *irrigation and rural development* strategies  
                • Integrate policy dialogue on GBVH / SEAH as constraints to equality of opportunities | • Introduce a focus *inclusive urban planning* standards and policies as part of the EBRD’s Green Cities programmes  
                • Engage in regional and sectoral dialogue to promote *sustainable development* of infrastructure and municipal services in climate affected sectors and regions  
                • Pilot a holistic approach to infrastructure development and economic diversification planning to *enhance connectivity between lagging and leading regions* |
| COMPANY       | • Broaden clients to promote *green and inclusive cities* for leveraging new and existing human capital as part of the Bank’s expanding Green Cities programme  
                • Empower clients to develop *inclusive design in infrastructure and renewable energy sector* projects  
                • Build capacity of clients to carry out *facility audits* focusing on inclusive standards  
                • Scale up *inclusive procurement* for infrastructure projects to become industry standard from initial programmes to wider parts of the EBRD region  
                • Deepen exploration of investments into *care infrastructure and service* providers | • Promote *digitalisation for efficient supply chains*, build on inclusive digital solutions in regional infrastructure planning and improve access to digital services through policy engagement  
                • Promote *sustainable and digital business practices* focusing on green and inclusive solutions to service design and provision  
                • Explore opportunities to introduce *digital and inclusive procurement approaches* with infrastructure clients and their contractors – and *build local SME capacity* accordingly  
                • Pilot *smart digital solutions* to promote inclusive and safe cities and support clients to digitalise service provision for improved accessibility |
| INDIVIDUAL    | • Scale up further infrastructure and digital investments that enhance access to *sustainable services in underserved areas and periphery regions*.  
                • Expand the Bank’s *safe transport for all programmes*  
                • Improve access to climate-resilient and sustainable infrastructure and services for persons living in climate affected regions  
                • Enhance *broadband infrastructure* investments to increase access to economic opportunities | • Increase *access to leadership positions and integration into policy decision making processes* for women and others across infrastructure as well as green energy sectors  
                • Introduce targeted investments to enhance connectivity for *populations in rural and lagging regions* including through digital solutions  
                • Explore the introduction of *digital services and the use of big data* in cities and municipalities for safe accessibility for all |
5. Strategic priorities and operational responses of the EOS 2021-2025

5.5 Policy and institutional reforms are vital to achieving systemic change at a national level

Expand existing policy work...

**SERBIA**
- Public-private dialogue fostering skills development in TMT and Agribusiness sectors

**BOSNIA AND HERZEGOVINA**
- Support policy reforms & implementation of TVET and dual education
- Introduce GBVH policies

**GEORGIA**
- Establish a regulatory body for nursing and midwifery occupations

**ALBANIA**
- Support the establishment of the Sector Skills Council in Tourism

**MOROCCO**
- Sectoral skills forecasting support for the aerospace and automotive sectors

**JORDAN**
- National TVET reform & Skills Development Strategy in Tourism

**EGYPT**
- Improve skills governance and labour market policies

**TURKEY**
- Support innovative skills verification incentive programme
- Promote private sector care investment scheme(s)

...and introducing new priority policy areas

**KAZAKHSTAN**
- Support the development of national occupational standards and improved models to expand online learning
- Promote the greater role of women in green economy transition

**KYRGYZ REPUBLIC**
- Remove occupational legal restrictions for women & entrepreneurship

**CEE/WESTERN BALKANS/EEC**
- Promote a Just Transition away from fossil fuel reliant sectors

**WESTERN BALKANS / CAUCASUS**
- Provide advice on inclusive labour market policies for COVID-19 recovery

**CENTRAL ASIA**
- Expand support for gender responsive investment climate reforms
- Climate action in gender budgeting

2020 ATQs for Inclusive...focusing on priority regions where inequalities are most pronounced
5. Strategic priorities and operational responses of the EOS 2021-2025

5.6 Enhanced EBRD processes and systems to deliver ambitious results

The delivery of the strategic priorities will be supported by improved internal processes, incentive structures and systems. This includes the introduction of enhanced transition impact (TI) incentives and a more user-friendly interface for Banking teams with simplified assessment criteria for inclusive investments, taking into account the three levels of impact set out in the strategy – individual, company and market levels. Impact measurement will be strengthened by increasing the focus on systemic changes achieved through a change in behaviour and practices and associated outcomes at the level of our clients, as well as policy reforms and enhanced sectoral standards resulting from the Bank’s engagement on EoO.

**ASSESSMENT OF TRANSITION QUALITIES (ATQs)**

- Updated Inclusive ATQs reflecting broader human capital resilience and vulnerability aspects based on expanded EoO approach

**COUNTRY STRATEGIES**

- Strong integration into Country Strategy priorities with a primary focus on countries with large equality gaps (ATQs)

**PROJECT AND POLICY ACTIVITIES**

- Streamlined and updated Inclusive transition impact (TI) assessment to reflect updated EoO approach for achieving systemic change
- Enhanced incentives introduced for the development and delivery of inclusive projects and policy engagements (favouring intersectionality and systemic change)
- EoO criteria integrated into the Bank’s Shareholder Special Fund

**MONITORING AND EVALUATION**

- Improved impact measurement (ToC) with a clear focus on systemic impact and strong links to the SDGs
- Capturing changes in clients’ behaviour resulting from inclusive projects and policy engagement
- Full alignment with Bank-wide compendium of indicators and IT systems (e.g. Monarch)
- Enhanced data collection from due diligence to evaluation

Corporate aspiration target 25% of EBRD operations with Inclusive TI
Stronger institutional capacity, knowledge creation and exchange is promoted through improved cross-bank engagement between gender and inclusion experts, sectoral and regional banking, ESD and other key teams. Enhanced training programmes for staff and internal knowledge transfer initiatives will be launched to empower sectoral and regional teams to deliver the Bank’s ambition on EoO while sectoral toolkits will support efforts to better market EoO interventions to the Bank’s clients. The strategy will furthermore inform the Bank’s research agenda including rigorous impact assessments of projects. These efforts will be underpinned by the embedding of technical experts within sectoral (BGs), regional (ROs) and other key teams based on a hub-and-spoke model for EoO across the Bank in order to align the Bank’s priority areas, strengthen the EBRD’s overall capacity and effectiveness in this area.

5. Strategic priorities and operational responses of the EOS 2021-2025

5.6 Enhanced EBRD processes and systems to deliver ambitious results

**NEW TOOLKITS & TRAININGS**
- Bank-wide self assessments and trainings including through new Gender Academy
- Sectoral approach toolkits for client marketing and internal knowledge transfer
  - Gender SMART assessment tool
  - New EBRD Gender Equality and Equality of Opportunity Effectiveness Report

**BUILDING EOO CAPACITY - A HUB AND SPOKE MODEL**
- Embed expertise in key teams and functions across the Bank and especially in the regions, to improve cross-bank engagement and ensure effective implementation of projects and policy activities
- Stabilise and further build internal technical expertise through the SIP process with a focus on new thematic areas, local policy support and impact measurement

**KNOWLEDGE REPOSITORY**
- Internal and external EBRD.com knowledge repository, making available research, toolkits, success stories and communication materials
- Newly launched @EBRDGender Twitter account
- Growing internal Gender Champions network

**TARGETED RESEARCH**
- EBRD’s Transition Report 2021-22 includes focus on EoO trends and challenges
- Internal impact studies for self-learning
- Other research priorities: gender bias in lending, refugee movement and migration in EU and Western Balkans, EoO, shock and stressors, impacts from sustainable infrastructure.

**SCALED UP MDB COOPERATION**
- Scaling up exchange and MDB cooperation through dedicated working groups across thematic priorities on megatrends
- Foster joint knowledge creation and shared standards
Positioning EBRD vis a vis other IFIs, partners and donor engagement
The EBRD’s approach to enhancing equality of opportunity leverages the Bank’s financial and non-financial engagements with its clients in order to enhance company policies, practices, standards and behaviour to open up access to economic opportunities for all. This impact is further expanded through targeted policy reforms at a wider sectoral and national level. Being applied across all of the Bank’s sectors, rather than a sub-set, this approach is tailored to the opportunities and challenges that companies face in relation to their workforce / talent management or the design of new products and services that they offer - creating a unique model amongst IFIs. With the new Equality of Opportunity Strategy 2021-2025, the EBRD further expands this distinct value proposition. It does so by broadening its approach beyond a limited set of target groups towards an ability to respond more flexibly to challenges as they arise due to long-term stressors and shocks as well as the global trends. With a focus on human capital resilience, the strategy proposes an updated approach to meet the challenges that affect an individual’s ability to fully participate in economy and society across different countries, sectors and regions.
6. Positioning EBRD vis a vis other IFIs, partners and donor engagement

6.2 Strengthening MDB cooperation and external partnerships

The EBRD will continue to expand its network of partners and strengthen its coordination with other MDBs, encompassing collaborations on new research, investment impact and policy work. EBRD is engaging with civil society¹ across its CoOs and leverage strategic partnership agreements with key players in its focus areas and regions, including with ETF, UNWTO, OECD and the EU.

**EBRD IN MDB WORKING GROUPS AND NETWORKS**

- MDB Disability Working Group and International Disability Alliance’s GLAD network for promotion of opportunities for people with disabilities.
- MDB Fragility Working Group and the MDB Migration and Forced Displacement Working Group to collaborate with the EU on solutions to foster well-managed migration.
- Working Group on Generation Equality to spark global and local conversations; drive increased public and private investment; and deliver game-changing results across generations.
- MDBs Gender Working Group to coordinate and promote knowledge exchange and regular updates, including good practices, of respective Banks’ operational gender equality activities.
- MDB working group on Sexual Exploitation, Abuse, and Sexual Harassment (SEAH) to harmonize and coordinate approaches to address SEAH in development operations.
- Global multi-stakeholder advisory network ‘Skills for an Inclusive Future (S4IF)’ and the UNDP Istanbul International Center for Private Sector in Development (IICSPD) to enhance deliver EoO.

**ON RESEARCH**

EBRD collaborate with World Bank, OECD, CEDEFOP, ILO, WHO, Innovations for Poverty Action (IPA) and Poverty Action Lab (J-PAL) on research and EoO impact assessments.

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**OTHER COOPERATIONS**

EBRD participate in the Global Infrastructure Hub, 2X Challenge, IFC led MDB Inclusive Business WG, UNESCO’s Interagency Working Group on TVET, UN 3RP Country Planning Coordination Group and country based IFIs working groups.

[¹] EBRD’s engagement at community level is articulated in annex 4

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6. Positioning EBRD vis a vis other IFIs, partners and donor engagement

6.3 Donor engagement and partnerships

DONOR FUNDS ARE KEY TO SCALING UP THE EBRD's RESPONSE TO INEQUALITIES

To date, with generous support from individual donor governments and the European Union, we have jointly supported the agenda on inclusive transition impact, including gender, equal opportunities and related policy activities, with over EUR 190 million. The EBRD’s own Shareholder Special Fund (SSF) has contributed the majority of funds to date, contributing close to 40 million, followed by the We-Fi, EU and Turkey.

In partnership with our donors we have jointly launched successful EBRD flagships, including:

- The EU has supported the EBRD’s flagship Women in Business Programme across EBRD CoOs since 2014;
- With the support of Switzerland, we have successfully passed a draft law in the Egyptian parliament to support private sector engagement on occupational skills standards through national sector skills councils;
- GCF’s funds have allowed us to significantly scale up to support women’s economic opportunities in the renewables sector.

With the new Equality of Opportunity Strategy and more than 100 immediate projects ready in the pipeline, we are scaling up our engagement with donors for new projects across the EBRD regions.

DONOR FUNDING BY GEOGRAPHY AND DISTRIBUTION – A SNAPSHOT OF THE BIGGEST DONOR CONTRIBUTIONS (active funds and known commitments)

A growing pipeline of projects in Central and Eastern Europe and the Western Balkans requires increasing donor engagement.

Turkey and Egypt remain the largest recipients of donor funds across our CoOs.

Operations are growing in Central Asia, with over EUR 15 million in donor funds committed in projects in 2020.

Annexes

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6. Positioning EBRD vis a vis other IFIs, partners and donor engagement

6.3 Donor engagement: Key enabler for the delivery of the EOS

**AMBITIION OF THE STRATEGY WILL INCREASE FUNDING NEEDS**

To deliver the ambition of the strategy, donor funding becomes crucial. With the ambitious target to increase EBRD inclusive investments from 11% to 25% of all Bank projects, the need for donor supported technical corporations (TCs) and co-investment grants will continue to grow at scale.

Based on Bank data, extrapolated from the past three years, and expected growth of investments, the future funding needs are estimated at c. EUR 200 million over the 5 year strategy period.

**THEMATIC PRIORITIES**

Donor engagement will be alight with the priorities set out in the EOS, introducing a stronger focus on the nexus of equality of opportunity and climate change, digitalisation, future of work and regions disparities.

- The nexus of equality of opportunity and the megatrend of climate change and green economy transition.
- Digitalisation, Future of Work including a focus on Building Back Better post the COVID-19 pandemic.
- Inclusive regions with a focus on equal opportunities for underserved and periphery regions as well as well-managed migration.
- Gender Equality, Youth Inclusion, People with disabilities, ageing workforce, local communities and other groups including refugees and migrants.

Scaling up the Bank’s policy dialogue response to unlock equality of opportunity for all.

**Scaling up GENDER & EQUALITY OF OPPORTUNITY fund raising**

The scaling up of work for this agenda will require the Bank’s own investments to be supported by increased access to donor funds. EBRD’s new SSF Work Plan provides an additional important source of funding.

A donor fund is also envisaged to help mobilise the extra resources required to meet the full ambition of these new strategies. Such a fund could:

- Focus on the key strategic priority areas of the two strategies
- Promote the Bank’s gender equal and inclusive investments, client capacity building, policy reform, higher standards and practise, innovation and knowledge creation
- Pool resources from a variety of donors more efficiently
- Enable targeting through regional funding windows
7 | Monitoring performance and results
The Bank’s new Equality of Opportunity Strategy (EOS 2021-2025) will focus on **addressing inequality of opportunities** on the basis of a **human capital approach**. To be able to monitor its performance along its pre-defined priority areas and to grasp the wider impact on the EBRD’s economies, the Bank has developed a new measurement framework that will focus on **systematic impact achieved** in the context of megatrends and large-scale shocks on inequalities.

The monitoring framework follows a clear **Theory of Change** and will guide a new approach to measure Equality of Opportunity through the Bank’s **Inclusive Transition impact (TI)** and **Assessment of Transition Qualities (ATQ)** indicators, embedded within the EBRD’s wider overall results framework and platforms (such as its TI system, Monarch). The new performance monitoring framework will broadly align to the **SDG standards** and be based on indicators across impact, outcome, output and input level. Input indicators serve to assess the effectiveness of EBRD’s internal activities, output indicators to measure the specific measures taken on individual, company and market level; outcome indicators are specified to assess behavioural changes in the context of advancing human capital. Tracked client output and client-level outcome indicators are in line with the EBRD’s overall Compendium of Indicator list and in line with the Bank’s overall results systems. This includes building on on-going work on the enhancement of the Bank’s impact assessment and self-evaluation capacity as well as on coordination with other MDBs and partners to align on monitoring and global impact reporting (e.g. as founding member of 2X Challenge, as partner of the Harmonised Indicators for Private Sector Operations (HIPSO)).

**7. Monitoring performance and results**

**7.1 Results monitoring with a focus on outcomes and systemic impact**

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**Theory of Change**

- How effective are EBRD’s **internal activities** to promote human capital?
- What specific measures have been taken to advance human capital on the **individual / company / market level**?
- What behavioural changes contributed to the advancement of human capital on the **individual / company / market level**?
- How has human capital evolved on the **macro level** beyond EBRD client / PFI / partner reach?

---
7. Monitoring performance and results
7.2 Theory of Change: EBRD’s work on EoO follows a clear Theory of Change

**EBRD INPUTS**

<table>
<thead>
<tr>
<th>Bank capital (for on-lending)</th>
<th>Bank's own resources (staff)</th>
<th>SSF / donor funds (retained income; bilateral donor funding)</th>
<th>Parallel / in-kind contributions (from clients)</th>
<th>Strategic partnerships (e.g. ETT, IC)</th>
</tr>
</thead>
</table>

**EBRD ACTIVITIES**

<table>
<thead>
<tr>
<th>Processes, practices, corporate policies and operational improvements adopted</th>
<th>Collaboration between client and relevant authorities established</th>
<th>Business services and networking support to entrepreneurs/SMEs facilitated</th>
<th>Gender-responsive and inclusive services/infrastructure/technology introduced or expanded</th>
<th>Knowledge and skills of individuals improved</th>
</tr>
</thead>
<tbody>
<tr>
<td>E.g. inclusive HR and equal opportunity policies, care solutions, strategic workforce planning processes responding to FoW trends; improved on-lending practices to better serve periphery regions; new financial products and services leveraging alternative scoring mechanisms and fintech; inclusive infrastructure standards incl. as part of green investments; ...</td>
<td>E.g. public-private dialogue platform to develop new occupational skills standards (incl. green, digital skills); removal of legal barriers to women’s employment; sex-disaggregated data collection; development and livelihood support for people in climate affected sectors and regions; ...</td>
<td>E.g. advisory support to women- or youth-led businesses; advice for people living in rural regions and regions with significant refugee population (incl. through digital solutions); ...</td>
<td>E.g. irrigation systems in underdeveloped rural areas; digital connectivity in white zones; safe and accessible (green) transport; ...</td>
<td>E.g. successful completion of training and/or capacity building; skills development with a focus on green, digital skills and skills in underdeveloping addressing up/skilling needs in the case of &quot;stranded skills&quot;; ...</td>
</tr>
</tbody>
</table>

**ACROSS FOCUS AREAS**

**CLIENT OUTPUTS**

**CLIENT-LEVEL OUTCOMES**

<table>
<thead>
<tr>
<th>Recruitment and progression routes into employment opportunities expanded for targeted groups</th>
<th>Enabling environment for productive and inclusive employment ensured</th>
<th>Business services and networking support to entrepreneurs/SMEs facilitated</th>
<th>Access to skills development opportunities for target beneficiaries increased</th>
<th>Knowledge and skills of individuals improved</th>
</tr>
</thead>
<tbody>
<tr>
<td>E.g. clients, supply chain actors and contractors provide equal access to employment to people in poorer regions or to women and youth affected by post-COVID-19 risks; ...</td>
<td>E.g. companies adapt policies and practices facilitating older worker's continuous employment; people are up- or re-skilled to participate in green or digital jobs; ...</td>
<td>E.g. public-private dialogue platform to develop new occupational skills standards (incl. green, digital skills); removal of legal barriers to women’s employment; sex-disaggregated data collection; development and livelihood support for people in climate affected sectors and regions; ...</td>
<td>E.g. individuals enhance their skills in the area of green / digital technologies; women gain skills in male-dominated sectors; people living in rural regions receive skills; ...</td>
<td>E.g. successful completion of training and/or capacity building; skills development with a focus on green, digital skills and skills in underdeveloping addressing up/skilling needs in the case of &quot;stranded skills&quot;; ...</td>
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</table>

**MARKET-LEVEL OUTCOMES**

<table>
<thead>
<tr>
<th>Legal, regulatory and institutional frameworks facilitating equal opportunities improved throughout sector/region/country</th>
<th>Awareness and application of best corporate practices on inclusion and gender-responsiveness increased throughout sector/region/country</th>
<th>Access to skills development opportunities increased throughout sector/region/country</th>
<th>Access to finance and entrepreneurship increased throughout sector/region/country</th>
<th>Access to inclusive and gender-responsive infrastructure and services increased throughout sector/region/country</th>
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<tbody>
<tr>
<td>E.g. entrepreneurs based in less developed regions have access to financing and training; women-led SMEs are enabled to participate in procurement opportunities; ...</td>
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<th>Awareness and application of best corporate practices on inclusion and gender-responsiveness increased throughout sector/region/country</th>
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<th>Access to finance and entrepreneurship increased throughout sector/region/country</th>
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<th>Equality of access to economic opportunities increased</th>
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**IMPACT**

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</table>

Coloured statements indicate where megatrends and shocks are reflected within the ToC (selected examples only).

Boxes indicate where changes materialise:
- Company / institutional stakeholder level
- Individual / end beneficiary level

PLEASE NOTE: Full ToC contains additional elements which have been excluded from this slide for space reasons.
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   1.2 The Just Transition Initiative: Combining green & inclusive approaches to build back better
   1.3 Project: Empowering Female Entrepreneurs to Ride the Digital Wave
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   1.5 Project: Defining new green skills standards and fostering digital skills in Tunisia
   1.6 Policy engagement: Championing Financial Inclusion for Female Entrepreneurs
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2. EBRD’s engagement at the community level
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3. SDG alignment with new enhanced approach to EoO
   3.1 Achieving closer alignment with the Sustainable Development Goals

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   5.2 Performance Monitoring Framework

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1.1 Project: Green Cities - Promoting Green and Inclusive Infrastructure Solutions

**Challenge:** Cities in the EBRD regions face numerous challenges, including insufficient infrastructure investment, demographic changes, poor air quality and historical legacies of high energy and carbon intensity. Many cities in these regions are also particularly vulnerable to the impacts of climate change, with increased heat stress and extreme weather events. Solid waste management is another pressing issue, with recycling being at almost negligible levels.

**Solution:** The Bank promotes inclusive and gender-responsive infrastructure planning and design, at both investment and policy levels, and inclusive stakeholder engagement under the extension of the flagship EBRD’s Green Cities programme. EBRD Green Cities strives to build a better and more sustainable future for cities and their residents. The programme achieves this by identifying, prioritising and connecting cities’ environmental challenges with sustainable infrastructure investments and policy measures.

**Inclusive:** Green Cities help promoting an inclusive urban development with equal participation and economic opportunities for all residents. By mainstreaming gender and inclusion considerations throughout the Green Cities Action Plans, relevant infrastructure and policy measures can be identified and designed at the City level.

- **Access to infrastructure:** By improving inclusive access to infrastructure, new economic opportunities can be created for all residents. This can be achieved by introducing new standards and policies for inclusive infrastructure design or delivery.

- **Equal Opportunities policies and practices:** As major employers, local authorities and their agencies and institutions can play an essential role in promoting equal opportunities. This can be achieved by introducing more inclusive human resource (HR) practices.

- **Inclusive procurement:** Inclusive procurement refers to government purchasing practices aimed at advancing economic opportunities for inclusion target groups, such as youth, women and refugees. As city governments procure and contract an extensive range of products and services, inclusive procurement policies at the local level can make a vital contribution to promoting an inclusive market-based urban economy.

- **Participation:** Enhancing the representation of women in decision-making and leadership positions is an essential element of promoting equal opportunity. Greater women’s leadership in the public sector enables local authorities to make decisions that can respond better to women’s needs and priorities, thus contributing to higher-quality service delivery.
Annex 1. Additional case studies

1.2 A Just Transition: Combining green and inclusive approaches to build back better

SUPPORTING THE GREEN ECONOMY TRANSITION and ENHANCING THE RESILIENCE OF HUMAN CAPITAL and REGIONAL MARKETS

The imperative of a just transition of the workforce is gaining momentum around the world. The Just Transition initiative (JTI) combines the EBRD’s green and inclusive transition qualities in order to ensure that the benefits of a green economy transition are shared, while protecting vulnerable countries, regions and people from falling behind. Accordingly, EBRD’s response is structured around three key themes:

1. **Green economy transition (GET):** The EBRD aims to work with clients with high-carbon assets in the transition to a low-carbon economy. This includes targeting the reconversion of high-carbon assets, remediation and rehabilitation of land, and a range of other green investments that can create access to local employment.

2. **Supporting workers:** The Bank also aims to promote access to alternative livelihoods for those affected by the transition process through reskilling and upskilling, within the context of addressing underlying drivers of inequality.

3. **Regional economic development:** This comprises regional inclusive investments that create better local opportunities for the populations, including by supporting the diversification of regional economies, tailored support for SMEs or larger firms and financing of projects in sustainable infrastructure.

As set out in the EBRD’s 2020 JTI strategy paper, these impact objectives have been matched to relevant indicators (including “number of people accessing employment”), which set the Bank’s ambition and will be monitored throughout the initiative’s timeframe.

INTRODUCING and SCALING UP TARGETED APPROACHES, such as

- **High-quality training and re-training programmes** that...
  - Equip the workers directly or indirectly affected by the transition with the market-relevant skills required for either internal redeployments or external job transfers across the regional labour market, in partnership with local education providers and employment agencies and based on assessments of local skills gaps and skills development opportunities.
  - Support the upskilling of other target groups, e.g. youth from regions reliant on fossil fuels, with a focus on green skills and energy efficiency competences to ensure that the benefits of the green economy transition are fairly shared and no one is left behind.

- **New priority policy areas** (piloted in selected countries across the Western Balkans and Ukraine):
  - JT diagnostics to provide an overview of the national transition process, incl. identification of affected regions and target groups, timeline for key steps under different GET scenarios, and assessment of their related environmental, labour market and socio-economic impacts.
  - Associated JT action plans to cover recommendations for enhanced institutional structures, required policy reforms and targeted investments.
  - Inclusive regional and national stakeholder engagements to enhance the capacity of EBRD’s clients and partners to actively contribute in regional economic planning processes and in the development of national strategies and roadmaps for retraining the affected workforce.

- **Tailored Gender SMART components:**
  - Gender mainstreaming, including by applying a gender lens into the regional planning processes and by supporting the role of women in traditionally male-dominated sectors.
Annex 1. Additional case studies

1.3 Project: Empowering Female Entrepreneurs to Ride the Digital Wave

**Challenge:** Women often face significantly higher constraints and qualitatively different barriers to setting up, running, and growing their businesses compared to their male counterparts, including facing technological and digital barriers. Digitalisation constitutes one of the key cross-cutting themes in the EBRD’s Strategic Capital Framework – as is equality of opportunity and gender equality. It is imperative that we are sensitive to the ways in which these two themes intersect and interact – automation bias, the gender digital divide, and the COVID-19 shock remind us that the gains of technological progress might not be fairly distributed. We must therefore empower women entrepreneurs to both lead and leverage the opportunities presented by digitalisation.

**Solution:** The EBRD’s flagship Women in Business Programme aims to develop the untapped economic sub-segment of ‘women-led SMEs’ by mobilising a unique offer in the market. As of April 2021, the EBRD’s WiB Programme has been launched in 24 economies, with the support of donors such as the European Union, Sweden, Kazakhstan, and more. Over 3,400 PFIs’ staff have received training across 51 PFIs. Over 90,000 women have been reached via finance and advisory projects, training, mentoring and other services. The total EBRD financing stands at EUR 526.6 million signed.

**Inclusion Impact:**

**Leading the way: IT and EduTech for kids in Kosovo**
- In Kosovo, Hana and Darsej have opened a ‘Digital School’. With the motto, ‘Improvise-Code-Overcome’, the school equips children and teenagers with necessary skills to become problem-solvers and succeed in today’s digital world.
- With the onset of COVID-19, the business began to experience major losses. Though, as Hana said, “instead of admitting defeat, we ramped up the entire team and worked from home around the clock to transform Digital School into an online learning solution”. In 40 days, they had developed a fully online educational platform, teaching methodology, and support team to continue teaching children at home. Under the Women in Business programme, the EBRD helped Digital School become an international franchise and improve its quality management system.
- Their impressive response and unique business model has crossed borders from the Western Balkans to the European Union and the USA, among others. Digital School has also collaborated with one of the biggest language teaching schools in the world, Berlitz, based in Germany, through which they will grow into their 500+ locations globally.
- The Women in Business TC programme in the Western Balkans is generously supported by Sweden and the EBRD Shareholder Special Fund.

**Leveraging opportunities: e-commerce and Tunisian heritage crafts**
- Sonia Feki (pictured) founded the brand ‘Habiba’ – jewellery and accessories made by her, inspired by traditional Tunisian crafts. She became one of the first Tunisian brands to develop a franchise and aim for global expansion. Her first fashion show took place in New York at the UN, during the 60th Commission on the Status of Women. Sonia’s brand is also at the frontier of raising visibility on promoting and protecting women’s rights, including employment rights.
- COVID-19 hit the jewellery industry hard; yet with EBRD and EU donor support, Sonia seized the opportunity to re-vamp her brand’s identity and introduce a cutting-edge e-commerce platform to her business model, enabling her customers to shop for her crafts online.
- The Women in Business TC programme in Tunisia is supported by the EBRD Shareholder Special Fund.
Annex 1. Additional case studies

1.4 Project: Creating equal opportunities in the dairy sector in Mongolia

- **Challenge:** Milk is typically the most important income source for herder households, and is typically sold by women and men. The milking activity in Mongolia is mostly undertaken by women. However, women are often not the key beneficiaries of milk production activities. Due to limited access to technologies and skills, they often lose out on economic returns and are underrepresented in high-value milk company roles.

- **Solution:** Under the EBRD’s Risk Sharing Facility, in 2019, EBRD provided a US$12 million loan to XacBank of Mongolia to support the Mongolian company Suu Milk, for the expansion of its business. Suu Milk is the oldest dairy company in Mongolia and was founded in 1958. The loan will help Suu Milk improve raw milk collection logistics from over 2,500 nomad herders, half of which are women. The associated equal opportunities action plan is supported by the EBRD Shareholder Special Fund through dedicated TC.

Inclusion impact:
EBRD and Suu Milk engaged external consultants to assess the client’s specific needs, constraints, and modalities for accessing equal opportunities in the workplace. The results of the findings will be reflected in an Equal Opportunities Action Plan (EOAP) to be adopted by the client to guide its operations. The EOAP will provide a set of actionable, time-bound, costed recommendations to be implemented by the client. Specifically, the consultants are supporting Suu Milk to:

- Conduct a review of the client’s current internal human resources policies and practices, with a view to ensuring they benefit equally men and women employees;
- Assess the client’s supply chain to improve its operations according to international best practices. The aim is to identify and implement the necessary modalities to increase women’s participation in the supplier base (backwards linkages) and sales force (forward linkages).

Through this assignment, the Bank will assist the client to improve its competitiveness by adopting policies and operating practices that enhance women’s access to economic opportunities where the company operates, through identifying and expanding the connections between societal and economic progress.
Annex 1. Additional case studies

1.5 Project: Defining new green skills standards and fostering digital skills in Tunisia

**Challenge:** The Tunisian energy sector faces a pressing need to define new skills standards and competences that are required to support the green economy transition (e.g. R&D, promotion of alternative energy sources, how to integrate, manage and control smart energy systems). In these areas, existing capacities are insufficiently defined and under-developed. With the Bank’s support, STEG, one of the largest employers with about 13,500 workers, will play a major role in addressing this sectoral skills gap.

**Response:** EBRD is financing STEG, the central player in the Tunisian energy sector, with an €100m emergency loan under the EBRD’s Vital Infrastructure Support Programme and a €200m restructuring loan. This facility is linked to an ambitious Reform Roadmap that aims to enhance financial management, improve corporate and climate governance and support equal opportunities and career development for women and young professionals.

**Inclusion impact:**
As part of the Roadmap, the Bank is supporting STEG in working with the Ministry in charge of Employment to develop new skills standards and in designing accredited training programmes on digital and green skills for young energy engineers, with a quota for women. This engagement includes:

- Developing four National Occupational Skills Standards to define what new skills will be required in the sector (e.g. renewable energy manager, eco-product designer, wind turbine operator, smart grid expert). Introducing high-quality comparable skills standards is critical for national skills policy, as they allow companies to recruit based on transparent requirements and enable education institutes to teach market-relevant skills, ultimately enhancing the employability of young labour market entrants.

- Establishing a partnership between STEG’s Khéldia Training & Development Centre and the Master programmes in Engineering of two local universities to design and implement dual learning programmes covering digital and green skills for energy specialists, such as digital skills for remote control and monitoring of smart-grids.

- Developing an Equal Opportunities Action Plan and new HR policies and practices on strategic workforce management, including a plan to support inter-generational transfers of skills among workers.
Annex 1. Additional case studies

1.6 Policy engagement: Championing Financial Inclusion for Female Entrepreneurs

- **Challenge:** Women in Central Asia often face higher constraints and qualitatively different barriers to setting up, running, and growing their businesses compared to their male counterparts. For one, women-led SMEs find it harder to access credit and satisfy their business’s financing needs, and often lack the know-how, networks, and mentoring opportunities their male counterparts capitalise on. To close these gender gaps, it is essential to: (i) alleviate the legal and regulatory environment to create a business climate that is conducive to female entrepreneurs; and (ii) engage financial regulators to improve sex-disaggregated SME data collection which would present a clear picture of the state of financial inclusion for female entrepreneurs, thus allowing for evidence-based design, evaluation, and monitoring of gender-sensitive financial inclusion policy, products, and services.

- **Solution:** The EBRD’s flagship Women in Business Programme was launched in Tashkent on 2 December 2020. 2 loan agreements were signed with Davr and Ipoteka Banks. For the first time, the Central Asia Women in Business framework promises a strong policy reform component (focused on legislation, regulation, institutions, and economic policy-formation) aimed at promoting the development of women’s entrepreneurship and expanding economic opportunities. WiB Central Asia is generously supported by We-Fi, the Small Business Impact Fund, and the EBRD SSF.

**Inclusion Impact:**

(i) Multi-stakeholder collaboration on gender strategies
- Signed an MoU with the National Commission on Gender Equality at International Women’s Day in Uzbekistan on 3rd March 2021;
- Established the Advisory Council for the Development of Women Entrepreneurship to facilitate efficient and synergistic inter-agency coordination to improve the business climate for women entrepreneurs.

(ii) A conducive legal and regulatory environment for women-led businesses
- Cooperated with the Ministry of Justice on Gender-Responsive Regulatory Impact Assessment to enable the government to proactively identify, understand, and mitigate any potential negative or discriminatory impact of policy or legislation on women entrepreneurs.

(iii) Reformed financial regulation and sex-disaggregated data collection
- Devised an Action Plan with the Central Bank, focusing on their methodology and technical capacity to collect, analyse, and use sex-disaggregated SME data;
- Enshrined a definition of women-led SMEs in the draft SME law and new Entrepreneurship Code to standardise sex-disaggregated SME supply-side data;
- Engaged with the National Statistics Agency on sex-disaggregated SME data to ensure they possess: (i) the technological capability; and (ii) the institutional know-how on sex-disaggregated SME data.

(iv) Bolstered capacity-building and knowledge-sharing for policymakers
- Hosted the Central Asia WiB Regional Webinar, a forum for peer learning on international best practices and examples of sex-disaggregated SME data;
- Strengthened partnerships with IOs. Collaborative initiatives include: sex-disaggregated data and gender diversity in banking (with AFI); capacity-building of national financial regulators (AFI and WWB); GR-RIA (with USAID’s Future for Growth); employer of choice (with Financial Alliance for Women); National Strategy on Gender Equality (UN Gender Group).
Annex 1. Additional case studies

1.7 A Conceptual Framework to Creating Inclusive Financial Ecosystems

**Creating Inclusive Financial Ecosystems: A Conceptual Framework**

**Use of Proceeds Approach**
Extending credit lines to PFIs to on-lend to SME sub-borrowers owned and/or managed by marginalized, vulnerable, or under-represented segments (e.g. women and youth) to enable them to access finance to set up, run and expand their businesses;
Enable PFIs to develop self-sufficiency in lending to under-served segments by leveraging concessional elements such as First Loss Risk Cover.

**Inclusive Institutions: SMEs & SMEs plus**
Raising awareness of the D&I business imperative for SMEs;
Capacity-building to (i) identify gaps and (ii) implement, embed, and monitor inclusive policies and practices within SMEs (from recruitment and retention to performance management and company culture);
Establishing and strengthening the value proposition for inclusive SMEs through integrating and incentivizing national inclusive certification standards.

**Inclusive Institutions: FIs**
Establishing the business case for gender mainstreaming and D&I within PFIs, facilitating senior-level buy-in and high-level commitments to diversity;
Designing and implementing best practice-aligned inclusive workplace standards through bespoke Equal Opportunity Action Plans;
Coordinating membership of industry networks for peer-learning and capacity-building on gender-responsive and D&I in financial services;
Consolidating PFIs’ infrastructure to collect and leverage disaggregated SME data to then inform optimal and evidence-based design of financial services and products for under-served segments.

**Policy Dialogue**
Driving multi-stakeholder collaboration by establishing inter-agency platforms to devise national inclusion strategies;
Shaping a conducive legal and regulatory environment for under-represented business owners and managers;
Reforming financial regulation and disaggregated SME data collection to inform financial policy, products and services;
Ensuring sensitivity to local country context by leveraging on-the-ground expertise;
Partnering with MDBs and IOs to synergize policy advocacy and reform initiatives.
Annex 2. EBRD’s engagement at the community level

2.1 EBRD partners with civil society organisations to enhance local impact

Working with civil society

EBRD’s institutional relationship with stakeholders

Civil Society Organisations (CSOs)\(^1\) are integral audiences and partners of the EBRD in the countries where it invests.

EBRD engage with Civil Society Organisations (CSOs) for the development of policies, strategies and the implementation of investment projects, promote public dialogue and hold governments and policy makers publicly accountable.

Our ongoing dialogue with civil society focuses on human rights and democracy, environmental and social issues, economic inclusion and gender, transparency, good governance and business development issues related to EBRD’s work and our countries of operations.

What does this mean for the Bank’s work on EoO:

- Promoting stronger local outreach and dialogue on local participation and equal opportunities for all;
- Building partnerships with CSOs for the delivery of technical corporation and policy activities

(1) For the EBRD’s purposes, civil society includes non-governmental organisations (NGOs), policy and research think tanks, social movements, labour unions, community-based organisations, women’s groups, business development organisations and other socio-economic and labour-market actors, including individual activists.

Case Study:

Our work with municipalities in Egypt

Water conservation is a major challenge for Egypt. High population growth and rapid urbanisation have boosted demand for water but many Egyptians still lack access to water and public sanitation networks.

In the Kafr El Sheikh governorate only 86.6 percent of households are connected to the public water network and only 46.8 percent to the public sanitation network – well below the national average.

To address this issue, the EBRD, the EIB and the EU Neighbourhood Investment Facility partnered with the state-owned KES Water and Sanitation Company (KWCS), a subsidiary of the Holding Company for Water and Wastewater (HCWW), in a pilot project providing first-time sanitation to around 470,000 people in the districts of Burulu, Desouk and Motobas.

Over a year, we engaged with 28 local community groups that are involved in raising awareness of water and wastewater management. As a result, this campaign had 100 direct and 98,000 indirect beneficiaries, such as schools and hospitals. In February 2018, the joint efforts of the EBRD’s CSEU, the client (HCWW), and the consultant produced documentaries, ads and jingles to disseminate messages on water conservation and wastewater management. And our “Every Drop Counts” campaign ran on national TV to spread the message further.
Annex 3. SDG alignment with new enhanced approach to EoO

3.1 Achieving closer alignment with the Sustainable Development Goals

While the EIS (2012-21) has delivered on a number of SDG targets, predominantly addressing:

- **Target 4.4.** Increase the number of youth and adults who have relevant skills [...] for employment, decent jobs and entrepreneurship
- **Target 5.1.** End all forms of discrimination against all women and girls everywhere
- **Target 8.6.** Substantially reduce the proportion of youth not in employment, education or training
- **Target 10.2.** Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability [and other factors]

...the expanded approach to Equality of Opportunity encompasses these SDG targets while unlocking action towards a range of new ones achievable through EBRD operations and applicable to its clients’ interests and needs, including:

- **Target 1.4.** Ensure that all men and women [...] have equal rights to economic resources [and] access to basic services
- **Target 4.6.** Ensure that all youth and a substantial proportion of adults [...] achieve literacy and numeracy
- **Target 5.5.** Ensure women’s full and effective participation and equal opportunities for leadership at all levels
- **Target 5.b.** Enhance the use of [...] ICT to promote the empowerment of women
- **Target 8.2.** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation
- **Target 8.5.** Enhance the use of multifunctional rural services in the provision of livelihoods including those of small-scale farmers
- **Target 9.5.** Enhance scientific research [...] encouraging innovation and substantially increasing the number of R&D workers
- **Target 9.c.** Increase access to ICT
- **Target 9.b.** Promote access to affordable, clean energy for all
- **Target 10.7.** Facilitate orderly, safe, regular and responsible migration and mobility of people
- **Target 11.3.** Enhance inclusive and sustainable urbanization
- **Target 13.1.** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
Annex 4. Additional background on EBRD’s positioning within other MDBs and IFIs

4.1 EBRD is unique in having a distinct Inclusion / Equality of Opportunity Strategy

<table>
<thead>
<tr>
<th>IFI Strategic Approach</th>
<th>Poverty Mandate</th>
<th>Gender Strategy</th>
<th>Specific ‘Inclusion’ Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>European Bank</strong></td>
<td>✓</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td><strong>IFC</strong></td>
<td>✓</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td><strong>CDC</strong></td>
<td>✓</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td><strong>FMO</strong></td>
<td>✓</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td><strong>ADB</strong></td>
<td>✓</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td><strong>AIIB</strong></td>
<td>✓</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td><strong>European Bank</strong></td>
<td>x</td>
<td>✓</td>
<td>x</td>
</tr>
</tbody>
</table>

**Strategic Approach**

- **Gender** – Invest directly in operations that help women economically, such as female entrepreneurship and access to finance and provide assistance to clients and governments to improve equal opportunities
- **Inclusion** – Take into account equality and protecting vulnerable groups in their Environmental and Social Standards

**Specific ‘Inclusion’ Strategy**

- **Gender** – Part of WB group gender strategy – IFC invests in gender-equality and mainstreams gender across all investments, 2016 strategy introduced ‘results based’ approach with increased M&E of gender equality for clients and market
- **Inclusion** – No specific focus on inclusion but overall mandate to end extreme poverty by fostering income growth for the bottom 40% of the population in every developing country

- **Gender** – Apply gender mainstreaming to all relevant investments and through active shareholding to support targets and clients in improvising gender-equality
- **Inclusion** – Specific mention to development for marginalized group in the Climate Strategy

- **Gender** – Seek investments that support women as entrepreneurs, reach women as end-users of goods and services and include women in the labor market
- **Inclusion** – Aim to reach the economically excluded through supporting valuable and quality jobs, inclusive finance, and finance of innovative products and services as part of their Sustainability Policy

- **Gender** – Mainstream gender across all projects, target gender-inclusive project designs in at least 75% of its operations by 2030 and gender specific investments targeting equal opportunities for Women
- **Inclusion** – Operational strategy to reduce poverty and inequalities by investing in and supporting clients and governments to develop human capital and social protection, generating quality jobs and increasing the opportunities for the most vulnerable

- **Gender** – Systematize gender mainstreaming across all investments, aiming for 100% of projects by 2025 and support gender equality in investments through direct investment or technical assistance with clients or governments
- **Inclusion** – Consider inclusive growth more generally through infrastructure development, regional economic integration, and technical and vocational training for young people

- Considers gender and inclusion as part of their Corporate Strategy and Environmental and Social Framework. These qualities guide investment prioritization in their sector strategies
Annex 5. Monitoring performance and results

5.1 EBRD level: Monitoring the Bank’s internal effectiveness in advancing human capital

The Bank reports the supporting layers of impact through input, output and outcome indicators, as described in the EOS’s Theory of Change. Input indicators serve to assess the effectiveness of EBRD’s internal activities, output indicators to measure the specific measures taken on individual, company and market level; outcome indicators are specified to assess behavioural changes in the context of advancing human capital. Tracked client output and client-level outcome indicators are in line with the EBRD’s overall Compendium of Indicator list and in line with the Bank’s overall results systems.

**INPUTS**
- % of new Inclusive TI investments
- % new policy engagements for equality of opportunity and human capital development and resilience
- # of new Country and Sectoral strategies with equality of opportunity as part of priorities
- # of knowledge management products produced and disseminated internally and externally
- # of capacity building activities delivered to EBRD staff in critical departments/positions
- volume of donor / SSF TC and co-investment grants
- # of strategic partnerships with IFIs/IOs/relevant organisations at community level

**THEORY OF CHANGE**

(See section 7.2)
### Annex 5. Monitoring performance and results

#### 5.2 Performance Monitoring Framework: Client Outputs

The EOS Performance Monitoring Framework reflects the Theory of Change (ToC) of EBRD’s work on EoO. Indicators have been selected to correspond to the key objective statements included in the ToC, and link to the three focus areas of the EOS – broadening access to skills, employment and sustainable livelihoods (focus area 1), building inclusive and gender-responsive financial systems and business environments (focus area 2), and creating inclusive and gender-responsive services and public goods (focus area 3).

<table>
<thead>
<tr>
<th>Objective Statement</th>
<th>Focus Areas</th>
<th>Indicator</th>
<th>Disaggregation&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processes, practices, corporate policies and operational improvements adopted</td>
<td></td>
<td># of target institutions introducing EOAPs (including through certified programmes such as EDGEplus)</td>
<td>of which with focus on women/older workers/people with disabilities/LGBTI</td>
</tr>
<tr>
<td></td>
<td></td>
<td># of new partnerships with training providers, NGOs and others established</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td># of skills training programmes introduced</td>
<td>of which with focus on green skills of which with focus on digital skills/skills for innovation of which based in underserved regions and/or climate affected regions</td>
</tr>
<tr>
<td></td>
<td></td>
<td># of SME sub-loans provided to targeted groups or SMEs under EBRD dedicated programmes with inclusive components</td>
<td>of which for green investments of which for digital investments of which outside main urban centres</td>
</tr>
<tr>
<td></td>
<td></td>
<td># of FIs adopting new processes, products and (non-financial) services</td>
<td>of which WiB/YiB/SiB/GEFFs</td>
</tr>
<tr>
<td></td>
<td></td>
<td># of FIs introducing new financial instruments (e.g. social or gender bond)</td>
<td>of which embedding fintech solutions for financial inclusion</td>
</tr>
<tr>
<td></td>
<td></td>
<td># of target institutions introducing tracking and reporting of age-, region- and/or sex-disaggregated data on their operations</td>
<td>of which with a focus on GBVH, safe transport and public space of which with a focus on inclusive/digital procurement and supply chain management of which with a focus on regional inclusion, urban planning and regeneration</td>
</tr>
<tr>
<td></td>
<td></td>
<td># of clients introducing new policies and practices for inclusive and gender-responsive services and public goods (e.g. facility audits, design and delivery)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collaboration between client and relevant authorities established</td>
<td>of which with a focus on climate change of which with a focus on climate change of which with a focus on regional development/migration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Business services and networking support to entrepreneurs/SMEs facilitated</td>
<td>of which with a focus on climate change of which with a focus on climate change of which with a focus on regional development/migration</td>
</tr>
<tr>
<td></td>
<td></td>
<td># of of entrepreneurs from underserved groups or underserved SMEs accessing advisory services under EBRD dedicated programmes with inclusive components</td>
<td>of which for green investments of which for digital investments of which outside main urban centres</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gender-responsive and inclusive services/infrastructure/technology introduced or expanded</td>
<td>of which with a focus on green infrastructure of which with digital infrastructure</td>
</tr>
<tr>
<td></td>
<td></td>
<td># of operations expanding infrastructure capacity to underserved groups</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td># of quality and affordable care places opened according to industry standards</td>
<td>of which based in underserved regions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Knowledge and skills of individuals improved</td>
<td></td>
</tr>
</tbody>
</table>
### Annex 5. Monitoring performance and results

#### 5.2 Performance Monitoring Framework: Client-Level Outcomes

<table>
<thead>
<tr>
<th>Objective Statement</th>
<th>Focus Areas</th>
<th>Indicator</th>
<th>Disaggregation&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment and progression routes into employment opportunities expanded for targeted groups</td>
<td>1</td>
<td>Employment opportunities increased as a result of EBRD-supported activities</td>
<td>of which green employment, of which digital employment/employment in TMT, of which in underserved regions and/or climate-affected regions</td>
</tr>
<tr>
<td>Retention, promotion and career progression of women and/or other target groups improved</td>
<td>1</td>
<td>% of women and other underrepresented groups in senior management or leadership positions at EBRD clients/contractors increased</td>
<td>Disaggregated by gender, age, location, other characteristics</td>
</tr>
<tr>
<td>Enabling environment for productive and inclusive employment ensured</td>
<td>1</td>
<td>Inclusive and gender-responsive HR policies and practices promoting equality of opportunity in the workplace implemented by EBRD client</td>
<td></td>
</tr>
<tr>
<td>Corporates/public institutions systematically integrate inclusive and gender-responsive considerations</td>
<td>1</td>
<td>New process, practice, corporate policy or operational improvement implemented</td>
<td>of which related to training and talent development, of which related to sex-disaggregated reporting, of which related to inclusive procurement/inclusive value chain initiatives, of which related to inclusive infrastructure planning/operation</td>
</tr>
<tr>
<td>Public policy/ law/ regulation/ plan/ strategy strengthening inclusion and gender-responsiveness introduced or reformed</td>
<td>1,2,3</td>
<td>Legal, institutional and regulatory changes in a given sector/area/country</td>
<td>of which improving access to skills (e.g. Sector Skills Councils, National Occupational Standards, etc.), of which improving access to employment (e.g. changes in labour codes, decent work/gig economy, care policies, ALMPs, etc.), of which improving access to finance and entrepreneurship (e.g. uniform definition of WSMES, YSMES, etc.), of which improving access to services and public goods (e.g. participation of underrepresented groups in infrastructure decision-making, etc.)</td>
</tr>
<tr>
<td>Access to skills development opportunities for target beneficiaries increased</td>
<td>1</td>
<td># of target institutions offering training programmes for underserved beneficiaries beyond EBRD direct support</td>
<td>of which on green skills, of which on digital skills/skills for innovation, of which based in underserved regions and/or climate affected regions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% of accredited training programmes at EBRD clients/contractors increased</td>
<td></td>
</tr>
<tr>
<td>Target group entrepreneurs/SMEs have access to finance and knowhow to operate and grow their business</td>
<td>2</td>
<td>% of underserved individuals or underserved SMEs advisory clients under EBRD dedicated programmes with inclusive components report improved turnover/business operations</td>
<td>Disaggregated by gender, age, location, other characteristics</td>
</tr>
<tr>
<td>Access to public goods, services and infrastructure for targeted groups expanded</td>
<td>3</td>
<td># of individuals (m/f) with improved access to services and public goods</td>
<td>Disaggregated by gender, age, location, other characteristics</td>
</tr>
</tbody>
</table>

<sup>1</sup>Wherever possible, indicators will be reported in a disaggregated manner, including by gender, age, urban/rural and other, relevant characteristics; while the EBRD aims to track data for all indicator mentioned, reporting will depend on project and data availability as well as resources.
## Annex 5. Monitoring performance and results

### 5.2 Performance Monitoring Framework: Higher-level Outcomes

For higher-level outcomes at market-, economy- and impact level, the EOS aims to establish contribution rather than attribution. Indicators are proposed to be evaluated to the extent that data and resources are available and where collecting this information is most meaningful and generates most learning. These indicators are illustrative and are subject to change to reflect their relevance and data availability; they are, however, not supposed to serve as performance measures for the strategy as such, as changes in the indicators cannot be attributed to the EBRD’s activities apart from in selected cases where programmes have sufficient scale and reach to make a contribution at these higher levels.

### MARKET-LEVEL OUTCOMES

<table>
<thead>
<tr>
<th>Objective Statement</th>
<th>Focus Areas</th>
<th>Indicator</th>
<th>Disaggregation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal, regulatory and institutional frameworks facilitating equal opportunities improved throughout sector/region/country</td>
<td>1,2,3</td>
<td>CoO score in relevant policy (sub-)index</td>
<td>of which due to changes in skills policies, of which due to changes in employment policies, of which due to changes in financial inclusion policies, of which due to changes in infrastructure/regional development policies</td>
</tr>
<tr>
<td>Awareness and application of best corporate practices on inclusion and gender-responsiveness increased throughout sector/region/country</td>
<td>1,2,3</td>
<td>Individuals report greater levels of inclusive and gender-responsive practices in a given sector/region/country</td>
<td>Disaggregated by gender, age, location, other characteristics</td>
</tr>
<tr>
<td>Access to skills development opportunities increased throughout sector/region/country</td>
<td>1</td>
<td>Participation of underserved groups in TVET and higher education</td>
<td>of which in green degree programmes, of which in digital degree programmes</td>
</tr>
<tr>
<td>Access to employment and sustainable livelihoods increased or preserved throughout sector/region/country</td>
<td>1</td>
<td>% of underrepresented individuals employed in targeted sector</td>
<td>Disaggregated by gender, age, other characteristics, of which in green sectors, of which in digital sectors</td>
</tr>
<tr>
<td>Access to finance and entrepreneurship increased throughout sector/region/country</td>
<td>1</td>
<td>% of underserved individuals who access credit from a formal financial institution</td>
<td>Disaggregated by gender, age, location, other characteristics</td>
</tr>
<tr>
<td>Access to inclusive and gender-responsive infrastructure and services increased throughout sector/region/country</td>
<td>2,3</td>
<td>% of underserved individuals who paid bills or bought something online</td>
<td>Disaggregated by gender, age, location, other characteristics, of which based in underserved regions</td>
</tr>
<tr>
<td>Equality of access to economic opportunities increased</td>
<td>1,2,3</td>
<td># of households with access to child/elderly care</td>
<td>of which based in underserved regions</td>
</tr>
<tr>
<td>Human capital developed and preserved</td>
<td>1,2,3</td>
<td>Inclusive ATQ score for CoO</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,2,3</td>
<td>Human Development Index across the EBRD region</td>
<td></td>
</tr>
</tbody>
</table>

1 Wherever possible, indicators will be reported in a disaggregated manner, including by gender, age, urban/rural and other, relevant characteristics; while the EBRD aims to track data for all indicator mentioned, reporting will depend on project and data availability as well as resources.

2 Selected based on relevance, country coverage and frequency of updates; examples may include: Women, Business and the Law; Women’s Workplace Equality Index; Migrant Integration Policy Index; LGBTQI Inclusive Education Index; LABREF: LABour market REForm database.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility</td>
<td>The provision of “flexible facilities and environments, either virtual or physical, to accommodate each user’s needs and preferences. For persons with disabilities this may be any place, space, item or service that is easily approached, reached, entered, exited from, interacted with, understood or otherwise used.” (UN, 2016)</td>
</tr>
<tr>
<td>Ageing workforce</td>
<td>The part of working individuals aged between 50 to 64 years of age.</td>
</tr>
<tr>
<td>Decent work</td>
<td>Decent work is the availability of employment in conditions of freedom, equity, human security and dignity. Decent work involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. (ILO, 2008)</td>
</tr>
<tr>
<td>Employment opportunities</td>
<td>Finding employment after successful completion of training.</td>
</tr>
<tr>
<td>Equal Opportunities</td>
<td>The approach of ensuring equal treatment, non-discrimination and equal possibilities to access jobs and training for all workers, disregarding their sex/gender, skin colour, ethnicity, sexual orientation, and beliefs, without regard to their capabilities and skills.</td>
</tr>
<tr>
<td>Fragility</td>
<td>Period of time characterised by national lack of functional authority when sustainable socio-economic development needs require greater emphasis on complementary state building and peacebuilding activities such as “building inclusive political settlements, security, justice, jobs, good management of resources, and accountable and fair service delivery.” (G7+, 2013)</td>
</tr>
<tr>
<td>Gender</td>
<td>Refers to the social attributes and opportunities associated with being male and female and the relationships between women and men. These attributes, opportunities and relationships are socially constructed and are learned through socialisation processes. They are context/ time-specific and changeable. Gender determines what is expected, allowed and valued in a women or a man in a given context. In most societies there are differences and inequalities between women and men in responsibilities assigned, activities undertaken, access to and control over resources, as well as decision-making opportunities. Gender is part of the broader socio-cultural context. Other important criteria for socio-cultural analysis include class, race, poverty level, ethnic group and age. (UN, 2001)</td>
</tr>
<tr>
<td>Gender-based Violence and Harassment (GBVH)</td>
<td>GBVH is an umbrella term for any harmful act that is perpetrated against a person’s will and that is based on socially ascribed (gender) differences between women and men. The nature and extent of specific types of GBVH vary across cultures, countries and regions. Examples include sexual violence; domestic violence; harassment in public and work space; rape; trafficking; honour crimes, etc.</td>
</tr>
<tr>
<td>Human capital</td>
<td>The knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being (OECD, 2007). These elements are central drivers of sustainable growth and poverty reduction (World Bank 2020).</td>
</tr>
<tr>
<td>Low-skilled workers</td>
<td>Elementary occupations are considered as ILO Skill level 1 (low).</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Occupational segregation</td>
<td>The concentration of women and men in different types and levels of activity and employment, with women being confined to a narrower range of occupations (horizontal segregation) than men, and to the lower grades of work (vertical segregation) (European Commission, 1998).</td>
</tr>
<tr>
<td>Resilience</td>
<td>The ability of an individual, a household, a community, a country or a region to resist, cope, adapt, and quickly recover from long term stresses and shocks such as violence, conflict, drought and other natural disasters without compromising long-term development. (EU, 2016)</td>
</tr>
<tr>
<td>Rural</td>
<td>Areas that have low population density, likely with predominantly agricultural local economies.</td>
</tr>
<tr>
<td>Sexual harassment</td>
<td>Unwanted conduct of a sexual nature or other conduct based on sex affecting the dignity of women and men at work including conduct of superiors and colleagues (World Bank, 2012)</td>
</tr>
<tr>
<td>Social norms</td>
<td>Informal understandings governing patterns of behaviour in a particular group, community, or culture, accepted as ‘normal’ and to which an individual is expected to conform. (Sherif, M., 1936).</td>
</tr>
<tr>
<td>Sustainable Development Goals (SDG)</td>
<td>The SDGs were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity (also called Agenda 2030 for sustainable development). Building upon the Millennium Development Goals, the 17 SDGs recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.</td>
</tr>
</tbody>
</table>
| Systemic Impact (EBRD methodology)      | As with any form of transition impact, the focus is on ‘systemic’ effects that go beyond the direct impact of an individual project. The sources of such systemic effects can be through  
- Scale of the project: the project is in itself systemic, i.e. in the context of an underdeveloped region;  
- Replicability of the changes within or across sectors or geographies through demonstration effects, business standards or changes to the regulatory or institutional frameworks (as part of a wider EBRD effort through TC and the Legal Transition Team). |
| Theory of Change                         | A specific type of methodology for planning, participation and evaluation. It defines long-term goals and then maps backwards to identify necessary preconditions. |
| Women’s empowerment                      | According to the Beijing Declaration: “Women’s empowerment and their full participation on the basis of equality in all spheres of society, including participation in the decision-making process and access to power, are fundamental for the achievement of equality, development and peace”.  
Empowerment is a ‘bottom-up’ process of transforming gender power relations, through individuals or groups developing awareness of women’s subordination and building their capacity to challenge it.  
Empowerment is about people — both women and men — taking control over their lives: setting their own agendas, gaining skills, building self-confidence, solving problems, and developing self-reliance (Canadian International Development Agency, 2010). When applied to EBRD operations, empowerment can be understood as the support processes that increase women’s and men’s self-confidence, develop their self-reliance, and help them set their own economic agendas. |