

**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

Strategic Gender Initiative

As approved by the Board of Directors at its Meeting on 16th April 2013

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ABBREVIATIONS AND ACRONYMS

AsDB	Asian Development Bank
AfDB	African Development Bank
ATC	EBRD Office of the Chief Economist ‘Assessment of Transition Challenges’
Bank	European Bank for Reconstruction and Development
BAS	EBRD Business Advisory Services
BEPS	Banking Environment and Performance Survey
BEEPS	Business Environment and Enterprise Performance Surveys
CA	Central Asia
CEB	Central Europe and the Baltic states
CIDA	Canadian International Development Agency
CIF	Climate Investment Fund
CEDAW	Convention Eliminating All Forms of Discrimination Against Women
COO	EBRD Country of Operation
CRR	Capital Resources Review
CSR	Corporate Social Responsibility
EBRD	European Bank for Reconstruction and Development
EEC	Eastern Europe and the Caucasus
EIB	European Investment Bank
EIU WEO	Economist Intelligence Unit – Women’s Economic Opportunity Index
EGP	EBRD Enterprise Growth Programme
EOA	Equal Opportunities Audits
ESD	EBRD Environmental and Social Department
ESP	EBRD Environmental and Social Policy
ETC	EBRD Early Transition Countries
ETCF	Early Transitions Countries Fund
EU	European Union
EvD	EBRD Evaluation Department
ExCom	EBRD Executive Committee
FI	EBRD Financial Institutions Sector Team
FRM	Final Review Memorandum
FSU	Former Soviet Union
GAP	EBRD Gender Action Plan
GPG	Gender Pay Gaps
HQ	EBRD Head Quarters
HR	EBRD Human Resources
IAM	Impact Assessment Methodology
IaDB	Inter-American Development Bank
ICA	EBRD Industry, Commerce and Agribusiness Sector Team
IFC	International Finance Corporation
IFI	International Financial Institution

ILO	International Labour Organisation
INGOs	International Non-Governmental Organisation
KILM ILO	International Labour Organisation's - Key Indicators of the Labour Market
KPIs	Key Performance Indicators
LiTs	EBRD Life in Transition Study
M&S	EBRD Manufacturing and Services Sector Team
MDB	Multilateral Development Bank
MEI	EBRD Municipal and Environmental Infrastructure Sector Team
MENA	Middle East and North Africa region
MSMEs	Micro, Small and Medium Enterprises
NGO	Non-Governmental Organisation
NBMFI	Non-Bank Financial Institutions Facility
OCE	EBRD Office of the Chief Economist
OL	EBRD Operation Leader
PMM	EBRD Project Monitoring Module Process
PRs	EBRD ESP Performance Requirements
ROs	EBRD Resident Offices
SBS	EBRD Small Business Support Team
SEI	EBRD Sustainable Energy Initiative
SEE	South-Eastern Europe
SEMED	EBRD Southern and Eastern Mediterranean region
SGI	EBRD Strategic Gender Initiative
SIDA	Swedish International Development Cooperation Agency
SMEs	Small and Medium Enterprises
SSF	EBRD Shareholder Special Fund
TC	Technical Cooperation
TEA	Total Early Stage Entrepreneurial Activity
TI	EBRD Transition Impact
TIMS	Transition Impact Monitoring System
UN	United Nations
UNECE	United Nations Economic Commission for Europe
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations Children's Fund
WEF	World Economic Forum
WiB	Women in Business Programme
WB WDI	World Bank World Development Indicators

President's Recommendation

This document sets out the orientation for the EBRD's work in promoting and strengthening its approach to leveraging the untapped potential of women in its countries of operation.

In 2009, the Bank devised a Gender Action Plan (GAP) to promote equality of opportunity and women's empowerment through its projects and seek to prevent gender discrimination and mitigate inequalities. The GAP was developed with the distinct features of a project-based and transition-focused institution in mind.

Over the three years of implementation of the GAP, progress has been made with introducing gender considerations into the Bank's operations whilst the Environment and Social Policy (2008) and related project Performance Requirements (PRs) have remained the key operational tool for addressing gender issues. Both of these address gender issues from a risk mitigation perspective and ensure compliance with relevant International Labour Organisation (ILO) principles and conventions. The ESP contains aspirational goals of building good environmental and social opportunities (and implicitly gender-related opportunities), however its primary objective is as a "safeguard" policy and its effectiveness as an instrument to promote gender-equal economic empowerment and address gender gaps remains limited.

The Bank recognises that gender equality is a fundamental aspect of a modern, well-functioning market in as much as it contributes to the efficient use of all resources. This document reviews the Bank's initial lessons learned following on from three years of GAP implementation, identifies the specific gender areas where the Bank can best add value given its business model and mandate and identifies the key areas where the Bank will focus its limited resources, in light of the EBRD's 2013 gender inclusion gap analysis. The Strategic Initiative also comes at a critical time in the development of the Bank's operations in the southern and eastern Mediterranean (SEMED) region.

Importantly, this document sets out the framework for the Bank's approach to gender equality within its projects over the short-term and provides an analysis of the gender gaps in the EBRD's countries of operations and potential countries of operations in SEMED, and identifies how the Bank will address these gaps, in line with its mandate and business model.

The specific objectives of the Strategic Initiative are to:

- Identify those priority countries with gender gaps in the Bank's current countries of operations and potential countries of operations in SEMED in order to establish where EBRD resources should be focussed.

- On the basis of these priorities, identify and develop projects with either a gender component or a gender focus aimed at promoting access to employment and skills, finance, and services. Projects with a specific gender focus will generally be considered only in priority countries, although exceptions might be made where there is a compelling rationale to do so.
- Roll out specific products, which have proved to be successful in addressing gender gaps, such as ‘Equal Opportunities Audits’, and focus on the development of new products in specific sectors aimed at addressing gender gaps.
- Continue to ensure mitigation measures are applied through the implementation of the EBRD’s Environmental and Social Policy in all of the Bank’s investments so as to ensure compliance with relevant ILO principles and conventions.
- Mainstream gender considerations into the Bank’s country strategies, sector policies and political assessments and strengthen institutional awareness of gender objectives.
- Assess and monitor the broader impact of EBRD projects in promoting economic opportunity for women.

The Strategic Gender Initiative will be implemented within the orientations set out in the Fourth Capital Resources Review (CRR4) and future CRRs. That is, projects with a gender component or focus will conform to the CRR4 sectoral and thematic priorities and business plans will continue to be aligned with CRR4 indicative targets and expectations. Country specific priorities, including for gender, will, of course, be subject to review and confirmation by the Board in the context of forthcoming country strategies and updates.

I recommend that the Board approve this Strategic Gender Initiative.

Suma Chakrabarti

1. Rationale for Developing a Strategic Gender Initiative

Equality of economic opportunity should be seen as an intrinsic characteristic of a well-functioning market economy. The development of a Strategic Gender Initiative (SGI) builds on the proposition that promoting equality of opportunity for women contributes to the purpose of the Bank.

Whilst the Bank already addresses gender through its Environment and Social Policy (2008) (“ESP”), and assesses compliance with relevant International Labour Organisation (ILO) standards, it primarily addresses gender issues from a project risk and mitigation perspective. While the policy also contains aspirational goals of building good environmental and social opportunities (and implicitly gender-related opportunities), its primary objective is as a “safeguard” policy and its effectiveness as an instrument to promote gender-equal economic empowerment, and address existing gender gaps, is thus limited. With the introduction of a Strategic Initiative, the EBRD shall direct its resources to addressing inequalities where they have been identified as being greatest.

The key objective of the Strategic Gender Initiative is to initiate a more structured approach to gender considerations in the Bank’s operations. To date, gender issues have been mainly promoted by the dedicated Gender team. Going forward, and building on the current practice of assessing gender issues under the ESP, the intention is that gender considerations be taken into account, where appropriate, during project design and implementation; form part of the Bank’s policy dialogue; and, be addressed in all Bank’s strategies and policies, where applicable.

To assist the Bank in structuring its approach this SGI presents an assessment of the gender gaps within our COO. This document will identify the type of activities to be undertaken and projects which may be developed guided by this analysis, the resources required, the linkages across the Bank that will need to be harnessed and how current business practices might need to be modified.

This document builds on the Gender Action Plan. It may be developed further in the light of experience and on-going consideration of the Bank’s overall results measurement and framework.

1.1. Past Performance

In May 2009, the Bank adopted a Gender Action Plan¹ (GAP) (2009-2012) that sought to ensure that the Bank’s commitments to promote gender equality, in keeping with its mandate, found concrete application both internally and in the Bank’s investments and technical cooperation projects. The EBRD GAP included five action points: 1) building internal capacity and proposing specific guidance and tools to support the identification of gender

¹ Board document N SGS09-175

considerations; 2) undertaking pilot projects to map and assess impacts of EBRD's investments on gender equality and develop tools to produce reliable baseline studies; 3) developing measurement and monitoring tools to assess the impact of the investment and technical cooperation projects on gender equality; 4) leveraging the Bank's position on Supervisory Boards to raise gender awareness within the nominee Directors and with investing companies; and 5) seeking partnership and collaboration with other IFIs/NGOs to implement the plan.

Over the three years of implementation of the GAP, progress was made in introducing gender considerations into the Bank's operations. A Gender Steering Group was formed, which provided a forum for the sharing of information.

Environmental and social due diligence tools have been strengthened to address gender issues and new guidance notes prepared. In terms of introducing gender dimensions in the Bank's investments, 15 projects in a variety of sectors (MEI, Natural Resources, Agribusiness and FI sectors) were identified and have been, or are being, implemented. Annex I of the SGI describes these projects in more detail. A toolkit designed specifically for companies to identify methods to improve equal opportunities in the workplace was developed for EBRD's nominee directors and training undertaken. A further achievement has been the incorporation of gender as a consideration in all country strategies, facilitating the introduction of the approach. Work has taken place to identify gender gaps in relation to employment, pay and access to credit and property rights. These have been informed in part by the Economic Intelligence Unit's Women's Economic Opportunity Index for 2012, which was co-financed by the EBRD. Further detailed research has also been carried out to investigate specific issues surrounding financial products targeted at women (product design, repayment rates, etc.) in our countries of operation. The Small Business Support Team (SBS), through its stand-alone Women in Business programme, has been assisting women entrepreneurs and company owners/managers to improve their career prospects and those of their enterprises, in support of equal access to employment and to finance for women. Furthermore information on SBS activities can be found in Annex I.

Other aspects of the activities proposed in the GAP have only recently commenced, including the first investment comprising a dedicated women's credit line in Turkey. This relatively long lead time reflects the complex nature of introducing an approach to an arena where the Bank has limited experience and a limited level of in-house expertise. However, critically those lessons learned can now be incorporated in a manner that should better address these underlying issues.

1.2. Lessons Learned

The lessons learned over this period can be summarised as follows:

- Many gender gaps remain in some of the Bank's countries of operations, with some gaps widening in relation to employment and work place issues, as described below. There are also significant challenges in the SEMED region, which differ from the challenges faced in the Bank's current countries of operations.
- Including gender equality as a component of an investment works best when started early in the project cycle.
- Many EBRD staff members and clients are unfamiliar with assessing and addressing gender inequalities both in the workplace and in the market. This mirrors the situation when EBRD first began to consider environmental issues related to Bank projects many years ago. The training of Banking staff to enable more widespread consideration of gender opportunities as well as the greater dissemination of project examples should be considered to further promote this strategic initiative.
- Through the activities undertaken by SBS, the Bank has learnt that it is important to support women entrepreneurs to move out of the micro segment and beyond basic services, through enhancing access to finance, business support, mentoring and coaching, enabling women to access business networks, and encouraging them to take the risks necessary to grow their businesses. Working with local organisations that can provide on-going and continuous support to growing firms (including those owned by women entrepreneurs) should ensure that these businesses become sustainable over the longer term.
- Indications are that clients can find working on gender equality beneficial. By more effectively using their resources, they become more efficient and profitable enterprises, while at the same time enhancing their reputation as best-practice employers.
- The implementation of such projects frequently requires a change in attitudes and long-standing behaviour and therefore is often a resource intensive process.

2. Assessing Gender Gaps in EBRD Countries of Operations and Potential Countries of Operations

The main innovation of this Strategic Gender Initiative compared to the previous Gender Action Plan is that it no longer focuses primarily on the direct impact of projects on women for risk mitigation purposes, but instead on the broader impact of EBRD projects in promoting economic opportunities for women – that is, on the *systemic*² impact at the sector, regional, or even country levels. This approach is more consistent with the Bank’s approach to achieving its objectives.

The Bank has limited resources and it is vital that they be targeted where they can make the greatest difference. In order to effectively select and design projects that meet this aim it is essential to understand the structural and institutional constraints that presently limit economic opportunities for women in EBRD countries of operation. This requires a “gender gap” analysis in order to guide the sector-level priorities of EBRD operations. The approach used for the purposes of this SGI focuses on seven structural dimensions: legal and social regulations, health, education, labour policy, labour practices, employment and firm ownership, and access to finance (please refer to Annex II for details on the methodology).

Table 1 presents the results of a preliminary assessment of gender gaps in each of the countries of operation and in the potential recipient countries of SEMED. Five advanced market economies – France, Germany, Italy, Sweden and the UK – are also included for comparative purposes. For each of the seven dimensions presented in the table, the assessed gap size – ranging from negligible to large – reflects an assessment of the difference between the prevailing state of institutions and markets compared to the ideal of equality of economic opportunity between men and women. The main findings can be summarised as follows:

Firstly, of note, are the large variations in gaps across institutional and market dimensions. With respect to most dimensions that are related to employment, firm ownership or management, and particularly labour practices (which includes information on non-discrimination practices, access to childcare, women in top management, and gender pay) gender gaps are medium or large across the board (i.e. for most countries).

In contrast, gender gaps are assessed to be fairly small – across the board – in education and with respect to legal regulations. The former reflects the fact that the series used in the education gap analysis represents mostly the *current* state of education systems, as measured by female-to-male ratios in primary, secondary, and tertiary completion rates. Although some

² The EBRD uses the term ‘systemic’ to describe changes that occur in a market, sector or country beyond the project entity, which equalise economic opportunities for women and men - for example where demonstration effects or competition might lead other key players in a sector or regional context to adapt their decision making in line with desired objectives.

countries have large gender differences in the stock of educated people – reflecting past disparities in education – gender differences in recent completion rates are much smaller (albeit with a few notable exceptions, such as some SEMED countries, and Tajikistan, where education gender gaps reflect large gender gaps in tertiary education). Similarly, relatively small gaps with respect to legal and social regulations reflect the fact that few countries in the EBRD region have laws on their books that overtly put women at a disadvantage in areas such as property and inheritance laws. Again, there are some exceptions, including in the SEMED region and in Central Asia.

Secondly, as expected, some groups of countries tend to have larger gaps across a number of categories than others. Table 1 confirms expectations that gender gaps are greatest in some SEMED countries (Egypt, Jordan, and Morocco) and Central Asian countries (particularly Turkmenistan), with Tajikistan, Kazakhstan and Turkey not far behind. Gender gaps tend to be smaller in Central Europe and the Baltic states, although with notable exceptions in employment-related areas, as pointed out above.

Finally, in most countries gender gaps vary greatly across categories. For example, Tunisia has small gender gaps in education and with regards to laws and legislation (legal restrictions and labour policy), but large gaps in labour practices, employment and firm ownership and access to finance. A number of other countries - including Albania, Armenia, Bosnia, Hungary, Georgia, Kyrgyz Republic, Mongolia, Slovak Republic, Serbia - exhibit similar variations across gender gap dimensions, with small or negligible gaps in at least three of the seven dimensions and larger gaps in at least two of the others. This illustrates the importance of an approach that does not just look at average gaps at the country level but focuses on specific institutions and markets.

Table 1. Gender gaps in EBRD countries of operation and selected comparator countries

Gender Inclusion Gaps

Country	Legal Regulations	Health Services	Education	Labour Policy	Labour Practices	Employment and firm ownership	Access to Finance
Central Europe and Baltic States							
Croatia	Negligible	Small	Negligible	Medium	Large	Medium	Small
Estonia	Negligible	Small	Negligible	Small	Large	Medium	Medium
Hungary	Negligible	Small	Negligible	Negligible	Large	Medium	Large
Latvia	Small	Medium	Negligible	Small	Large	Medium	Small
Lithuania	Negligible	Small	Negligible	Small	Medium	Medium	Medium
Poland	Small	Small	Negligible	Small	Large	Medium	Medium
Slovak Republic	Negligible	Small	Negligible	Small	Large	Large	Medium
Slovenia	Negligible	Small	Negligible	Small	Large	Medium	Medium
South-eastern Europe 1							
Albania	Negligible	Medium	Small	Small	Large	Large	Large
Bosnia and Herzegovina	Negligible	Medium	Negligible	Medium	Large	Large	Large
Bulgaria	Negligible	Small	Negligible	Small	Large	Medium	Medium
Kosovo (1)	not available	not available	not available	not available	not available	not available	Large
Macedonia, FYR	Small	Medium	Small	Small	Large	Medium	Medium
Montenegro	Small	Medium	Negligible	Medium	Large	Medium	Medium
Romania	Negligible	Medium	Negligible	Small	Large	Medium	Medium
Serbia	Small	Medium	Negligible	Medium	Large	Large	Small
Turkey	Small	Small	Medium	Small	Large	Large	Large
Eastern Europe and Caucasus							
Armenia	Medium	Medium	Negligible	Small	Large	Large	Small
Azerbaijan	Negligible	Medium	Small	Medium	Large	Medium	Large
Belarus	Small	Small	Small	Medium	Large	Small	Medium
Georgia	Small	Large	Negligible	Small	Large	Medium	Small
Moldova	Small	Medium	Negligible	Small	Large	Negligible	Medium
Ukraine	Negligible	Medium	Negligible	Small	Large	Medium	Large
Russian Federation	Small	Medium	Negligible	Medium	Large	Medium	Medium
Central Asia							
Kazakhstan	Small	Large	Negligible	Medium	Large	Large	Medium
Kyrgyz Republic	Medium	Large	Negligible	Medium	Large	Medium	Small
Mongolia	Small	Large	Negligible	Medium	Large	Negligible	Small
Tajikistan	Medium	Large	Medium	Small	Large	Medium	Large
Turkmenistan	Large	Large	Small	Medium	Large	Large	Large
Uzbekistan	Medium	Medium	Medium	Medium	Large	Large	Large
Southern and east Mediterranean							
Egypt	Medium	Large	Medium	Medium	Large	Large	Large
Jordan	Medium	Large	Negligible	Medium	Large	Large	Large
Morocco	Medium	Large	Medium	Medium	Large	Large	Large
Tunisia	Small	Medium	Small	Small	Large	Large	Large
Benchmark Countries							
France	Negligible	Small	Negligible	Small	Medium	Medium	Medium
Germany	Negligible	Small	Negligible	Negligible	Medium	Medium	Medium
Italy	Negligible	Small	Negligible	Small	Medium	Medium	Large
Sweden	Negligible	Negligible	Negligible	Negligible	Medium	Small	Medium
UK	Negligible	Small	Negligible	Small	Medium	Medium	Medium

Sources and methodology see Annex II.

1. The quality and amount of sex-disaggregated labour market data in post-conflict Kosovo is significantly limited and gender gaps cannot be computed. However, anecdotal evidence and grey reports show that large gender gaps exist in a number of areas. For example, the labour force participation rates are much lower for women than men in Kosovo. According to the 2012 UNDP Kosovo Human Development Report Private Sector and Employment, in 2009 only 29 per cent of women participated in the labour market as compared to 67 per cent for men. Unemployment rates are very high in Kosovo, with 57 per cent of women and 41 per cent of men being officially unemployed in 2009. The unemployment rates are exceptionally high amongst the young, which is of particular concern in Kosovo, given that the country has the youngest population in Europe.

Due to data limitations, some dimensions of gender inequality have not been covered in the gender gap analysis described above. For example, experience from the EBRD's project work on gender also points to gender inequalities with regards to access to certain services such as urban transport or the provision of water and the management of solid waste, which can impact upon men and women's lives in different ways. If not provided in a cost effective and customer responsive manner, more often than not it is women who are disproportionately affected. For example, it is typically women who have to spend time collecting and/or boiling water, waiting for rubbish to be collected etc., time that could otherwise be spent in employment or being involved in some form of economic activity. Reducing the amount of time women spend on unpaid work via improved infrastructure can free women's time and help them spend it more productively and efficiently, such as engaging in economic activities³ that will eventually contribute to the women's economic empowerment and closing of gender gaps in the labour market.

While some generic disparities and 'gaps' are similar in both the Bank's existing countries of operations and potential countries of operations in SEMED, the challenges women face in the SEMED region, and to some extent Turkey, are different from the post-communist transition region, with respect to the scale of the gender gap and/or the area where the gap exists. For example, labour force participation rates in SEMED and in Turkey are some of the lowest in the world and well below the EBRD average. In the SEMED region gender disparities prevail in both the private and public sectors, and have never been the focus of sweeping policy reform as they have in the post-Soviet countries, although considerable achievements have been made in promoting and encouraging both women's socio-economic development as well as their political participation. The urban-rural divide exacerbates the differences with respect to economic participation and socio-political status, which can often be attributed to the influence of customs and traditions. While the situation is changing with the recent political events that have taken place in the region, there are increasing concerns that earlier gains may be lost.

Whilst the Bank cannot address all of the gender gaps outlined in the table above, it is analytically interested in thoroughly understanding both the challenges that women face in each specific context as well as the multiple causes of gender inequality. This will require a closer look at each national situation, so as to better address these gaps through investments and/or policy dialogue. Introducing gender considerations into EBRD's operations will require enhancing the Bank's understanding of gender gaps, with respect to such issues as labour force participation, access to financial and non-financial services and education in

³ Consultancy Africa Intelligence (CAI), 'Infrastructure, women and economic growth: how infrastructure has the power to empower', 2012, <http://www.consultancyafrica.com/>⁴ Mainstreaming refers to the fact that staff will *consider* gender needs and perspectives throughout its strategies and operations, even though in only a few selected cases will there be project opportunities, a strategy response or indeed a need for Bank safeguard action. The regular pipeline review under the ESP provides the principal tool by which the Bank - within the confines of its mandate and business model - can filter opportunities to apply gender considerations within the context of a specific project and in line with client demand.

terms of their extent and nature as well as the possible constraints to addressing them, be they economic, legal, or cultural.

3. Mainstreaming Gender: the EBRD's Strategic Gender Initiative

3.1 Setting the Vision and Objectives

The Bank has a mandate to foster transition to market-based economies and to promote private entrepreneurship, while also promoting sustainable development. An efficient market economy makes the best use of all resources. Furthermore, at the core of the Bank's political mandate is the commitment to democracy, equality of treatment before the law and the effective guarantee of fundamental rights and freedoms for men and women.

As discussed above, gender is one of the principal factors that can both determine or impede a person's economic opportunities. This Strategic Initiative sets out how the Bank will continue to work to prevent gender discrimination and mitigate the negative effects of lack of equality of opportunity. It also sets out how the Bank can best play a role in addressing the gender gaps identified in certain countries at country level and facilitate and promote women's socio-economic empowerment, equality of opportunity and participation in the labour market. These aims will be achieved through the design and implementation of the Bank's investments and projects, the development of new products, policy dialogue, and through engagement in the international debate on gender issues such as via the MDB Working Group on Gender, which it currently chairs. EBRD staff and resources will be targeted at areas where the needs are judged to be greatest.

Under this initiative, EBRD will seek to increase the opportunities for women to benefit from the Bank's operations by considering gender specific impacts of projects, while remaining fully aligned with the EBRD's business model. In this context, the objective is to strengthen mitigation measures and more systematically identify projects with a potential gender component and/or focus. Specific objectives of the Strategic Initiative are to:

- Identify the priority countries with gender gaps in the Bank's current countries of operations and the potential countries of operations in SEMED in order to establish where EBRD resources should be focussed to have *systemic* gender impact.
- On the basis of these priorities, identify and develop projects with either a gender component or a gender focus aimed at promoting access to employment and skills, finance, and services. Projects with a specific gender focus will generally be considered only in priority countries, although exceptions might be made where there is a compelling rationale to do so.
- Roll out specific products, which have proved to be successful in addressing gender gaps, such as 'Equal Opportunities Audits', and focus on the development of new products in specific sectors aimed at addressing gender gaps.

- Continue to ensure mitigation measures are applied through the implementation of the EBRD's Environmental and Social Policy in all of the Bank's investments so as to ensure compliance with relevant ILO principles and conventions.
- Mainstream⁴ gender considerations into all of the Bank's country strategies, sector policies and political assessments and strengthen institutional awareness of gender objectives.
- Assess and monitor the broader impact of EBRD projects, with a gender component or gender focus, in promoting economic opportunity for women – that is, their *systemic* impact at the sector, regional, or even country level.

3.2 Proposed Approach

Identifying, designing and assessing projects that promote equal opportunities in a specific country require a good understanding of:

- the areas in which gender gaps are greatest;
- what explains these gaps, i.e. what institutional, economic, social, or political characteristics of the economy they might depend on;
- the channels through which EBRD projects might be able to influence the conditions affecting gender gaps; and finally,
- how to find projects that might deliver gender-related systemic impact and measuring that impact.

The Bank will tackle this challenge along three dimensions: i) country prioritisation; ii) impact assessment and channels; and iii) project approaches. These are discussed in the following section.

3.2.1. Country prioritisation

The Bank has approximately 1,000 projects in the pipeline each year, with 350-400 investments being approved annually. Currently there are neither the resources nor the expertise available within the Bank to ensure that all projects include a gender component/focus even where appropriate. In order to use the existing resources of the Bank most effectively and efficiently, there will therefore be a need to prioritise projects and countries to address gender gaps.

Chapter II identified country-by-country gender gaps with the gap analysis being subject to further refinement in the forthcoming 2013 Transition Report. The forthcoming work will

⁴ Mainstreaming refers to the fact that staff will *consider* gender needs and perspectives throughout its strategies and operations, even though in only a few selected cases will there be project opportunities, a strategy response or indeed a need for Bank safeguard action. The regular pipeline review under the ESP provides the principal tool by which the Bank - within the confines of its mandate and business model - can filter opportunities to apply gender considerations within the context of a specific project and in line with client demand.

also attempt to analyse how these gaps have come about, whether through institutional, economic, social or political channels. Initial efforts to develop projects will primarily target the countries where the preliminary gap analysis has shown that gender challenges are greatest: these are judged to be Central Asia, Turkey and the SEMED countries, while there are also some gaps in some EEC and the SEE countries.

3.2.2. Impact assessment and channels at the project level

Experience to date shows that gender considerations have been most effectively incorporated into the Bank's operations through the normal operation of the Bank's bottom-up, project focused approach by giving due recognition to gender as part of the projects impact assessment. This approach will continue to be applied so as to ensure that all projects are screened for potential systemic gender impact.

Based on its experience incorporating gender into its operations over the last few years, the Bank has identified three "channels" through which projects are most likely to be effective in reducing gender gaps. Gender projects will often be expected to target these three specific areas:

- Access to Employment and Skills
- Access to Finance: and
- Access to Services.

These three areas also broadly match the Bank's main sectors of operations: ICA, FI, and MEI (Infrastructure).

3.2.3. Operational approaches

The EBRD will seek to identify and, where possible, enhance the positive gender impact of projects in two ways - firstly, by continuing to undertake mitigating measures to reduce any potential detrimental gender impact, and secondly, by pro-actively seeking to maximise the positive gender impact of projects. This second, pro-active element will be achieved either by adding specific gender components to projects or by developing projects with an explicit focus on gender. Projects with a gender component or a gender focus will be expected to achieve systemic impact that creates economic opportunities for women beyond the immediate confines of a specific project. Mitigating measures will, by definition, focus more on project specific measures but may, at times, achieve systemic impact where methodologies are applied that might be applicable to other key players in a sector or regional context.

- ***Development of Projects with a Gender Component***

In those countries where the Bank has identified a specific gender gap, it will try to develop specific "gender component" projects more systematically. Projects with a gender component are those projects where addressing gender inequalities and/or gaps is not the principal

objective of the project but where by including a gender component the benefits of the project will be enhanced. These projects will also seek to achieve systemic impact from gender. Examples of such projects are those corporate projects with an equal opportunities component to increase employment access and/or career progression, or an Urban Transport project that incorporates design features to increase access to services (such as improved access to hospitals, schools, etc.). In order to leverage the Bank's comparative advantage and focus its limited resources, so as to maximise impact, prioritisation of countries in which new projects with a gender component or focus will be developed will be based on the identified gender gaps

Given the limitations of the resource base and the need to ensure the credibility of the initiative by targeting the approach in line with current pipeline indications, lessons learned and in-house expertise, three key sectors will have a primary focus:

a. Financial Institutions

Within this sector the focus will be on increasing access to employment and access to finance. Examples of the gender components that will be considered are "Equal Opportunities Audits", capacity building with client banks; development of better deal tracking tools; and training to increase awareness of how to better serve the needs of female borrowers.

b. Industry, Commerce and Agriculture

Predominantly, opportunities in this sector are expected to arise in the area of increasing access to employment opportunities. For those SMEs in countries where SBS is working, the possibility of addressing employment policies and practices through engagement with the Enterprise Growth Programme will be pursued. SBS will seek to attract more advisers with experience in human resources and equality of opportunities.

c. Municipal and Environmental Infrastructure

Initially, and as part of the implementation of the new MEI strategy, in the subsectors of water, solid waste and urban transport baseline studies in each of the priority regions/countries (SEMED, Central Asia, Caucasus and Moldova) will be undertaken, as projects are identified, so that the information and lessons learned can be incorporated and utilised going forward. For the traditional countries of operation, this will also be done for the urban transport sector. Thus, where there are gender differences in the use and perception of a service, these will be taken into consideration in the design of the investment.

Engagement in three other key sectors – Natural Resources, Power & Energy and Transport has been less possible to date given the more complex nature of introducing gender considerations in these sectors. Nevertheless for these three sectors the approach will focus on conducting Equal Opportunities Audits so as to support clients, promoting Equal Opportunities in the Work Place and the development of related action plans, training women for access to employment opportunities, introducing CSR Programmes with an enhanced

gender component and, where possible, supporting the supply chain/service providers to increase employment opportunities for women and/or business performance.

- *Development of Projects with a Gender Focus*

The Bank has already undertaken projects in which addressing the needs of women has been the primary focus. An example of this type of project is the dedicated gender credit line under implementation by the Bank in Turkey. Building on this, in Central Asia, Turkey and the SEMED countries, the Bank will also aim to develop projects with a particular gender focus. Projects with a gender focus are those where the primary objective (or “focus”) of the project is to specifically address issues relating to gender inequality including, but not limited to, the provision of support to women in business. As outlined earlier, these projects will be required to achieve systemic impact for women beyond the immediate reach of a project. While identifying opportunities, the Bank will base choices on its gender gap analysis, taking into account the country-specific political and social context where such projects will be delivered. An example of support to women in business is SBS’s programme, Women in Business. Most success to date has taken place in the Financial Institutions sector and the Gender Team will build on the achievements to date to move forward this agenda.

More specifically in the Financial Institutions sector, projects will be developed and designed to improve access to finance and will comprise the development of products that meet the needs of women such as dedicated credit lines and products which offer more flexible lending policies (with respect to collateral levels, etc.).

The Bank will seek to expand the use of the existing Small Business Support (SBS) instrument, which assists women entrepreneurs and company owner/managers to improve the prospects of their careers and their enterprises, in support of equal access to employment and to finance for women through the “women in business” programmes. These programmes will not exclusively target the prioritised countries in Central Asia, Turkey and SEMED, but will also develop programmes in the Western Balkans (Bosnia and Herzegovina, Croatia and Serbia), Moldova and Ukraine. Going forward, SBS would envisage introducing women in business programmes in (i) SEMED, starting with Egypt in 2013, (ii) in those ETC countries where the SBS programmes are reasonably mature: Kyrgyz Republic, Mongolia and, possibly, Tajikistan, and (iii) Albania, Kosovo and FYR Macedonia, expanding the successful start in the Western Balkans. These programmes will be co-ordinated with the Financial Institutions team, in order to ensure that the participants have good links with local financial intermediaries to enable them to access the financing needed to grow their companies, and the Gender Team for its experience. In addition, SBS is working with the FI team to complement a local bank credit line, which targets women beneficiaries in Turkey.

SBS will also work closely with other sector teams. In ICA, SBS will work in particular with Agribusiness and M&S, to assist their SME clients who are willing to engage in an EGP

programme focussed on improving employment practices for women, seeking to ensure equality in the workplace and to facilitate the advancement of women in the workplace.

- ***Mitigation Measures to Reduce Potential Detrimental Gender Impact***

The Bank will continue to address mitigation measures in all of its investments in order to adhere to international best practice. In accordance with current practice, the EBRD will identify the need for mitigation measures through the Bank's Environment and Social Policy (ESP). All projects will continue to be screened, where appropriate, in the same way that they are screened for other social and environmental issues. Those projects that flag risks for gender specific detrimental impact will be selected for mitigation measures, regardless of whether they are in a country with a perceived gender gap.

3.3 Other Initiatives

3.3.1. *Toolkit Development*

To enable Banking teams and ESD to identify and assess how gender issues might be addressed in projects, and/or to identify possible gender projects, the Gender team will develop a set of tools. These will be based on the experience gained to date. Examples of such tools are: a) Equal Opportunities Audits designed for specific sectors, such as Natural Resources, Transport and Financial Institutions; and b) Guidance notes for Urban Transport. Instruments will be developed to assess the priorities and services for different sectors. Detailed guidance notes specific to sectors and themes will also be developed for both staff and clients. In relation to identifying a project's potential systemic impact through gender, OCE will provide guidance and project specific support in coordination with the Gender team.

The development and use of the tools and implementation of the projects will be supported, where necessary and appropriate, by co-operation funds.

3.3.2. *Policy Dialogue Linked to Operations*

Where necessary to achieve sustainable change, the Bank will promote reforms and changes that advance transition and reduce gender gaps as they relate to its operations and mandate; i.e., in the areas of access to finance, employment and services. This will be based primarily on two approaches (i) project-based dialogue on a needs basis, and (ii) dialogue not tied to any specific project on selected topics which may be more generic in nature but which may be warranted in order to facilitate systemic change. As experience in Turkey and Kyrgyzstan shows, relationships with government institutions in the Bank's countries of operations work best when based on project experience which is considered to be relevant and practical.

Potential issues for project-related dialogue include employment law and practices, laws and regulations relating to the provision of credit and budget allocations and other customs and/or practices that may prevent or constrain access to credit and/or economic activity.

3.3.3. *Special Studies using TC Funds*

It is anticipated that a number of standalone TC projects will be developed by the Gender team, often in co-ordination with other teams, to gain knowledge and/or better understanding of specific gender issues that have relevance for the Bank's investments. While gender gaps may be identified, there is often a need to better understand the specific causes and implications within a sector or local area in order to design interventions and/or products that address the inequalities of access more effectively than previous ones. Specific studies can often help gain an improved understanding. This in turn can then assist in the design of projects, tools and products that address the gender gap. Improved understanding also feeds better-informed and targeted policy dialogue.

Planned TC projects include studies to understand the scale of the problem of lack of access to collateral for women-owned businesses and the piloting of different approaches to address this. Other TCs may focus on gender-related research into areas where currently no other sources are available given that data and information on gender and economic activity are scarce for many of EBRD's countries of operations, especially in Central Asia. Furthermore, the Bank has limited knowledge and experience of working in the SEMED region on gender issues which may be specific to the new region.. The Bank will use TCs in this instance, in a targeted manner, to address specific information gaps where no other source of data is available.

The understanding and knowledge gained through such TCs would be disseminated via seminars and workshops for clients and staff. The results of the studies and outcomes of such workshops will then be used both for developing new products and/or policy dialogue purposes.

3.3.4. *Bank Strategies and Policies*

Consideration of gender issues is integrated into the Bank's Country and Sector strategies and policies, both as a feature of the operational environment and as a component of the Bank's operational response, and this will be further consolidated in the future.

Reference to gender in country strategies currently appears in the operational section outlining the sectors in which the Bank will attempt to introduce gender issues and in a gender annex which includes basic gender information and statistics on issues relevant to the Bank's operations, such as labour force participation, discrimination, wage gap and women's entrepreneurship. For those countries that have been identified as priority countries by this Strategic Initiative, the Country Strategies may place added emphasis on identifying gender as a cross-cutting operational theme. Furthermore, gender considerations are also beginning to be included as a component of sector policies.

Women's rights are also monitored and reported as part of the triennial political assessment in accordance with the Bank's updated political methodology. Under the heading "Civil and

Political Rights” political assessments cover “political inclusiveness of women, ethnic and other minorities” as one of the fourteen criteria used to assess compliance with the political aspects of the Bank’s Article 1 mandate. Gender considerations will also be factored into assessments of equality of treatment before the law, the effective guarantees of fundamental rights and freedoms and freedom from harassment, intimidation and torture, as appropriate.

3.3.5. *Enhancing Corporate Performance*

Aside from the above areas, the Bank will also continue to: a) leverage the role of its nominee Directors; b) support women in management; and c) promote the access of women to business networks.

a. Leveraging the role of Nominee Directors

The Bank has 256 Nominee directors, of whom 225 are staff members. Forty six per cent of all the Nominee Directors are females. This provides the Bank with a good platform on which to promote key policies and priorities of the Bank such as “Equal Opportunities in the Work Place”. A “Nominee Director Toolkit” has already been prepared to promote equal opportunities and best HR practices within the Bank’s investee companies. In order to maximise the potential of such impact and influence, the Bank will continue to raise gender awareness of the nominee directors through more awareness raising, dedicated support and training if necessary.

b. Women in Management

Supporting a greater participation of women on boards is increasingly viewed as both a business and economic imperative. It is well documented how the greater diversity of board leads to higher profitability of firms. For example, according to the 2007 and 2012 McKinsey studies⁵, those companies where women are most strongly represented at board or top management level are also those companies that perform best. Nevertheless not many women have attained board appointments across the globe, including in the EBRD countries of operations. Within company boards, it is important to ensure that women gain traction through appointment to committees where critical board work is done, such as compensation/remuneration, risk or audit committees.

Providing support to women in other management roles, relating to, for example, remuneration, nomination and risk management, is also important. Research suggests that women are more likely than men to hire women, taking qualifications into account. Female loan officers are also more likely to give loans to eligible women borrowers than their male counterpart loan officers. These results point to the multiplicative effect that promoting qualified women can have on gender disparities in terms of increasing access to finance and access to employment, two areas of potential gender impact. Going forward ways to support

⁵ McKinsey & Company 2007, ‘Women Matter – Gender diversity, a corporate performance driver’, http://www.europeanpwn.net/files/mckinsey_2007_gender_matters.pdf; McKinsey & Company 2012, ‘Women Matter – making the breakthrough’, <http://curt-rice.com/2012/04/16/women-matter-2012-making-the-breakthrough/>

women in management will be identified in liaison with Banking and Resident Offices and a plan will be developed for implementation.

c. Access to Business Networks and Training

The literature⁶ indicates that supporting women's access to business networks often encourages and facilitates the growth and performance of their enterprises. Well-established networks also enable banks to access timely information on women entrepreneurs and develop targeted solutions to support their specific needs. It is therefore important to ensure that women are provided with business networking opportunities.

Female entrepreneurs often do not have access to the same training as their male counterparts. Furthermore, when training is provided together with finance, success rates for entrepreneurs are improved compared to when either only training or only finance is provided. For example, according to a World Bank's 2012 Policy Research Working Paper⁷, there is some evidence that trainings can improve the performance of firms. The Bank is already piloting one such project in Turkey, where the objective of the training is to increase the financial, managerial and legal capacity of women entrepreneurs. Through this SGI it is also intended to replicate such programmes and to identify how the Bank can support such access, in consultation with its clients, national business networks and women's business networks in its Countries of Operation.

3.4 Importance of Communication

Communication will be key to disseminating good practice, shared experience and lessons learned; the goal is to make a systemic and sustainable impact through a dedicated gender communications dissemination programme. As a project-based organisation, the EBRD lends itself well to this approach.

This will include enhanced gender webpages containing relevant information on research and publications, as well as information on the gender work being undertaken. The webpages will be a platform for disseminating information about Bank projects where gender issues have played a key role. The pages will also serve as an information and reference repository for the Bank's policies, strategies and research on gender issues in the countries of operations. Additionally, there will be regular articles on projects where gender has been a factor published in Blueprint - the weekly staff newsletter. These same articles may be featured on the intranet home page or externally on the "ebrd.com" homepage. A number of videos on projects have highlighted gender issues and they too will continue to be featured online.

⁶ International Financial Corporation (IFC) and Global Partnership for Financial Inclusion (GPII) 2011, "Strengthening Access to Finance for Women-Owned SMEs in Developing Countries," http://www1.ifc.org/wps/wcm/connect/688c5a804a02e0349c4efdd1a5d13d27/G20_Women_Report.pdf?MOD=AJPERES

⁷ World Bank 2012, "What Are We Learning from Business Training and Entrepreneurship Evaluations around the Developing World?" Policy Research Working Paper 6202 <http://elibrary.worldbank.org/content/workingpaper/10.1596/1813-9450-6202>

Where appropriate, the Gender Team will prepare stand-alone publications or factsheets. The Bank's research on gender-related issues may also be submitted for publication in academic journals.

Furthermore, the Bank will organise and participate in international fora and engage with civil society, policy makers, IFIs and the business community. The objective is to gain a better understanding of issues of concern and influence practice and policies that address gender gaps in the areas of finance, employment and services. In addition, the Bank will promote the empowerment of women in areas related to the Bank's operations.

3.5 IFI Co-operation and Collaboration

As with other Bank initiatives, co-operation with other IFIs is essential so as to harmonise the collective efforts of the IFIs as well as to be able to leverage results that might not otherwise be attainable.

Since 2009, when the GAP was approved, the Bank has developed its co-operation with other IFIs in the context of Gender, participating in discussions on the harmonisation of events to share knowledge. In 2012, EBRD was elected to chair the MDB Working Group on Gender for the next two years and this provides a useful platform to take this work forward.

The Bank will continue to support and/or host international events such as the MDB Working Group on Gender meetings, which it chairs, on issues of interest which serve as a usual platform for both policy dialogue and advocacy. The Bank will also continue to be actively involved in co-hosting the workshops with the non-governmental organisation Women for Women International, and contributing towards the Climate Investment Funds' work on climate change and gender.

Various bilateral relationships which the Bank already has in other areas such as the environment, climate change and/or other social issues shall also be good partners to both learn from and maximise impact.

4. Impact Assessment, Monitoring and Evaluation

4.1 Project Level

Projects will be assessed for their systemic impact on gender equality, which is likely to occur through the expansion of access to employment opportunities, the expansion of markets, services and competition (where women act as producers or consumers), transfer of skills, and the promotion of corporate practices that create better opportunities. The systemic impact of a project would then stem from the replicability of its impact across the wider sector it is located in or from its scale (e.g. in relation to the number of women benefitting compared to the overall size of the female population in a specific location).

Projects with a gender component or gender focus will develop specific gender benchmarks that will be monitored through the Bank's existing methodology to track systemic impact of projects.

4.2 Institutional Results Framework

In addition to the project-level improvements to systemic impact assessment and monitoring, the Bank is also looking at ways to develop results frameworks for institutional initiatives such as gender. As part of this SGI a specific results based framework for the gender work will be developed and implemented. More details are attached in Annex III.

At the institutional level the other IFIs measure their gender impact in a variety of ways and their gender corporate performances are all assessed differently. Most of the other IFIs appear not to have a dedicated scorecard for this purpose or are currently in the process of revising them. IFIs are at different stages of development of their gender programs but are generally ahead of EBRD in this regard. Further details are included in Annex IV.

4.3 Monitoring Success

Based on lessons learned from projects developed to date as well as from analysing the potential gender impact of operations across EBRD's sectors, the SGI proposes the following:

- In line with current practice under the ESP projects will continue to be assessed for disproportionate gender impacts, and where these have been flagged, mitigation measures will be designed.
- Captured within the ESP evaluation process, all projects will be screened for opportunities to develop gender components and/or focus.

Over the coming three year period, leading up to 2016:

- Projects will be identified based on the business pipeline and as part of the Bank's business planning process, and in response to client demand so as to be able target resources where they are needed; and
- Gender resources will be focussed on priority areas with approximately 60% of resources allocated to the regions with the most significant gender gaps: SEMED, Turkey and Central Asia. At the same time, subject to available human and financial resources and depending on opportunity, projects with a gender component will be considered elsewhere in countries with considerable identified gender gaps.

5. Resources and Capacity Building

To effectively deliver on the Strategic Initiative resources will be required and there will be a need to build the capacity of banking staff.

5.1 Donor Funding

In order to diversify the source of donor funding and not to be overly reliant on the Shareholder Special Fund, the Gender team shall work with Donor Co-Financing to identify donors who are specifically interested in gender issues. Options such as setting up Multi-Donor Frameworks for specific products and initiatives shall also be considered.

Options of working with other IFIs and partners to leverage and maximise resources shall also be explored.

5.2 Capacity Building

A wide range of staff, both in HQ and in the ROs, will need to better understand gender gaps and related issues so to be able to identify opportunities for Bank interventions and to be able to discuss these confidently with clients and counterparts.

To enable the above a more structured programme of raising awareness and building capacity of staff both at HQ and in the ROs will be developed and rolled out.

This will include:

- Unconscious bias training for as many staff as possible. This will involve adapting the Inclusive Leadership Workshop (based on the Harvard unconscious Bias Research). The aim of the course is to position diversity within a wider context, i.e. the business case for EBRD becoming an inclusive, open, modern organisation which leverages and harnesses diverse talent.
- Technical and/or specific skills training: topics could include the importance of gender in some projects, a short course on what gender impact assessments do, Equal Opportunities in the workplace and “What questions to ask Women and credit”, and/or perhaps some more specialised ones for MEI and services.
- Development of e-learning tools, information and guidance documents for banking teams on country level gender gaps and to ways to identify and present the potential systemic inclusion impact from gender of EBRD projects across specific sectors. These resources should be accessible to all RO staff and could be provided to consultants, perhaps for a fee and as a necessary requirement for working with the Bank on Gender projects.
- Further development of training materials and tools for clients.

- Capacity building/ training programmes will be identified with respect to equal opportunities in the work place, which the Bank may wish to offer to its clients.
- Carry out visibility activities to disseminate lessons learned in a country by clients that have successfully engaged with the Bank in improving their gender practices and policies.