

# Economic Inclusion Strategy (EIS)

2017-2021



**European Bank**  
for Reconstruction and Development

PUBLIC



**Economic inclusion and inequality have become defining political, social and economic issues shaping the EBRD region today.** A slow recovery from the financial crisis coupled with high unemployment and rising inequality has created challenges across many countries in the region, with some groups worse affected than others. With the launch of the 2030 Agenda for Sustainable Development, the global community is mobilising its efforts to combat inequality. Employment prospects, job quality, skills and economic opportunities are critical for well-being but profoundly shaped by socio-economic circumstances. Those who lack access to opportunity due to their gender, age, place of birth or other circumstances, tend to live shorter and less healthy lives and are unable to break the vicious circle of poor education, low skills and limited employment prospects.

As outlined in the **EBRD's Transition Report 2016 'Transition for all: equal opportunities in an unequal world'**, transition countries have seen impressive growth and convergence with the West. However, many have experienced an unequal distribution of the benefits of this growth, with only 44 percent of people across the EBRD region having personally experienced income convergence. This has resulted in rising perceptions of inequality, which in turn affect people's trust in the market system and democracy. The Bank therefore believes that well-functioning, sustainable market economies need to deliver fair access to economic opportunity for all, regardless of their circumstances.

This is the **EBRD's first Economic Inclusion Strategy** ("EIS" or the "Strategy") that follows the update of the Bank's transition concept that defined economic inclusion as one of the key qualities of a sustainable market economy. The guiding vision of the EIS is to accelerate the transition of countries towards inclusive market economies by harnessing the power of the private sector to create economic opportunities for all. In this context, it seeks (a) to deepen and strengthen the Bank's private sector focused inclusion approach across to enhance access to employment and skills, entrepreneurship and finance and services for youth, women and people in less developed regions; (b) to explore the careful widening of the inclusion approach to other groups in the context of country priorities; (c) to introduce the assessment of systemic inclusion impact in relation to specific target groups; (d) to ensure a continuing rigorous analytical and impact driven approach, and; (e) to establish the EBRD as a leading IFI in the area of economic inclusion. Across these objectives the Bank will look for opportunities through its projects and policy work to enhance economic inclusion.

**The EIS solidifies the EBRD's strong commitment to enhancing economic inclusion through its distinct private sector led approach** in partnership with its clients and policy stakeholders. In this context, the Strategy draws on the Bank's Environmental and Social Policy and align with the Strategy for the Promotion of Gender Equality (SPGE).

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# Glossary of Terms



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<b>ATQs</b>	Assessment of Transition Qualities	<b>M&amp;S</b>	Manufacturing and Services
<b>BTCA</b>	Better than Cash Alliance	<b>MSME</b>	Micro, Small and Medium Enterprise
<b>CA</b>	Central Asia	<b>OCE</b>	Office of the Chief Economist
<b>CEB</b>	Central Europe and Baltic States	<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>CEDEFOP</b>	European Centre for the Development of Vocational Training	<b>PAFI</b>	Payment Aspects for Financial Inclusion
<b>CSRf</b>	Country Strategy Results Framework	<b>PFI</b>	Partner Financial Institutions
<b>EBRD</b>	European Bank for Reconstruction and Development	<b>PPP</b>	Public Private Partnership
<b>EEC</b>	Eastern Europe and the Caucasus	<b>PTI</b>	Portfolio Transition Impact (ex-post)
<b>EIS</b>	Economic Inclusion Strategy	<b>R&amp;D</b>	Research and Development
<b>EO</b>	Equal Opportunity	<b>RO</b>	Resident Office
<b>EPG</b>	Economics, Policy and Governance	<b>SDGs</b>	Sustainable Development Goals
<b>ESD</b>	Environmental and Sustainability Department	<b>SEE</b>	South-eastern Europe
<b>ESP PRO2</b>	Environmental and Social Policy, Performance Requirement 02	<b>SEMED</b>	Southern and Eastern Mediterranean
<b>ESP</b>	The Environmental and Social Policy	<b>SME</b>	Small and Medium Enterprise
<b>ETF</b>	European Training Foundation	<b>SPGE</b>	The Strategy for the Promotion of Gender Equality
<b>ETI</b>	Expected Transition Impact (ex-ante)	<b>SSF</b>	Shareholder Special Fund
<b>EU</b>	European Union	<b>TC</b>	Technical Cooperation
<b>EUR</b>	Euro	<b>TI</b>	Transition Impact
<b>EvD</b>	Evaluation Department	<b>TIMS</b>	Transition Impact Monitoring System
<b>FAO</b>	Food and Agriculture Organization	<b>UN</b>	United Nations
<b>FI</b>	Financial Institutions	<b>UNDP</b>	United Nations Development Programme
<b>FIF</b>	Financial Intermediaries Framework	<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>G20</b>	Group of Twenty	<b>UNICEF</b>	United Nations Children's Fund
<b>HR</b>	Human Resources	<b>UNWTO</b>	United Nations World Tourism Organisation
<b>ICA</b>	Industry, Commerce and Agribusiness	<b>USAID</b>	United States Agency for International Development
<b>ICT</b>	Information and Communications Technology	<b>WB</b>	World Bank
<b>IFC</b>	International Finance Corporation	<b>WBGC</b>	World Green Buildings Council
<b>IFI</b>	International Financial Institution	<b>WHO</b>	World Health Organization
<b>ILO</b>	International Labour Organization	<b>WiB</b>	Women in Business
<b>IT</b>	Information Technology		

# 1.1 Economic Inclusion Strategy - Introduction



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Economic inclusion, the opening up of economic opportunities to previously under-served social groups, is integral to achieving a transition towards sustainable market economies. An inclusive market economy ensures that anyone regardless of their gender, place of birth, socio-economic environment, age or other circumstances has full and fair access to labour markets, finance and entrepreneurship and, more generally, economic opportunity.

Promoting an inclusive market-based system is therefore about efficient (human) resource allocation rather than representing a social policy choice. There is also a political dimension to inclusion, beyond its contribution to efficient markets, which is to support fair and equitable access to economic opportunity as an intrinsic value and as a key element of sustainable market economies.

Since its endorsement by the Board in 2013 (BDS13-155), economic inclusion has become an important source of transition impact at project and policy levels across all EBRD countries and sectors. The Transition Concept Review 2016 (BDS16-181) established inclusion as one of six transition *qualities* that are essential in fostering broad support for market reforms and, ultimately, sustainable market economies.

This is the EBRD's first Economic Inclusion Strategy. It covers the period of 2017 – 2021 and reflects the experience and specific lessons learned from the Bank's distinctive private sector focused inclusion approach since 2013 as well as evolving inclusion challenges and best international practices in relevant areas.

The EIS is based on the concept of **equality of opportunity** and focuses on groups that experience disproportionate barriers to economic opportunity due to circumstances outside of their control – such as their gender, place of birth or socio-economic background that influences their transition from education into employment. In this context, the **primary target groups of the EIS are women, young labour market entrants and populations in disadvantaged (urban or rural) regions within a country**. In addition, the EIS will explore the gradual expansion of its inclusion activities to other groups such as ageing workforce, people with disability, refugees, or others. The identification of any potential other groups will be based on country strategy priorities and where there is a business case for the Bank to address related inclusion gaps through its private sector led approach within the parameters of sound banking and additionality. The EIS target groups are not mutually exclusive, and gender is mainstreamed across all of the Bank's activities.

**Systemic impact of inclusion projects and policy dialogue** will be assessed in relation to each target group, rather than at a broader economy level. This will enable the Bank to encourage the development of activities that directly address inclusion gaps for a potentially broader range of target groups.

# Vision and objectives

The guiding vision of the Economic Inclusion Strategy is to accelerate the transition of countries across the EBRD region towards inclusive market economies by harnessing the power of the private sector to create equitable access to equal economic opportunity and thereby foster the political and social sustainability of market economies.

The objectives of the EIS are to:

- **Deepen and strengthen the Bank's private sector focused inclusion approach across three priority thematic areas:**
  - access to skills and employment
  - entrepreneurship and access to finance, and
  - access to services that enhance economic opportunitiesby expanding the scale and scope of inclusion models to a wider range of sectors and geographic regions.
- **Explore the gradual widening of the inclusion approach from core inclusion groups (gender, youth, regions) to other groups** that experience disproportionate barriers, such as ageing workforce, people with disabilities, refugees, Roma and potentially others, in line with the Bank's transition concept, country strategy priorities and where opportunities for operational responses exist that are based on sound banking and additionality.
- **Introduce the assessment of systemic inclusion impact in relation to specific target groups** rather than the level of the economy in order to enhance the development of inclusion projects and policy activities that directly address the specific inclusion barriers that these groups face.
- **Ensure a continuing rigorous analytical and impact driven approach** by fully integrating inclusion into the Bank's transition concept and associated project and policy engagement selection, monitoring and evaluation processes, country strategy results frameworks and the corporate scorecard.
- **Establish the EBRD as a leading IFI in the area of economic inclusion based on its unique private sector led approach** which is recognised and valued by clients and policy makers and **strengthen and expand strategic partnerships with national and international stakeholders,**

## 1.2 The EIS in the EBRD strategic context

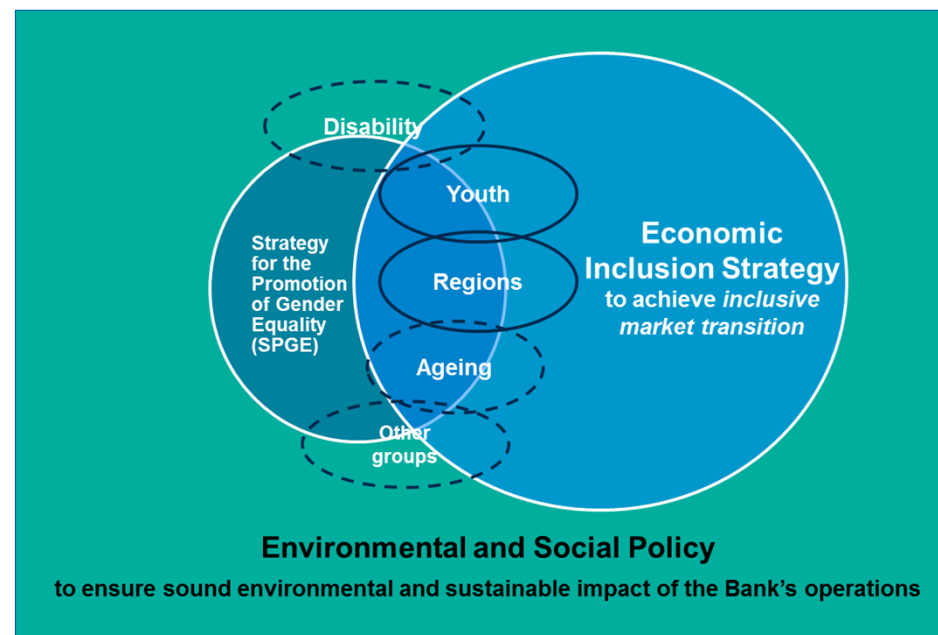
The **Economic Inclusion Strategy (EIS)** defines and operationalises ‘inclusive’ transition as one of the Bank’s six transition qualities. Based on the concept of inequality of opportunity (see EBRD Transition Report 2016 Chapter 3), the EIS focuses on creating transition impact through projects and policy activities that enhance the economic inclusion of young people, women, people in disadvantaged regions, as well as other groups over time, such as older workforce cohorts or people with disabilities.

The **Environmental and Social Policy (ESP)** ensures that the Bank’s investments are in line with the EBRD’s guiding principles and standards to promote environmentally sound and sustainable development and to mitigate potentially negative outcomes across the full range of the Bank’s activities. This mainstreaming of non-discriminatory and inclusive practices can, at times, contribute towards systemic transition impact where a project achieves substantially higher standards as well as scale.

The **Strategy for the Promotion of Gender Equality (SPGE)** mainstreams gender considerations across three areas: (i) transition impact through inclusion, (ii) the ESP, and (iii) gender additionality. It therefore straddles both, the Bank’s ‘inclusive’ transition quality in relation to gender, as well as the way in which the Bank operates.

The EIS will complement national strategies on inclusion and gender in countries of operation, where relevant.

Chart: Relationship between EBRD strategies



Gender is mainstreamed across the Bank’s activities, policies and strategies (as per the SPGE). Target groups are not mutually exclusive (except for youth/ageing) and gender considerations are mainstreamed throughout. For example, young women in remote regions, or female refugees may face overlapping barriers to accessing jobs or services. The Bank’s responses are based on an intersectional approach where barriers resulting from overlapping characteristics will be assessed as part of baseline studies, addressed at project and policy levels, with impact tracked accordingly.

This strategic relationship between the EIS and the ESP also applies to ageing workforce, disability and other potential groups, where projects could achieve inclusion transition impact.

# 1.3 Progress and results to date



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The scale and scope of the EBRD's inclusion activities has increased substantially since 2013, particularly in FI and ICA sectors where projects achieve high transition impact in the SEMED region, Turkey, Western Balkans and Central Asia.

## Inclusion Projects

Signed and pipeline projects	196	# of signed projects	70
Equity share	2%	# pipeline projects	126
Debt share	98%	Average ETI (2016)	75

## Monitoring of inclusion targets

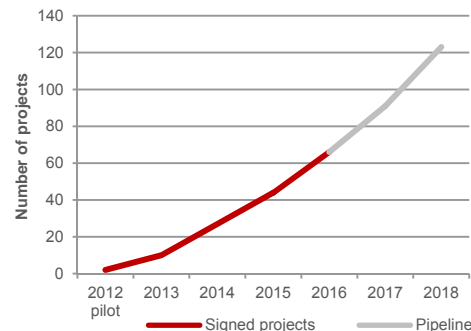
Monitoring of inclusion investments and results

- Transition Impact Monitoring at project level
- Country Strategy Results Frameworks
- Country level policy dialogue objectives
- Technical Cooperation (TC) results framework

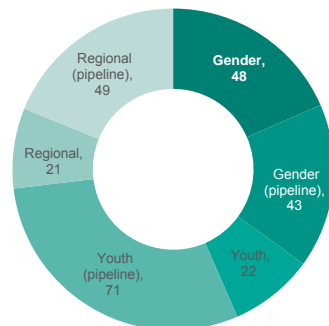
✓ Progress and impact assessments show strong performance against targets to date, with ex-post average impact ratings (PTI) exceeding ex-ante expected impact (ETI)

✓ EIS performance monitoring framework

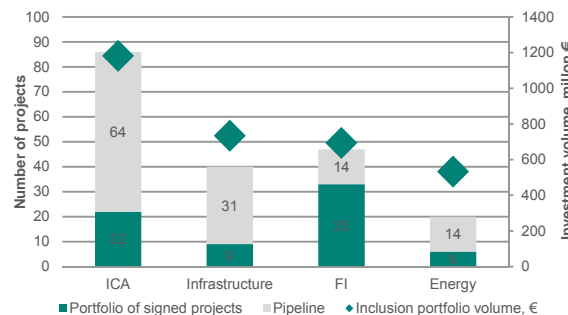
## Operations



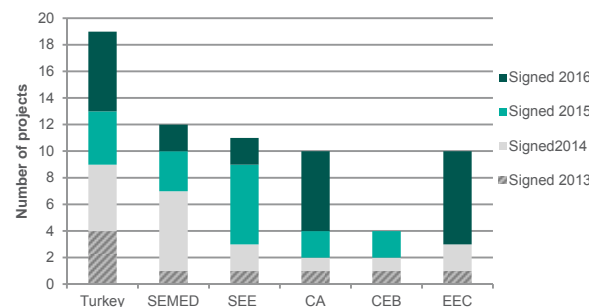
# of projects by target group



## Sector Composition



## Country distribution



## Activity level snap shot

**Women in Business:** Flagship programme to enhance access to finance for female-led SMEs through 25 dedicated credit facilities and across 16 countries

**Vocational Training and equal opportunities in manufacturing:** Creation of a public certification programme in new technical fields and 'automotive retailing'

**Skills standards in tourism and hospitality:** Access to 3000 local jobs and establishing a retail sector skills council to set vocational skills standards in Jordan

See Annex 4 for case studies.



# 1.4 Lessons Learned



Important lessons have been learned since the first introduction of economic inclusion into the EBRD’s transition methodology in 2013. They are incorporated into the strategic and operational objectives set out in this strategy. Key lessons include the need for (i) strong private sector engagement to address business challenges as well as inclusion aims, (ii) robust baseline data and impact measurements at project and policy levels, and (iii) close cooperation with external partners to achieve maximum impact.

Challenges to Implementation	Learning methods	Key Lessons
<ul style="list-style-type: none"> <li>• <b>Effective project level inclusion approaches through private sector engagement</b></li> </ul>	<ul style="list-style-type: none"> <li>Transition Impact reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Impact is maximized and most sustainable when inclusive approaches match client’s operational priorities</li> <li>• Inclusion as a transition quality incentivises banking whilst maintaining a strong focus on impact</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Policy engagement and partnerships</b></li> </ul>	<ul style="list-style-type: none"> <li>Feedback from EBRD teams, clients, donors, consultants, local partners</li> </ul>	<ul style="list-style-type: none"> <li>• The cooperation with partner organisations ensures well targeted, relevant policy engagement.</li> <li>• Policy engagement partnership with the European Training Foundation a key catalyst to enhance impact</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Data challenges and measuring impact</b></li> </ul>	<ul style="list-style-type: none"> <li>Baseline assessments /inclusion gap updates / data reviews</li> </ul>	<ul style="list-style-type: none"> <li>• There is a requirement for solid baseline assessments and impact monitoring across all sectors to optimise long term effectiveness of inclusion, supported by evaluations and rigorous research</li> <li>• Data availability for some groups / regions is challenging</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Technical assistance funding</b></li> </ul>	<ul style="list-style-type: none"> <li>Knowledge management/ Community of practice</li> </ul>	<ul style="list-style-type: none"> <li>• Technical assistance is important to create knowledge transfer, capacity building, and establishing a solid operation plan on the part of clients and local policy makers.</li> </ul>

## 2.1 Why economic inclusion is central to transition: inclusion as a transition quality

The Transition Concept Review redefined the EBRD's transition concept into six qualities that represent a well-functioning, sustainable market economy: *competitive, well-governed, green, inclusive, resilient, and integrated*.

An **inclusive market economy** ensures that all population groups as defined by gender, age, geographic location or other characteristics, have fair and full access to labour markets, finance and more generally, to equal economic opportunity:

- **at the firm level**, it is associated with standards of conduct and decision making that recognise (and indeed exploit) the full potential of different individuals, clients and suppliers.
- **at the level of the economy**, it requires that legal frameworks, institutions and policies are free from biases and actively seek to reduce barriers to participation in the economy.

Promoting an inclusive market-based system is therefore about efficient human resource allocation.

**At an operational level**, economic opportunities are broadly defined as access to jobs\* and skills, finance and entrepreneurship and services such as IT connectivity or improved water connections. Transition Impact (TI) is awarded to those projects that can verifiably demonstrate that they increase economic opportunities for one or more of the target groups, particularly in countries where inclusion transition challenges are largest.

The **EBRD's distinct approach to economic inclusion** leverages the Bank's strong private sector engagement to support its clients in addressing operational challenges. For instance, the lack of a well-trained and motivated work force often results in high staff turnover, lower productivity and an inability to expand operations, constituting a barrier to innovation and growth. Inclusion projects aim to address these challenges by improving local training provision or supporting clients to develop new products and services to access underserved market segments. At a policy level, the EBRD brings together employers and education authorities to improve national skills standards or apprenticeship models based on labour market needs. In combination, these approaches create effective progression routes into jobs or entrepreneurship for young people, women, populations in less advanced regions and other groups.

**Economic inclusion directly supports seven Sustainable Development Goals (SDGs), specifically in relation to** inclusive and equitable education, gender equality, inclusive economic growth, infrastructure, inequality within countries, inclusive human settlements and institutions (see Annex 5)

# Integrating Inclusion into the EBRD strategic and project cycles

Inclusion is embedded into the EBRD's strategy processes and project selection, implementation, monitoring and evaluation cycles.



In line with the Bank's new methodology for **Assessment of Transition Qualities (ATQs)**, the assessment of transition gaps in relation to inclusion will continue to provide the analytical backbone of the Bank's inclusion approach and seek to measure the extent to which institutions and structures create differential opportunities between a target and comparator group (e.g. women and men). The resulting inclusion 'gaps' provide a tool for the Bank to prioritise inclusion projects and policy activities towards areas and groups that face the largest barriers to economic opportunity.

At a **country level**, specific inclusion challenges are analysed further through **diagnostic studies**. These includes skills mis-match challenges or barriers to access to finance (also in relation to other groups beyond the three priority groups), and serve as the basis for the formulation of strategic priorities in **Country Strategies and Country Strategy Results Frameworks (CSRFs)**.

At **project and policy levels**, inclusion is integrated into the Bank's ex-ante transition impact assessment systems (including the IT based version under development). The selection of projects is based on (i) scale and scope to achieve systemic impact, (ii) size of the inclusion challenge that the project addresses (ATQ gaps), and (iii) fit with country strategy priorities.

**Transition qualities are not mutually exclusive** but often complementary. As with all other types of transition impact, inclusion may constitute the primary purpose of an activity or may be important but not the key driver determining the decision for the Bank to invest.

Inclusion activities are **monitored and evaluated** as part of (i) the Bank's Transition Impact Monitoring System (TIMS), (ii) TC results frameworks, (iii) the Country Strategy Results Frameworks (CSRF) and (iv) the EIS Performance Monitoring Framework. All indicators are part of the EBRD's corporate **Compendium of Indicators** and inclusion objectives are in the **corporate score card**.

## Assessing within-group systemic inclusion impact

- ✓ Systemic inclusion impact will be **assessed in relation to each target group** rather than at an economy level.
- ✓ This will enhance and incentivise the development of inclusion activities that **directly respond to the specific challenges** that target groups face.

## 2.2 Economic Inclusion: Assessment of Transition Quality (ATQ) Gaps



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Based on the concept of equality of opportunity, the EBRD measures the extent to which economic institutions, markets and education systems extend economic opportunities to individuals regardless of their specific circumstances, such as their gender, age, place of birth, or other circumstances. The resulting ATQ reflect international best practice and are centred on the EBRD's transition mandate. They focus specifically on groups that (i) face disproportionate barriers to economic opportunity, (ii) constitute a substantial political or economic priority in the country, and (iii) where there is a clear business case for the Bank to foster their economic inclusion through private sector engagement and associated policy dialogue:

**Youth** (young labour market entrants age 15-29)

**Gender** (women where a significant gender parity gap exists)

**Regions** (populations in underserved within-country regions)

**Other groups to be explored:**

**Disability** (as per the WHO definition, Endnote 1)

**Ageing workforce** (workforce cohorts aged 50-65)

**Refugees** (Endnote 2), **other groups** (per country diagnostics)

ATQs are complemented by country and project specific baseline assessments that integrate a focus groups facing cumulative barriers due to overlapping circumstances (young refugees, women in remote regions, etc).

**Example: Morocco and Croatia**

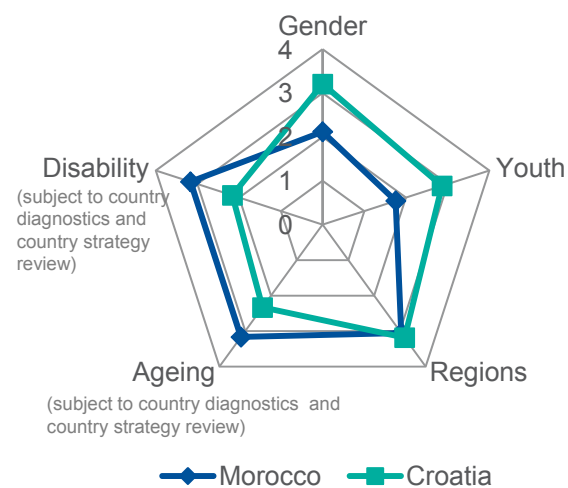


Chart: Country gaps are presented on the EBRD transition scale from 1-4.33 (1=large gap; 4.33=negligible)

**ATQ dimensions and indicators** (see Annexes 1 and 2 for details)

Group	Dimensions	Number of Indicators
Existing target groups	<b>Youth</b>	27 underlying indicators (4-6 per dimension)
	<b>Gender</b>	45 underlying indicators (4-9 per dimension)
	<b>Regions</b>	19 underlying indicators (3-7 per dimension)
Other groups to be explored	<b>Ageing</b>	10 underlying indicators (1-4 per dimension)
	<b>Disability</b>	4 underlying indicators (1 per dimension)

# Inclusion: Key Transition Challenges



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## Existing target groups

## Potential new target groups to be explored\*

Youth	Gender	Regions	Ageing Workforce	Disability	Other groups
<p><b>Youth unemployment</b> highest in Western Balkans (around 50% in Bosnia and Herzegovina, Serbia and Croatia), 42% in Egypt; 29% in Jordan; and 18% in Turkey.</p> <p><b>High levels of youth inactivity</b> with up to 30% of young people ‘not in employment, education, or training’.</p> <p>These high unemployment rates often coexist with a <b>widespread shortage of skilled workers</b> for available entry-level jobs, suggesting a misalignment between the skills composition of labour demand and labour supply.</p>	<p><b>Female workforce participation</b> is lowest in the SEMED countries, Turkey.</p> <p><b>Large gender gaps persist in relation to legal and social regulations</b>, particularly in the SEMED region, parts of Eastern Europe, Central Asia and the Caucasus.</p> <p>Gender gaps for <b>‘education and training’</b> increased in Central Europe and some countries in Central Asia.</p> <p><b>‘Access to finance’, ‘labour policies’ and ‘labour practices’</b> gaps remained high in SEMED, Turkey and parts of Central Asia.</p>	<p>More than 20 countries of operation experience <b>significant regional disparities in access to services, access to jobs and training and business finance.</b></p> <p>Increasing challenges caused by <b>major refugee and migrant flows</b> raise similar and related issues, often exacerbating these regional disparities.</p> <p><b>Regional gaps in quality of local institutions and access to services</b> are largest in South-Eastern Europe as well as in Central Asia.</p>	<p><b>The 65+ population in many parts of the EBRD region is set to grow by more than 50 per cent between 2015 and 2050.</b> In South-eastern and Central Europe and Baltic States, this group is expected to constitute over a third of the total population by 2050.</p> <p>This implies, on average, a <b>13 percentage point reduction in labour supply</b>, reaching 19 percentage points in Central European and Baltic States.</p> <p>Ageing gaps for economic participation are <b>largest in the Western Balkans and CEB regions.</b></p>	<p><b>The global GDP lost annually due to disability</b> is estimated to be between USD1.37 trillion and USD1.94 trillion.</p> <p><b>The average prevalence of disability across EBRD countries</b> is estimated at 15.4 percent but is higher in post-conflict countries.</p> <p><b>Employment rates for disabled men and women are substantially lower</b> than those of not disabled men and women (22% vs. 62% for men, and 14% vs. 50% for women).</p> <p><b>The prevalence of disability</b> and need for workplace adjustment is set to grow with ageing populations.</p>	<p>As per the ESP (2014) other groups may include those that, by virtue of their sexual orientation, religion, ethnicity, indigenous status, economic disadvantage or social status, experience disproportionate barriers to economic opportunity.</p> <p><b>Refugees face disproportionate barriers</b> to education, formal employment and entrepreneurship.</p> <p>The transition process has had a <b>negative impact on Roma</b> in many countries. In EU member countries of operation <b>less than one third of Roma (aged 15 years and above) are in paid work.</b></p>

\* Other target groups will be identified on a country level with inclusion gaps assessed through diagnostics and country strategy processes.

## 2.3 Economic Inclusion in Country Strategies, Diagnostics and Policy Objectives

As one of the Bank's six transition qualities, inclusion will be routinely assessed as part of all country strategy development processes and incorporated into related diagnostic studies. In countries with large inclusion gaps in relation to one or more target groups, these diagnostic studies will be enhanced by further assessments:

- **into the nature and characteristics of specific inclusion barriers** (e.g. skills mismatch) and to identify potential operational responses at project and policy levels
- **to identify other groups that face disproportionate barriers to economic opportunity in a given country and determine the Bank's ability to address these** within the parameters of its inclusion and transition mandate as well as sound banking and additionality criteria. Where such groups are identified, related strategic priorities will be integrated into the country strategy.

On this basis, economic inclusion indicators then form part of **the EBRD's Country Strategy Results Frameworks (CSRFS)**, which measure aggregate progress towards country strategy priorities.

Country strategy priorities and diagnostics also inform the setting of country level **inclusion policy objectives**. In 2016, when the first set of policy objectives was piloted, inclusion objectives were set for Turkey and Jordan. The scale and scope of these was **broadened in 2017 and is expected to cover at least one country across all regions where inclusion gaps are largest by 2021**, specifically other parts of the SEMED region, the Western Balkans, Central Asia.

Promoting economic inclusion is a strategic priority in an increasing number of EBRD **country strategies** across the region where gender, youth and regional inclusion gaps are largest. This includes **Jordan, Morocco, Turkey, Egypt** and others. **Country diagnostic assessments** are undertaken for country strategies for **Tunisia, Kazakhstan, Bosnia and Herzegovina, Poland, Moldova, Croatia** and a **regional approach covering the Western Balkans**.

For Kazakhstan, Egypt, Tunisia and the Western Balkans, these assessments focus on the nature and impact of **skills mismatches across key sectors** as well as associated policy recommendations. Addressing skills mismatch challenges is an important factor that shapes the ability of these countries to diversify their economy and provide an enabling environment for private sector investment and inclusive growth.

# 3.1 Strategic priorities and principles

- The Bank seeks to strengthen access to economic opportunity to women, youth, regions, and gradually to other groups such as refugees or Roma through its projects and associated policy engagement across **3 strategic themes** where its activities can achieve the highest impact:

Access to employment  
and skills

Entrepreneurship and access to  
finance

Access to services that enhance  
economic opportunities

- The focus is on achieving **'systemic' impact** that goes beyond the confines of an individual project or client to affect the wider sector or market on a long term basis. This is to be achieved through:
  - **Scale:** the project impact is in itself systemic in *relation to the specific target group* addressed by the project
  - **Replicability:** substantial changes within or across sectors or geographies through demonstration effects, spill over effects, business standards or changes to regulatory or institutional frameworks (for example, as part of a wider EBRD effort through technical assistance and the Legal Transition Team).
- **The EBRD builds inclusion elements directly into its investments across all sectors and regions**, creating a strong value added proposition to its clients and policy makers. This approach focuses on creating win-win situations by demonstrating how positive inclusion practices can also support clients in addressing operational challenges.
- Inclusion elements to projects are developed to address the largest inclusion gaps in a sector and country, focus on the specific business requirements of a client, and adapt international best practice to create sustainable solutions. These can be complemented by associated policy engagement to broaden systemic impact by addressing regional or national regulatory or other inclusion barriers. **Technical assistance is applied to bring in relevant technical expertise and capacity building at client and policy levels.**

## 3.2 Access to Employment and Skills



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### Challenge

The effects of globalisation and the ICT revolution have resulted in a need for new skills and substantial shifts in global, regional and local labour markets across the EBRD region. The accelerating pace of technological, demographic and socio-economic disruption is transforming industries and business models, changing the types of jobs and the skills that employers need. Skills mismatches emerge not just between the supply and demand of existing skills today but also future requirements. Responses need to be grounded in a solid understanding of a country's or industry's skills base compared to needs and based on joint efforts between public and private sectors.

### Objective

To engage clients across a wider range of sectors and geographic regions (in alignment with country strategy priorities and ATQs) to address these challenges and capture opportunities to diversify their workforce, tap into new talent pools, retain and up-skill staff or improve their R&D capacity and output through the introduction of approaches that open up routes into jobs and training for target groups.

### Operational responses

- **Support the private sector in the introduction of high quality local training and work based learning opportunities** (such as apprenticeships, internships or traineeships) **in partnership with local education institutions at vocational and tertiary levels**, including the creation of enhanced and expanded curricula, improved career guidance, teacher training, upskilling/re-skilling options as well as life long learning, specifically in changing, new or innovative sectors
- **Establish policy dialogue to bring together employers and education authorities to introduce improved national skills standards that reflect current and expected future labour market needs** based on private sector (EBRD client) input
- **Enhance school / training to job progression with a focus on formal employment** (especially in relation to refugees)
- **Enhance equitable access to high skills** through improved facilities and support of vocational, tertiary and other advanced training providers, training of trainers and local capacity building (including civil society capacity building)
- **Support clients in introducing improved equal opportunities HR policies and practices at company and corporate levels** to promote diversity in their workforce (including senior management or boards) and supply chains, with associated policy engagement to address regulatory barriers (particularly in relation to women) to access all types of occupations
- **Introduce inclusive (public) procurement** practices that encourage private sector contractors to offer on-site work based learning opportunities to young people to gain work experience and exposure to potential employers and networks



# Access to Employment and Skills: Deepening, strengthening and widening



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Thematic priority	Current operational approaches	Strengthened and deepened approaches (existing target groups)	Potential widening approaches (new target groups)
<b>Access to quality local training and work based learning</b>	<ul style="list-style-type: none"> <li>• Introduction of high quality, accredited local training provision</li> <li>• Work based learning programmes (effective apprenticeships, traineeships, internships) based on best practice standards</li> <li>• Improved partnerships between employers (EBRD clients) and vocational schools</li> <li>• Facilitating routes into formal jobs (building on the EBRD ESP PR02*)</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships between employers and universities for better routes into jobs</li> <li>• Skills approach expanded to new sectors, regions and thematic areas (such as green jobs, health and safety) and size of companies (e.g. SMEs)</li> <li>• Public and private sector joint assessment of future skills requirements due to technological changes and globalisation</li> <li>• Enhanced access to skills through improved facilities (e.g. PPPs) and support of vocational and other training</li> </ul>	<ul style="list-style-type: none"> <li>• Re-skilling, up-skilling and life-long-learning with a focus on ageing populations</li> <li>• Introduction of mixed-age teams to enhance intergenerational skills transfer, where relevant</li> <li>• Focus on refugees, migrants, Roma and / or other groups as per country strategies</li> </ul>
<b>Improved national skills standards and equitable access to jobs and skills</b>	<ul style="list-style-type: none"> <li>• Public private sector engagement to establish national <i>vocational</i> skills standards that reflect employer requirements</li> <li>• Policy engagement to lift restrictions for women to access occupations / inform national gender strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Public private engagement to enhance national skills standards (vocational and tertiary levels)</li> <li>• Support and enhancement of national / sectoral equal opportunities standards and associated accreditation schemes</li> </ul>	<ul style="list-style-type: none"> <li>• Policy engagement to enhance and encourage workforce retention</li> <li>• Policy engagement to ensure equitable access to skills and employment for specific groups (as per country strategies)</li> </ul>
<b>Inclusive (public) procurement and supply chains</b>	<ul style="list-style-type: none"> <li>• Inclusive public procurement processes for urban transport projects (Egypt) and road rehabilitation project (Serbia)</li> </ul>	<ul style="list-style-type: none"> <li>• Policy engagement to enhance inclusive procurement and practices as part of PPPs and expand inclusive supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusive PPP procurement practices may include a focus on people with disabilities (in line with an beyond local regulation)</li> </ul>
<b>Equal Opportunities</b>	<ul style="list-style-type: none"> <li>• Improved HR policies and practices to enhance access to employment and skills</li> </ul>	<ul style="list-style-type: none"> <li>• Expand equal opportunities approaches across more sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Extend EO approach to disability and potentially other groups</li> </ul>

\* Environmental and Social Policy, Performance Requirement PR02 (Labour and Working Conditions)

## 3.3 Entrepreneurship and Access to Finance



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### Challenge

Inclusion gaps in relation to access to finance are large across many parts of the EBRD region, particularly for women (with large gender gaps across the SEMED region, Turkey, and parts of the Western Balkans and Central Asia), **regions** (Serbia, Turkey as well as parts of Central Asia), **and young people** (Morocco, South Eastern Europe and Turkey). Furthermore, these groups often lack access to and awareness of bank products and the financial management skills required to access these and start-up or grow businesses.

### Objective

To build on the Bank's extensive expertise in promoting entrepreneurship and access to SME finance across business stages, and, more broadly, financial inclusion by extending banking and other financial products as well as business advisory services to population groups who face disproportionate barriers to accessing the formal financial system, based on the Bank's own and other relevant research on micro-finance and financial inclusion as well as the EBRD's Financial Institutions Sector Strategy.

### Operational responses

- Expand the geographic focus of credit lines and advice to MSMEs in economically less advanced regions, including those most affected by the refugee crisis, coupled, when appropriate, with business advisory services and PFI capacity building
- Strengthen and expand the Bank's Women in Business programmes that bring together financing and advisory services to support women to start-up and grow MSMEs
- Integrate the availability of local currency SME lending into gender, regional and potential youth credit lines in countries with substantial exchange rate fluctuations and low availability of local currency lending
- Exploring opportunities to
  - enhance youth entrepreneurship and youth skills development in enterprises through micro-loans, vocational and skills development, business advice. PFI capacity building, student loan programmes to facilitate access to education
  - participate in or establish social impact investment programmes or social enterprise support in line with best practice
  - introduce cashless payments (such as salaries paid by private sector employers) to enhance access to formal banking services to under-served groups (through non-FI clients, for example in ICA sectors)

# Entrepreneurship and Access to Finance: Deepening, strengthening and widening



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Thematic priority	Current operational approaches	Strengthened and deepened approaches (existing target groups)	Potential widening approaches (new target groups)
<b>Expand regional SME finance and advisory services in less developed regions (and those affected by the refugee crisis)</b>	<ul style="list-style-type: none"> <li>Financing through banks and microfinance organisations to underserved segments in less developed regions (Turkey, Serbia)</li> <li>Business advisory for local MSMEs, mostly agribusinesses</li> <li>Access to Finance under the EBRD Refugee Crisis Programme</li> </ul>	<ul style="list-style-type: none"> <li>Local currency lending to target in countries with substantial exchange rate fluctuations and regional disparities in the availability of local currency lending</li> <li>Credit lines and tailored advisory to M/SMEs (across business stages) in regions defined as remote and underserved (with improved and tailored targets to introduce of micro insurance and/or graduate sub-borrowers from group lending clients to individual and from micro to SME)</li> <li>Access to finance for refugee owned businesses as an FIF blended finance approach under the Refugee Investment Window</li> </ul>	<ul style="list-style-type: none"> <li>Refugee led MSMEs and MSMEs led by host communities (e.g. Jordan)</li> </ul>
<b>Improve women's access to finance and advisory</b>	<ul style="list-style-type: none"> <li>Women in Business Programmes (across 16 countries and 25 PFIs)</li> <li>Advisory for women-led MSMEs</li> </ul>	<ul style="list-style-type: none"> <li>WiB stocktaking to inform the development of programme extensions and expansion of the WiB approach to new countries and regions</li> </ul>	
<b>Explore opportunities:</b>	<ul style="list-style-type: none"> <li>Social entrepreneurship study commissioned to identify opportunities in the Western Balkans</li> <li>EBRD membership of the Better than Cash Alliance</li> </ul>	<ul style="list-style-type: none"> <li>Credit lines for young entrepreneurs and start-ups accompanied by appropriate risk cover, tailored capacity building to PFIs; explore student loan programmes</li> <li>Credit lines to enterprises committed to enhance the skills and training of their young employees</li> <li>WiB Policy engagement to address regulatory barriers to WiB</li> <li>Social entrepreneurship and social impact finance models in regions where opportunities exist, based on further assessments</li> <li>Formal banking access through cashless payment systems (non-FI)</li> </ul>	Target groups as per country strategies

## 3.4 Access to services that enhance economic opportunities



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### Challenge

The lack of access to services such as water, power, transport or infrastructure can substantially reduce the ability of individuals and households to engage in economically productive activities such as employment, education and training or entrepreneurship. However, access alone is not enough: the quality, reliability and affordability of such access determines the extent to which it can open up economic opportunities for different groups. Furthermore, lack of transport or ICT connectivity constitutes a major barrier.

### Objective

The EBRD seeks to foster economic inclusion by supporting access to improved transport and ICT connectivity as well as services that enhance the economic opportunities of target group populations in a verifiable and measureable way, based on solid baseline data and monitoring and evaluation criteria.

### Operational responses

- **Increase connectivity through transport services, road infrastructure** that substantially enhance access to jobs, markets, education or skills, and health care of population in rural and underserved regions with low or no access points
- **Enhance access to ICT connectivity** to create or substantially improve access to markets, jobs or skills
- **Improve water and wastewater connections and access to reliable power supplies** that verifiably enhance economic opportunities (jobs, training, and entrepreneurship) for local population groups
- **Improve access to irrigated land** for commercial use by population groups in less developed regions
- **Introduce inclusive urban design and transport networks**

# Access to services: Deepening, strengthening and widening



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Thematic priority	Current operational approaches	Strengthened and expanded approaches (existing target groups)	Potential widening approaches (new target groups)
<b>Increase access to new or improved transport provision</b> (e.g. safe, accessible, rapid and reliable transport services)	<ul style="list-style-type: none"> <li>Improving access to reliable and safe transport (e.g. gender sensitive design for inclusive delivery of transport services)</li> </ul>	<ul style="list-style-type: none"> <li>New or upgraded road networks that substantially enhance connectivity of populations in rural and underserved regions</li> </ul>	<ul style="list-style-type: none"> <li>Investment in transport services that enhance access to economic opportunities for disabled, refugees</li> <li>Other target groups as per country strategy</li> </ul>
<b>Enhance access to ICT connectivity</b>		<ul style="list-style-type: none"> <li>IT connectivity that promotes access to markets, entrepreneurship or financial inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Other target groups, including refugees as per country strategy</li> </ul>
<b>Increase access to electricity supply</b> in rural and remote areas that are currently unserved by the grid		<ul style="list-style-type: none"> <li>New electricity network connections that enable for the first time electricity connection in rural and remote regions</li> </ul>	<ul style="list-style-type: none"> <li>Increased access to electricity networks in areas with no electricity supply</li> </ul>
<b>Increase access to irrigated land and improved water and wastewater connections</b>	<ul style="list-style-type: none"> <li>Investments in new or improved water pipes and wastewater connections in areas not currently connected</li> <li>Investments in new or improved irrigation systems that increase commercial land use</li> </ul>	<ul style="list-style-type: none"> <li>Improved baseline assessments to assess household (including potential gender) impact</li> <li>Policy dialogue on rural development in collaboration with local municipality, regional development agencies and relevant Ministries</li> </ul>	<ul style="list-style-type: none"> <li>Increased access to water/waste water connections in areas with high concentrations of refugee populations</li> <li>Other target groups as per country strategy</li> </ul>
<b>Inclusive and Green Cities</b>		<ul style="list-style-type: none"> <li>Inclusive urban transport and design</li> </ul>	<ul style="list-style-type: none"> <li>Specific target groups as per country strategy</li> </ul>

## 3.5 Inclusion Policy Engagement



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The EBRD's inclusion policy dialogue leverages the Bank's strong private-sector engagement to achieve broader systemic impact at national, sectoral and regional levels by addressing structural, regulatory and other policy challenges to foster equitable access to economic opportunity.

**Inclusion Policy Engagement Programmes** build on the Bank's project level engagement with clients outlined in sections 3.2 to 3.4 by initiating and strengthening the dialogue between employers and authorities in order to:

- **support the implementation of National Qualification Frameworks and skills validation** mechanisms that offer accredited skills assessments and enhance recruitment and employability
- **establish improved national skills standards at vocational and tertiary levels** in technical disciplines based on employer needs in labour intense and/or innovative sectors
- **introduce effective work based learning models and standards** (for internships or apprenticeships) that reflect international best practice
- **support the reduction and elimination of regulatory barriers to accessing all types of occupations for target groups**, specifically women, and support the development and delivery of national gender strategies
- **introduce inclusive public procurement policies** to encourage private sector contractors to offer work based learning opportunities
- **further explore opportunities** to (i) introduce **Women in Business policy engagement** to address regulatory barriers to access to finance and entrepreneurship, and (ii) **identify policy recommendations in relation to new target groups** (ageing, disability and others), in line with country strategies, (iii) establish synergies between the **EBRD's Investment Climate and Governance Initiative** and inclusion policy engagement.

### Regional Policy Objectives and Priorities

#### Turkey

- ✓ Skills and apprenticeship standards setting in manufacturing and services sectors

#### SEMED

- ✓ Retail, tourism and hospitality Sector Skills Council for inclusive skills standards (Jordan)
- ✓ Inclusive procurement standards (Egypt)

#### Central Asia

- ✓ Improved vocational skills standards in natural resources and energy sectors (Kazakhstan)
- ✓ Private sector engagement in the Kazakh National Gender Strategy development
- ✓ Policy engagement to remove restrictions on women to access all type of occupations (Kyrgyz Republic)

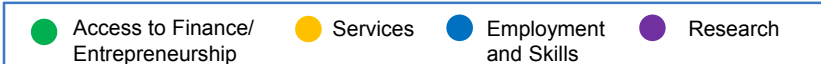
#### Western Balkans

- ✓ Croatia and Western Balkans Private Sector Youth Initiative to improve internship standards and availability

# 4.1 Strategic engagement and partnerships

Strategic partnerships are critical for the successful development and delivery of the EBRD’s inclusion model and are set to be strengthened and expanded to a wider range of relevant partners during the EIS period.

	Sectors		ICA		Energy			Infra		FI	Regions							
	Agribusiness	M&S	Property and Tourism	ICT	Natural Resources	Sustainable Energy	Electric Power	Water and wastewater	Urban Transport	Roads/Railways	Financial services	SEMED	Turkey	WB	CSEE	CA	Cross-sector/regional	
Existing partners	ETF		●		●						●	●	●	●		●		
	OECD											●						
	WB/IFC			●								●					●	
	ILO	●	●									●	●				●	
	UNDP												●	●				
	USAID			●				●	●			●	●					
	BTCA										●							
	PAFI										●							
	UNWTO			●								●			●			
	UNHCR			●							●	●						
	WGBC			●											●			
	EU	●	●	●							●		●	●				●
	Potential partners	FAO	●	●								●	●					●
WHO																	●	
UNICEF																●	●	
CEDEFOP																●	●	



### Strategic Partnership Agreements

- **European Training Foundation (ETF)** - vocational skills standards and work based learning in Turkey, the SEMED region and the Western Balkans
- **UN World Tourism Organisation (UNWTO)** - inclusive skills standards and tourism practices
- **Global Banking Alliance for Women**
- **Better than Cash Alliance (BTCA) and Payment Aspects for Financial Inclusion (PAFI)** - financial inclusion
- **World Green Buildings Council (WGBC)** - enhancement of ‘green skills’ in energy efficient building management
- **USAID** - vocational training provision in Jordan

### Project or theme-based partnerships

- **International Labour Organisation (ILO) and the ETF** – Industry 4.0 skills forecast, refugee training in Jordan, skills mapping Turkey
- **WB/IFC’s Education for Employment** – youth training in SEMED region
- **UNHCR** – refugee skills training and employment in Jordan
- **UNDP** - gender inclusion as per SPGE
- **Food and Agriculture Organization (FAO)** – skills training and entrepreneurship support in agribusiness
- **UNICEF** - youth initiative in Central Asia
- **National / local authorities**, including National Employment Agencies

### Research cooperation

- **World Bank, OECD, CEDEFOP, ILO, and WHO** on assessment of inclusion gaps, baseline assessments and related research

## 4.2 Donor engagement and internal / external promotion of Inclusion

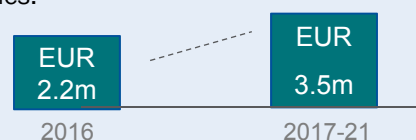
**Technical assistance and partnerships with donors** will be strengthened in line with the increasing demand from clients and policy makers for inclusion support, and based on continuing high levels of financial contributions from clients.

Furthermore, the **Bank's unique private sector led inclusion approach will be promoted within the Bank and externally** to establish a strong message on the value proposition of the Bank towards its clients, national and international partners.

### TC funding needs

- **70% of inclusion projects are supported by small TCs** (2013-2016), typically EUR 150,000 per project
- The **average TC grant intensity is below 2%**
- Many projects receive sizeable financial contributions from clients
- **EUR 15 -18 million TC needs are expected for 2017 -21\*** based on current and projected pipelines.

Expected growth in annual TC needs (excluding WiB)



### Use of donor funds

- **Technical expertise at project level** to build client capacity, baselines and measure impact, and **policy dialogue**, support and related analytical work

### Build on and expand donor partnerships

- **Bilateral donors** (Korea, Taiwan, United Kingdom, Switzerland), EU, **SEMED Multi-donor fund**, **EBRD Special Shareholder Fund (SSF)**.
- **Explore philanthropic** and other donor partnerships
- Pro-actively engage through **out-reach and donor fora**
- The **Inclusion Technical Assistance Framework** (to be extended to 2021) allows for effective TC deployment.

### Internal promotion and capacity building

- **Actively promote the EIS objectives and strategic priorities** at management and operational levels within the Bank
- **Raise awareness of the EIS** amongst current and future clients as well as policy stakeholders
- **Continue and expand internal capacity building** for key inclusion approaches to banking, ROs and other teams
- **Strengthen inclusion in the corporate score card**

### External promotion of EBRD as a leading IFI in economic inclusion

- **Establish inclusion as a key value proposition of the Bank** to its clients and policy stakeholders
- **Promote a consistent and strong corporate message on inclusion** through the Bank's internal and external communications
- **Active participation and contribution towards international inclusion debate** through participation in the IFI Inclusion Lead Forum and engagement with the World Bank, UN, G20, EU and others
- **Associated research and rigorous impact assessments** to further strengthen the knowledge base on the role of the private sector to extend equitable economic opportunities.

\* Excluding Gender Advisory Services



- 1 A refugee is a person who 'owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion, is outside the country of his nationality, and is unable to or, owing to such fear, is unwilling to avail himself of the protection of that country'. (Article 1).

(UN Geneva Convention Relating to the Status of Refugees 1951, as amended by the 1967 Protocol Relating to the Status of Refugees)

- 2 'Disabilities' is an umbrella term, covering impairments, activity limitations, and participation restrictions. An impairment is a problem in body function or structure; an activity limitation is a difficulty encountered by an individual in executing a task or action; while a participation restriction is a problem experienced by an individual in involvement in life situations.

WHO: <http://www.who.int/topics/disabilities/en/>

# Annexes



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Annex 1:	Inclusion Gaps for existing target groups (gender, youth and regions)
Annex 2:	Inclusion Gaps for new target groups (ageing workforce, disability)
Annex 3:	EIS Performance Monitoring Framework
Annex 4:	Inclusion project and policy engagement case studies: Training and employment in retail and hospitality, Jordan Blue-collar training in the manufacturing sector, Turkey Inclusive public procurement, Egypt and Serbia Women in Business
Annex 5:	SDGs and the EIS

# Annex 1a: Inclusion Gaps for Youth



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	Labour Market Structure	Youth Employment	Quantity of Education	Quality of Education	Skills Mismatch	Financial Inclusion
<b>Central Europe and Baltic States</b>						
Croatia	Medium	Large	Small	Medium	Medium	Medium
Estonia	Small	Medium	Small	Small	Small	Small
Hungary	Medium	Medium	Small	Medium	Medium	Medium
Latvia	Small	Medium	Small	Medium	Medium	Small
Lithuania	Medium	Medium	Negligible	Medium	Medium	Large
Poland	Medium	Large	Small	Medium	Medium	Medium
Slovak Republic	Medium	Large	Small	Medium	Medium	Large
Slovenia	Medium	Medium	Small	Small	Medium	Small
<b>South-Eastern Europe</b>						
Albania	Medium	Large	Small	Medium	not available	Small
Bosnia and Herzegovina	Medium	Large	Medium	Medium	not available	Medium
Bulgaria	Medium	Medium	Medium	Medium	Medium	Medium
Cyprus	Small	Large	Small	Medium	Medium	Medium
Greece	Medium	Large	Small	Medium	Medium	Medium
Kosovo	Small	Large	not available	not available	Medium	Small
Macedonia, FYR	Small	Large	Medium	Medium	Medium	Medium
Montenegro	Small	Large	Negligible	Medium	not available	Medium
Romania	Medium	Large	Small	Large	Large	Small
Serbia	Medium	Large	Medium	Medium	not available	Medium
Turkey	Medium	Large	Medium	Medium	Large	Medium
<b>Eastern Europe and Caucasus</b>						
Armenia	Small	Large	Small	Medium	Medium	Small
Azerbaijan	Medium	Large	Medium	Large	not available	Medium
Belarus	Medium	Small	Small	Medium	not available	Medium
Georgia	Small	Large	Medium	Small	not available	Medium
Moldova	Medium	Medium	Small	Medium	Medium	Small
Ukraine	Medium	Medium	Small	Large	Medium	Small
Russian Federation	Medium	Medium	Small	Medium	Medium	Medium
<b>Central Asia</b>						
Kazakhstan	Small	Medium	Small	Medium	not available	Medium
Kyrgyz Republic	Small	Large	Small	Large	Large	Medium
Mongolia	Small	Large	Medium	Medium	not available	Small
Tajikistan	Medium	Large	Medium	not available	not available	Medium
Turkmenistan	not available	not available	Negligible	not available	not available	Small
Uzbekistan	Medium	not available	Medium	not available	not available	Large
<b>Southern and East Mediterranean</b>						
Egypt	Medium	Large	Large	Large	Large	Medium
Jordan	Medium	Large	Small	Medium	Large	Medium
Libya	Medium	not available	Medium	not available	not available	not available
Morocco	Medium	Large	Large	Large	not available	Large
Palestine	Medium	Large	Medium	not available	not available	Medium
Tunisia	Medium	Large	Medium	Large	Large	Small
<b>Comparator Countries</b>						
France	Medium	Medium	Small	Medium	Medium	Medium
Germany	Medium	Small	Medium	Medium	Small	Small
Italy	Medium	Large	Small	Medium	Medium	Large
Sweden	Medium	Medium	Medium	Small	Small	Small
UK	Small	Medium	Small	Small	Medium	Small

# Youth: List of indicators



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Component	Indicators	Source and Year
Labour Market Structure	Hiring and Firing Flexibility	Global Competitiveness Index, World Economic Forum, Executive Opinion Survey 2014
	Redundancy Costs	Global Competitiveness Index, World Economic Forum, Executive Opinion Survey 2014
	Wage Setting Flexibility	Global Competitiveness Index, World Economic Forum, Executive Opinion Survey 2014
	Labour regulations as a major constraint	World Bank's Enterprise Survey 2012
	Labour tax and contributions	World Bank's Doing Business Survey 2014-15
	Ease of starting a business	World Bank's Doing Business Survey 2014-15
Youth Employment	Difference of unemployment rate of youth (15-24) to adults (25-65)	World Development Indicators, World Bank 2014; ILO KILM 2014
	Share of youth not in education, employment or training (NEET)	World Bank Development indicators; ILO; ETF estimations for remaining countries
	Youth (15-24) in long-term unemployment	ILO 2014
	Informal and vulnerable employment	World Development Indicators, World Bank 2014
	First time unemployment	ILO 2014
Skills Mismatch	Skills gap between labour supply and demand (age 15-29)	Key Indicators of Labour Markets (KILM) - International Labour Organisation (ILO)
	The percentage of over-educated youth (15-29)	Key Indicators of Labour Markets (KILM) - International Labour Organisation (ILO)
	Academic unemployment (age 15-24)	ILOSTAT 2015
	The percentage of under-educated youth (15-29)	Key Indicators of Labour Markets (KILM) - International Labour Organisation (ILO)
	Demand percention of skills shortage	World Bank's Enterprise Survey 2014
Quantity of Education	Average years of education of 25-29 year old	Barro Lee 2014; Human Development Index 2014
	Percent of youth 15-24 with no schooling	Barro Lee 2014; Human Development Index 2014
	Gross Graduation Ratio Tertiary Education	UNESCO 2015
Quality of Education	Performance on PISA	OECD's Programme for International Student Assessment (PISA) 2012, published 2014
	Perception of the Quality of local public schools	LITS
	Perception of the Quality of the education system	Global Competitiveness Index, World Economic Forum, Executive Opinion Survey
	Top University Ranking	QS Top University Ranking
Financial Inclusion	Difference of youth 15-24 with bank account compared to adults 25+	Global Financial Inclusion (Global Findex) Database 2014
	Difference of youth 15-24 with debit card compared to adults 25+	Global Financial Inclusion (Global Findex) Database 2014
	Difference of youth 15-24 with bank account used for business purposes compared to adults 25+	Global Financial Inclusion (Global Findex) Database 2014
	Percentage of youth saving in a formal financial institution out of youth saving	Global Financial Inclusion (Global Findex) Database 2014

# Annex 1b: Inclusion Gaps for Gender



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	Legal Regulations and Social Norms	Health Services	Education and training	Labour Policy	Labour Practices	Employment and business	Access to Finance
<b>Central Europe and Baltic States</b>							
Croatia	Small	Small	Medium	Medium	Medium	Medium	Small
Estonia	Small	Small	Medium	Small	Large	Medium	Medium
Hungary	Small	Small	Medium	Small	Medium	Medium	Medium
Latvia	Small	Small	Medium	Small	Large	Medium	Medium
Lithuania	Small	Small	Medium	Negligible	Medium	Medium	Medium
Poland	Small	Small	Small	Small	Medium	Medium	Medium
Slovak Republic	Small	Small	Medium	Small	Medium	Medium	Medium
Slovenia	Small	Negligible	Medium	Small	Medium	Medium	Medium
<b>South-eastern Europe</b>							
Albania	Medium	Small	Small	Small	Medium	Large	Medium
Bosnia and Herzegovina	Medium	Medium	Medium	Small	Medium	Large	Medium
Bulgaria	Small	Small	Medium	Small	Medium	Medium	Small
Cyprus	Small	not available	Negligible	not available	not available	Medium	Small
Greece	Medium	not available	Small	Medium	Large	Large	Medium
Kosovo	not available	not available	not available	not available	not available	not available	Large
Macedonia, FYR	Medium	Medium	Medium	Small	Large	Medium	Large
Montenegro	Small	Medium	Negligible	Medium	Large	Large	Medium
Romania	Small	Medium	Small	Small	Large	Medium	Medium
Serbia	Small	Small	Small	Small	Large	Medium	Medium
Turkey	Small	Small	Medium	Small	Large	Large	Large
<b>Eastern Europe and Caucasus</b>							
Armenia	Medium	Medium	Small	Negligible	Large	Medium	Medium
Azerbaijan	Small	Medium	Medium	Medium	Large	Large	Large
Belarus	Small	Small	Medium	Medium	Large	Small	Medium
Georgia	Medium	Medium	Medium	Small	Large	Medium	Small
Moldova	Medium	Medium	Medium	Small	Large	Small	Small
Ukraine	Small	Small	Medium	Small	Large	Medium	Medium
Russian Federation	Small	Small	Negligible	Medium	Large	Medium	Medium
<b>Central Asia</b>							
Kazakhstan	Medium	Medium	Negligible	Medium	Medium	Medium	Medium
Kyrgyz Republic	Medium	Medium	Medium	Medium	Large	Medium	Small
Mongolia	Small	Medium	Small	Medium	Large	Small	Small
Tajikistan	Medium	Medium	Medium	Small	Large	Large	Large
Turkmenistan	Medium	Medium	not available	Medium	Large	Medium	Large
Uzbekistan	Medium	Medium	Medium	Medium	Large	Large	Large
<b>Southern and Eastern Mediterranean</b>							
Egypt	Large	Medium	Medium	Medium	Large	Large	Large
Jordan	Large	Medium	Medium	Medium	Large	Large	Large
Libya	Large	Medium	Small	not available	not available	Large	not available
Morocco	Medium	Large	Large	Medium	Large	Large	Large
Palestine	Large	Large	Medium	not available	not available	Large	Large
Tunisia	Medium	Small	Medium	Small	Medium	Large	Large
<b>Comparator Countries</b>							
France	Small	Small	Medium	Medium	Medium	Medium	Medium
Germany	Negligible	Small	Medium	Negligible	Medium	Medium	Small
Italy	Small	Negligible	Small	Small	Medium	Medium	Large
Sweden	Negligible	Negligible	Medium	Negligible	Small	Small	Small
UK	Medium	Small	Medium	Small	Medium	Medium	Small

# Gender: List of indicators



**European Bank**  
for Reconstruction and Development

Components	Indicators	Source and Year	Components	Indicators	Source and Year
Legal regulations and social norms	Addressing violence against women	EIU-WEO, 2012	Labour practices	Equal pay practice	EIU-WEO, 2012
	CEDAW ratification			Non-discrimination practice	
	Sex at birth: f/m ratio	CIA, 2013		Access to child care	
	Early marriage	UN, 2012		Gender pay gap	UNECE, 2013
	Women's political rights	CRI, 2011	Employment and business	Female ownership	BEEPS V, 2012
	Secure access to land	Social Institutions and Gender Index, 2014		Share of women in non-agricultural employment	
	Secure access to non-land assets			Labour force participation rate: f/m ratio (age 15+)	
Inheritance laws in favour of male heirs	OECD SIGI, 2009	Unemployment rate: f/m ratio		World Bank WDI, latest available	
		Employers: f/m ratio			
		Female legislators, senior officials and managers			
Access to health services	Maternal mortality ratio (maternal deaths per 100,000 live births)	World Bank WDI, 2013		Employment rate of tertiary educated individuals: f/m ratio	LO, 2013
	Contraceptive prevalence (% of women aged 15-49)				
	Adolescent birth rate				
	Births attended by skilled health staff (% of total)	World Bank WDI, 2005			
Education and training	Literacy rate: f/m ratio	UN, 2015	Access to finance	Account at a formal financial institution: f/m ratio	World Bank Findex, 2014 or latest available
	Primary school completion rate: f/m ratio	World Bank WDI, 2013		Credit card: f/m ratio	
	Gender parity index (GPI) for net enrolment rate in secondary education	EPDC and World Bank Education Statistics, 2013		Mobile phone used to receive money: f/m ratio	
	GPI for gross enrolment in tertiary education			Mobile phone used to send money: f/m ratio	
	Female graduates in engineering	UNESCO, 2012		The percentage borrowing from formal financial institution, out of total borrowers: f/m ratio	
	Female graduates in technology			The percentage saving at formal financial institution, out of the total number of people who save money: f/m ratio	
				Borrowed to start, operate, or expand a farm or business, on any money borrowed: f/m ratio	
		Loans rejected for firms with female versus male top management	BEEPS V, 2012		
Labour policy	Equal pay policy	EIU-WEO, 2012	Access to infrastructure and municipal services	Female burden due to limited access to water	MICS-MICS
	Non-discrimination policy			Female burden due to limited access to non-solid fuel	MICS-UNECE
	Policy on maternity and paternity leave and its provision			Mobile phone use, F/M ratio	TU
	Policy on legal restrictions on job types for women			Computer use, F/M ratio	UNECE
	Differential retirement age policy				
	CEDAW ratification				

# Annex 1c: Inclusion Gaps for Regions



European Bank  
for Reconstruction and Development

	Institutions	Access to services	Labour Markets	Education
<b>Central Europe and Baltic States</b>				
Croatia	Medium	Small	Small	Medium
Czech Rep.	Small	Small	Small	Medium
Estonia	Negligible	Negligible	Small	Small
Hungary	Medium	Small	Small	Small
Latvia	Negligible	Small	Small	Medium
Lithuania	Negligible	Small	Small	Small
Poland	Medium	Small	Small	Small
Slovak Rep.	Small	Small	Medium	Small
Slovenia	Small	Negligible	Small	Small
<b>South-Eastern Europe</b>				
Albania	Large	Medium	Medium	Medium
<i>Bosnia and Herz.</i>	Large	Medium	Medium	Medium
Bulgaria	Large	Medium	Medium	Medium
Cyprus	Small	Negligible	Small	Medium
Greece	Medium	Small	Small	Medium
Kosovo	Large	Medium	Large	Large
FYR Macedonia	Large	Small	Medium	Medium
Montenegro	Medium	Small	Medium	Small
Romania	Large	Medium	Medium	Medium
Serbia	Medium	Medium	Medium	Medium
Turkey	Large	Medium	Large	Medium
<b>Eastern Europe and Caucasus</b>				
Armenia	Medium	Small	Medium	Large
Azerbaijan	Medium	Medium	Large	Medium
Belarus	Large	Medium	Small	Medium
Georgia	Medium	Medium	Large	Medium
Moldova	Large	Medium	Medium	Large
Ukraine	Large	Medium	Medium	Small
Russia	Small	Small	Small	Large
<b>Central Asia</b>				
Kazakhstan	Large	Medium	Small	Medium
Kyrgyz Rep.	Medium	Large	Large	Medium
Mongolia	Small	Large	Medium	Medium
Tajikistan	Medium	Large	Large	Medium
Turkmenistan	not available	not available	not available	not available
Uzbekistan***	Negligible	Medium	Small	Medium
<b>Southern and East Mediterranean</b>				
Egypt	not available	not available	not available	Medium
Jordan	not available	not available	not available	Medium
Morocco	not available	not available	not available	Medium
Tunisia	not available	not available	not available	Small
<b>Comparator Countries</b>				
Germany	Small	Negligible	Small	Small
Italy	Medium	Small	Small	Small

# Regions: List of indicators



**European Bank**  
for Reconstruction and Development

Component	Indicators	Source and Year
<b>Institutions</b>	Corruption in administrative, health and education system	LITS 2016
	Quality of government services	LITS 2016
	Trust in local government	LITS 2016
	Satisfaction with local government services	LITS 2016
<b>Access to services</b>	Access to water	LITS 2016
	Access to heating	LITS 2016
	Access to gas	LITS 2016
	Access to computer	LITS 2016
	Access to internet	LITS 2016
	Perception of services satisfaction (electricity and road)	LITS 2016
	Perception of the quality of health care system, by households	LITS 2016
<b>Labour market</b>	Household head labour market status (worked in the last 12 months)	LITS 2016
	Household head in informal employment (ILO definition)	LITS 2016
	Household head underemployed	LITS 2016
<b>Education</b>	Years of education	Gennaioli, Nicola, et al. "Human capital and regional development." The Quarterly Journal of Economics 128.1 (2013): 105-164.
	Completed education of the household head in working age (25-65)	LITS 2016
	Perception of the quality of education system, by households	LITS 2016
	On the job training for permanent employees	BEEPS V (2013-14)
	Firms satisfaction with workforce education)	BEEPS V (2013-14)



# Annex 2a: Inclusion Gaps for Ageing Workforce



European Bank  
for Reconstruction and Development

	Health	Economic participation	Human capital	Access to services
<b>Central Europe and Baltic States</b>				
Croatia	Small	Large	Medium	Medium
Estonia	Small	Medium	Small	Small
Hungary	Medium	Large	Small	Small
Latvia	Medium	Medium	Medium	Medium
Lithuania	Small	Medium	Small	Medium
Poland	Small	Large	Medium	Small
Slovakia	Medium	Large	Medium	Large
Slovenia	Negligible	Large	Medium	Medium
<b>South-Eastern Europe</b>				
Albania	Medium	Negligible	Small	Negligible
Bosnia and Herzegovina	Small	Medium	Medium	Small
Bulgaria	Medium	Medium	Medium	Medium
Cyprus	Negligible	Large	Large	Negligible
Greece	Negligible	Medium	Large	Medium
Kosovo	not available	Small	Medium	Medium
Macedonia	Medium	Medium	Medium	Medium
Montenegro	Medium	Large	Medium	Large
Romania	Medium	Medium	Medium	Medium
Serbia	Small	Medium	Medium	Medium
Turkey	Small	Medium	Small	Medium
<b>Eastern Europe and Caucasus</b>				
Armenia	Medium	Negligible	Small	Large
Azerbaijan	Small	Small	Small	Small
Belarus	Large	Small	Small	Medium
Georgia	Medium	Negligible	Small	Medium
Moldova	Large	Small	Medium	Negligible
Ukraine	Medium	Medium	Medium	Large
Russia	Medium	Medium	Medium	Large
<b>Central Asia</b>				
Kazakhstan	Large	Small	Medium	Medium
Kyrgyzstan	Large	Small	Small	Medium
Mongolia	Large	Large	Large	Negligible
Tajikistan	Medium	Small	Small	Small
Turkmenistan	Large	Large	Negligible	Large
Uzbekistan	Medium	Small	Negligible	Medium
<b>Southern and East Mediterranean</b>				
Egypt	Medium	Small	Medium	Small
Jordan	Small	Medium	Large	Large
Morocco	Medium	Small	Small	Small
Tunisia	Small	Medium	Medium	Large
<b>Comparator Countries</b>				
Germany	Negligible	Small	Negligible	Medium
Italy	Negligible	Medium	Medium	Negligible

Inclusion gaps for 'ageing workforce' will inform country level diagnostics and country strategies in order to determine the business case and potential operational responses to be developed by the EBRD.

# Ageing: List of indicators



**European Bank**  
for Reconstruction and Development

Component	Indicators	Data Year	Source and Year
<b>Health</b>	Healthy life at 60	2010	Institute for Health Metrics and Evaluation: Global Burden of Disease (GBD) 2015
<b>Economic participation</b>	Difference between employment rate of 50-65 and 25-49	2013-2016	Gallup World Pool (combined waves of 2013, 2014, 2015 and 2016)
	Difference between underemployment rate of 50-65 and 25-49	2013-2016	Gallup World Pool (combined waves of 2013, 2014, 2015 and 2016)
	Difference between inactivity rate rate of 50-65 and 25-49	2013-2016	Gallup World Pool (combined waves of 2013, 2014, 2015 and 2016)
<b>Human capital</b>	Difference between high school completion rate of 50-65 and 25-49	2013-2016	Gallup World Pool (combined waves of 2013, 2014, 2015 and 2016)
	Difference between university completion rate of 50-65 and 25-49	2013-2016	Gallup World Pool (combined waves of 2013, 2014, 2015 and 2016)
<b>Access to services</b>	Difference between use of internet of 50-65 and 25-49	2013-2016	Gallup World Pool (combined waves of 2013, 2014, 2015 and 2016)
	Difference between satisfaction of transportation of 50-65 and 25-49	2013-2016	Gallup World Pool (combined waves of 2013, 2014, 2015 and 2016)
	Difference between satisfaction of roads of 50-65 and 25-49	2013-2016	Gallup World Pool (combined waves of 2013, 2014, 2015 and 2016)
	Difference between satisfaction of health care of 50-65 and 25-49	2013-2016	Gallup World Pool (combined waves of 2013, 2014, 2015 and 2016)

# Annex 2b: Inclusion Gaps for Disability



European Bank  
for Reconstruction and Development

	Human capital	Economic participation	Institutions
<b>Central Europe and Baltic States</b>			
Croatia	Large	Small	Large
Czech Republic	Negligible	Large	Medium
Estonia	Medium	Medium	not available
Hungary	Large	Medium	Large
Latvia	Medium	Medium	Medium
Lithuania	Medium	Medium	Negligible
Poland	Small	Medium	Large
Slovak Republic	Small	Medium	Medium
Slovenia	Small	Small	Medium
<b>South-Eastern Europe</b>			
Albania	not available	not available	not available
Bosnia and Herzegovina	Medium	Medium	Small
Bulgaria	Medium	Medium	Small
Cyprus	Small	Small	not available
Greece	Small	Small	Large
Kosovo	not available	not available	not available
FYR Macedonia	not available	not available	not available
Montenegro	not available	not available	not available
Romania	Small	Large	Medium
Serbia	not available	not available	not available
Turkey	Large	Negligible	not available
<b>Eastern Europe and Caucasus</b>			
Armenia	not available	not available	not available
Azerbaijan	not available	not available	not available
Belarus	not available	not available	not available
Georgia	Large	Small	Medium
Moldova	not available	not available	not available
Ukraine	Large	Large	Medium
Russia	Large	Large	Large
<b>Central Asia</b>			
Kazakhstan	Negligible	Large	Small
Kyrgyz Republic	not available	not available	not available
Mongolia	not available	not available	not available
Tajikistan	not available	not available	not available
Turkmenistan	not available	not available	not available
Uzbekistan	not available	not available	not available
<b>Southern and East Mediterranean</b>			
Egypt	not available	not available	not available
Jordan	not available	not available	not available
Morocco	Large	Negligible	Small
Tunisia	Medium	Small	Medium

Inclusion gaps for 'disability' will inform country level diagnostics and country strategies in order to determine the business case and potential operational responses to be developed by the EBRD.

# Disability: List of indicators



**European Bank**  
for Reconstruction and Development

Component	Indicators	Data Year	Source and Year
<b>Prevalence</b>	People with a disability	2012	European Statistical System: European Health and Social Integration Survey (EHSIS)
		2002/2004	World Health Organization: World Health Surveys
<b>Economic participation</b>	Difference between unemployment rate of disabled and non-disabled	2012	European Statistical System: European Health and Social Integration Survey (EHSIS)
<b>Human capital</b>	Difference between high school (ISCED Level 3 and 4) completion rate of disabled and non-disabled	2012	European Statistical System: European Health and Social Integration Survey (EHSIS)
<b>Institutions</b>	Protection against disability (0-1, higher value->greater protection)	2004	Botero, Juan C., et al. "The Regulation of Labor." The Quarterly Journal of Economics 119.4 (2004): 1339-1382.

# Annex 3: EIS Performance Monitoring Framework

**Overall Objective: Deepening, strengthening and widening the Bank’s private sector focused inclusion approach across three priority thematic areas**

Specific objectives	Activities	Tracking Indicators	
		Outputs	Outcome
<p><b>1.1 Improved access to employment and skills</b> for the target group [youth, women and regions; and other groups identified through assessment at country strategy level]</p>	<ul style="list-style-type: none"> <li>Investments</li> <li>TCs designed and funded</li> <li>Baseline and impact assessments</li> <li>Analysis of skills mismatch and needs assessments</li> <li>Capacity building</li> <li>Policy engagements</li> <li>External partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Number of investments designed to improve access to employment and skills [by target group ]</li> <li>Number of TCs supporting inclusion transition impact</li> <li>Number of capacity building activities</li> <li>Number of policy dialogue activities</li> </ul>	<ul style="list-style-type: none"> <li>Number of people receiving new skills as a result of training (f/m) by target group</li> <li>Number of target groups (f/m) accessing employment Institutional/Legal/Regulatory supported changes implemented (e.g. improved / new national skill standards, dual learning models, etc), by target group</li> </ul>
<p><b>1.2. Increased access to finance and entrepreneurship</b> for the target group [youth, women and regions; and other groups identified through assessment at country strategy level]</p>	<ul style="list-style-type: none"> <li>Investments</li> <li>TCs designed and funded</li> <li>Specialised financing to PFIs for on-lending to target group</li> <li>Analysis of key barriers to finance for target group and related impact assessments</li> <li>Capacity building and advocacy</li> <li>Explore opportunities for policy engagements</li> </ul>	<ul style="list-style-type: none"> <li>Number of investments designed to increase access to finance and entrepreneurship for [target group ]</li> <li>Number/volume of the Bank’s investment to PFI for on-lending to [target group] segment</li> <li>Number of capacity building activities</li> </ul>	<ul style="list-style-type: none"> <li>Number/volume of loans extended to [target group] by PFIs and/or MFIs</li> <li>Number of people or businesses receiving new skills as a result of training and/or advisory services by target group (m/f)</li> </ul>
<p><b>1.3. Increased access to services that enhance economic opportunities</b> for the target group [youth, women and regions; and other groups identified through assessment at country strategy level]</p>	<ul style="list-style-type: none"> <li>Investments</li> <li>TCs designed and funded</li> <li>Baseline and impact assessments</li> <li>Analysis of key barriers to services for target group</li> <li>Capacity building and advocacy</li> <li>Explore opportunities for policy engagements</li> </ul>	<ul style="list-style-type: none"> <li>Number of investments designed to increase access to services that enhance economic opportunities of [target group]</li> <li>Number of TCs supporting inclusion transition impact</li> <li>Number of capacity building activities</li> </ul>	<ul style="list-style-type: none"> <li>Number of people (f/m) or household benefiting from new/ better infrastructure services resulting in improved economic opportunities of [target group]</li> </ul>

Note: (i) The Performance Monitoring Framework has been designed to align with the Bank’s approach to results measurement. Outcomes tracked across all activity types and aggregated at country level where relevant based on Country Strategy Results Framework under “Inclusion” quality. (ii) Gender will be mainstreamed and tracked where data is available for all across all activities / outputs / outcomes.

# EIS Performance Monitoring Framework (cont.)



**European Bank**  
for Reconstruction and Development

Strengthen institutional capacity and external partnerships to ensure systemic inclusion impact			
Specific objectives	Activities	Tracking Indicators	
		Outputs	Outcome
<b>2.1 Strengthen and expand strategic partnerships with national as well as international stakeholders</b>	<ul style="list-style-type: none"> <li>Project level strategic partnerships</li> <li>Policy dialogue</li> <li>Investments</li> <li>TCs designed and funded</li> <li>Joint research, impact assessment and analysis of key inclusion challenges</li> </ul>	<ul style="list-style-type: none"> <li>Number of policy dialogue activities</li> <li>Formal cooperation agreement (e.g. MOU) signed with relevant national and international stakeholders</li> <li>Number of international events attended/ presentations given</li> <li>Number of knowledge management products produced and disseminated externally</li> <li>Joint publications on inclusion issues (e.g. associated research / rigorous impact assessments/ATQs, others)</li> </ul>	<ul style="list-style-type: none"> <li>Inclusive policy objectives achieved</li> <li>EBRDs representation at relevant local or international stakeholders executive committees</li> </ul>
<b>2.2. Strengthened institutional capacity to ensure systemic inclusion impact of the Bank's investments and policy initiatives</b>	<ul style="list-style-type: none"> <li>Research, impact assessment and analysis of key inclusion challenges</li> <li>Knowledge management for inclusion</li> <li>Training and capacity building of EBRD staff</li> <li>Investments</li> <li>TCs designed and funded</li> <li>Monitoring (e.g. TC results framework; TIMS; CSR; EIS PMF; corporate scorecard)</li> <li>Donor fundraising</li> </ul>	<ul style="list-style-type: none"> <li>Inclusion Gap Assessments in respect to inclusion target groups</li> <li>Number of baselines/impact assessments</li> <li>Number of knowledge management products produced and disseminated internally and externally (e.g. blue print articles; internal presentations; etc.)</li> <li>Number of country diagnostics (incl. deep dive)</li> <li>Number of inclusion resources within the Bank</li> <li>Number of inclusion focal points across the Bank</li> </ul>	<ul style="list-style-type: none"> <li>Above institutional average ETI for investments with inclusion transition impact</li> <li>Share of projects in inclusion portfolio that are 'on track'</li> </ul>

# Annex 4: Inclusion Case Studies



European Bank  
for Reconstruction and Development

## Training and employment in retail and hospitality, Jordan

- **EBRD investments:** EBRD provided USD 80 million (signed in 2015) to the Abdali Mall Company towards the development of a new shopping and entertainment centre in Amman, and USD 100 million (signed in 2016) to Ayla Oasis Regeneration Project for the development and operation of the first phase of the Ayla Village in Aqaba. Both projects are estimated to create up to 2,000 new jobs in Amman and 3,000 jobs in Aqaba in retail, hospitality, entertainment, and facility management roles.
- **Challenge:** Jordan has 'large' inclusion gaps of youth and women in relation to employment. Despite high youth unemployment rates, employers in retail and hospitality sectors have suffered from hiring qualified staff and ensuring high-quality service. This is due to the lack of quality training programmes, skills standards, and the misperception of service industry as lacking career progression opportunities.
- **Inclusion support:** EBRD is providing technical assistance to each project to:
  - Establish an **on-site training programme** based on the best international practice that provides pre-employment and work-based learning on retail and hospitality skills
  - Establish an **employer-led steering group** to ensure the engagement of local businesses on a sustainable basis
  - Select a **local training provider** and provide training-of-trainers up to international standards
- **Policy dialogue:** EBRD is supporting the Jordan Centre for Accreditation and Quality Assurance (CAQA) to establish a private-sector based sector skills council to inform the national skills standards. Abdali Mall and Ayla are participating in this council.
- **Results:** In Amman, the Abdali Mall Recruitment and Training Centre (AMRTC) has opened in October 2016. The training has taken place since April 2016 at venues of partner institutions. By December 2016, around 100 trainees have completed retail and hospitality programmes and work placement, with an expectation of an addition of another 100 young people to begin in H1 2017. The training programme is being developed for the Ayla Skills Academy which is expected to complete by the Q3 2017.
- **Key partners:** CAQA, Jordan Vocational Training Centres (VTC), Jordan Education for Employment (JEFE), Jordan Hospitality and Tourism Education Company (JHETC), People 1<sup>st</sup> – UK Retail and Skills Academy, British Council, USAID, UN World Tourism Organization



# Annex 4: Inclusion Case Studies



European Bank  
for Reconstruction and Development

## Blue-collar training in the manufacturing sector, Turkey

- **EBRD investment:** EBRD provides a syndicated loan of up to €200 million to Tofaş Türk Otomobil Fabrikası A.Ş. (signed in October 2015), one of Turkey's leading automotive companies. The majority of the loan will be used to strengthen Tofaş' research and development facilities which include engineering, design and prototype development of the new models.
- **Challenge:** Turkey has 'large' inclusion gaps of youth and women in relation to employment. Skills mismatch is prevalent in the manufacturing industry. The recruitment and retention of skilled blue-collar workers has been an increasing challenge for Tofaş, both due to generational changes in young people's aspirations and the low reputation of vocational training and jobs. Furthermore, less than 0.5% of blue collar workers at Tofaş are female.
- **Inclusion support:** EBRD is providing technical assistance to Tofaş to provide greater employment opportunities for young people and women. This includes:
  - A **talent management programme** that provides training for entry-level blue-collar workers and an additional training and mentoring programme to facilitate the progression of blue-collar workers into white-collar jobs
  - Establishment of a **Vocational High School and accredited work-based learning opportunities** that offer a new curriculum jointly developed with the Ministry of National Education; providing associated **teacher training** and support programmes
  - Creation of a **public certification programme** in new fields such as 'dietooling' in collaboration with relevant stakeholders.
  - Establishment of the first **accredited assessment centre** ("VocTest Centers") in the automotive sector in Turkey.
  - Review of HR policies and practices on **equal opportunities** to hire 250 women for blue collar positions over 3 years
- **Policy dialogue:** Tofaş, as part of the employer steering group, will contribute towards EBRD's policy dialogue with the Ministry of National Education to (1) develop TVET skills standards and the expand VocText Centres to less advantaged regions as part of Turkey's National Qualifications Framework, (2) expand the availability of high-quality work-based learnings, and (3) improve career guidance
- **Key partners:** European Training Foundation (ETF), Union of Chambers and Commodity Exchanges of Turkey, Ministry of National Education of Turkey





# Annex 4: Inclusion Case Studies



European Bank  
for Reconstruction and Development

## Inclusive public procurement, Egypt and Serbia

- **EBRD investments:** In Egypt, EBRD provided EUR 100 million (signed in 2015) to the Egyptian National Authority for Tunnels (NAT) for the procurement of 13 new trains for Cairo Metro Line 2. In Serbia, EBRD provided EUR 100 million (signed in 2013) to upgrade 1,200 km of Serbian roads that were in need of repair after years of under-investment.
- **Challenge:** Both Egypt and Serbia have 'large' inclusion gaps of youth in relation to employment. Disengagement is higher for young people in rural areas or from lower socio-economic background. Construction industry is often a first entry of employment for unemployed young male, therefore ensuring quality training with exposure with employers can be a valuable source of career progression.
- **Inclusion support:** EBRD is providing technical assistance to each project to:
  - Introduce a new requirement into the procurement process to encourage private-sector suppliers to offer on-site training opportunities to unemployed young people
  - Support the development of vocational training curricula in relevant disciplines
- **Policy dialogue:** EBRD is support the local authorities to integrate the inclusion clause in the standard procurement processes.
- **Results:** In Serbia, 120 young people are trained over the project period of four years. In Egypt, around 70 trainees will receive on-site training as part of the programme.
- **Key partners:** Serbia: Ministry of Transport, Ministry of Finance, and Public Procurement Office; Egypt: National Authority for Tunnels (NAT)



# Annex 4: Inclusion Case Studies



European Bank  
for Reconstruction and Development

## Women in Business

- **EBRD investments:** EBRD's Women in Business (WiB) supports women's access to finance and entrepreneurship.
- **Challenge:** Among the EBRD countries of operation, gender gaps in access to finance is the highest in the SEMED region, Turkey, parts of the Western Balkans, and Central Asia. Women-led businesses tend to be smaller than those of men, and concentrated in low value-added, less capital-intensive sectors. There are structural barriers such as legal restrictions, collateral requirements, and cultural barriers such as the consent from a male family member.
- **EBRD support:**
  - Access to finance for women-led SMEs supported through risk-sharing and credit enhancement mechanisms
  - Technical assistance to help those institutions to provide lending solutions that are tailored to the needs of women-led businesses
  - Business advisory services to female entrepreneurs including mentoring, training in key entrepreneurial skills, online business diagnostics and networking opportunities.
- **Policy dialogue:** Building on the impact of WiB programmes, EBRD has begun to engage with national governments to address legal or structural barriers to women's access to finance. For example, a policy engagement will start in Tajikistan to establish a more gender-responsive investment climate.
- **Results:** By 2016, EBRD provided EUR 600 million through the WiB programme in 16 countries across 25 partner financial institutions (PFIs) and over 10,000 women-led SMEs.



# Annex 5: The EIS contribution towards Sustainable Development Goals (SDGs)



**European Bank**  
for Reconstruction and Development

10 out of 17 SDGs promote economic inclusion	EIS operational responses
<b>SDG3: Good Health and Well-being</b> Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> <li>• Improve access to reliable and safe transport</li> <li>• Investments in new or improved water and wastewater connections and irrigation systems</li> <li>• Upgrade road networks that substantially enhance connectivity of populations</li> </ul>
<b>SDG4: Quality Education</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> <li>• Support the introduction of high quality, accredited local training provision, work based learning programmes (effective apprenticeships, traineeships, internships)</li> <li>• Improve partnerships between employers (EBRD clients) and vocational schools</li> <li>• Facilitate routes into decent jobs</li> </ul>
<b>SDG5: Gender Equality</b> Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> <li>• Introduce improved equal opportunities HR policies and practices at company and corporate levels</li> <li>• Provide credit lines and tailored advisory to women-led MSMEs (Women in Business Programmes)</li> </ul>
<b>SDG6: Clean Water and Sanitation</b> Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> <li>• Improve water and wastewater connections and access to reliable power supplies</li> </ul>
<b>SDG7: Affordable and Clean Energy</b> Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> <li>• New electricity network connections that enable for the first time electricity connection in rural and remote regions</li> </ul>
<b>SDG8: Decent Work and Economic Growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> <li>• Enhanced local access to skills through improved facilities and support of vocational and other training providers to improve employability</li> <li>• Enhance inclusive procurement and practices as part of PPPs and expand inclusive supply chain initiatives</li> </ul>
<b>SDG9: Industry, Innovation and Infrastructure</b> Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> <li>• Increase IT connectivity that promotes access to markets, entrepreneurship or financial inclusion</li> <li>• Credit lines and tailored advisory to MSMEs in regions defined as remote and underserved</li> <li>• Access to finance for refugee owned businesses</li> <li>• Local currency lending in countries with exchange rate fluctuations and regional disparities in the availability of local currency lending</li> </ul>
<b>SDG10: Reduced Inequalities</b> Reduce income inequality within and among countries	<ul style="list-style-type: none"> <li>• Support and enhancement of national / sectoral equal opportunities standards and associated accreditation schemes</li> </ul>
<b>SDG11: Sustainable Cities and Communities</b> Make cities and human settlements inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> <li>• Support inclusive urban transport and design</li> </ul>
<b>SDG16: Peace, Justice and Strong Institutions</b> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> <li>• Conduct policy dialogue to introduce improved national skills standards that reflect current and expected future labour market needs</li> <li>• Conduct policy dialogue on rural development in collaboration with local stakeholders</li> <li>• Support and enhancement of national / sectoral equal opportunities standards and associated accreditation schemes</li> </ul>