

# **Women Entrepreneurs Finance Initiative (We-Fi)**

**THEMATIC FUNDING REQUEST  
ON A PROPOSED FINANCING  
IN THE AMOUNT OF USD 2,000,000  
TO THE**

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

FOR

Central Asia We-Finance Code Pilot

Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan

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## I. WE-FI THEMATIC REQUEST – DATA SHEET

### BASIC INFORMATION

IP Name	<i>European Bank for Reconstruction and Development</i>
Program/Project Name:	<i>Central Asia We-Finance Code Pilot</i>
Country(s)	<i>Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, Uzbekistan</i>
# of partners engaged through the Pilot	<i>6 regulators 2 membership based organisations 9-10 PFIs</i>
Private Sector, Public Sector or Both	<i>Public and private sector</i>
Implementation Start Date	<i>October 2023</i>
Commitment End Date	<i>No later than June 30<sup>th</sup>, 2025</i>
Supervision End Date	<i>No earlier than June 30<sup>th</sup> 2027</i>
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### WE-FI FUNDING REQUEST<sup>1</sup>

USD	Year 1	Year 2	Total
Investment Activities			
Advisory / Technical Assistance	<b>694,824</b>	<b>1,115,177</b>	<b>1,810,000</b>
Grants to WSMEs			
Research & M&E		<b>150,000</b>	<b>150,000</b>
Administrative Fee	<b>40,000</b>		<b>40,000</b>
<b>Total We-Fi Financing Requested</b>	<b>734,824</b>	<b>1,265,177</b>	<b>2,000,000</b>

### TOTAL PROGRAM COST & CO-FUNDING<sup>2,3</sup>:

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	<b>2,000,000</b>
IP Contribution [1] (B)	
Public-sector co-funding [2] (C)	
Private sector co-funding [3] (D)	
Additional co-funding [specify] <sup>4</sup> (E)	
Total Non-We-Fi Funding (F)= (B+C+D+E)	<b>0</b>
Total Activity Size (G)= (F+A)	<b>2,000,000</b>
Of which %IDA and %FCS (IDA+FCS / G)	<b>65%</b>
Co-Funding ratio (F/A)	<b>0</b>

<sup>1</sup> See Annex 1 for regional breakdown

<sup>2</sup> This document utilizes the term 'co-funding' in lieu of the term "leverage" as used in We-Fi's Governance Framework.

<sup>3</sup> See Annex 1 for definitions and guidance on this table

<sup>4</sup> *Inter alia*, parallel funding arrangements should be captured here.

# CENTRAL ASIA WE-FINANCE CODE PILOT

## WE-FI FUNDING PROPOSAL

### II. PROGRAM/PROJECT DESCRIPTION

#### A. Objective Statement:

The overall objective of this pilot is to build the buy-in and capacity of regulators, financial institutions, and other ecosystem players to close the gender financing gap across Central Asia. The Pilot will achieve this by establishing country-level Codes across the region, and significantly scaling up commitments to, and production of, sex-disaggregated SME data across the region.

Since 2016, the EBRD has been focusing on tackling the gender gap in access to finance, markets and networking for women in the region. To do this, the Bank implemented its flagship Women in Business Programme across Central Asia, embedding the programme with a new inclusive finance policy component supported by We-Fi. The pilot of the We-Finance Code is an important opportunity to build on this early-stage foundation and create a coordinated public-private effort to address the lack of sex-disaggregated SME data (SDD) as a systemic impediment to expanding finance for women-led SMEs (WSMEs). Through the pilot, the EBRD plans to catalyse existing efforts and create a pull from the financial regulatory authorities to scale up the availability of SDD SME data and improve financing to WSMEs through the leading financial institutions on the supply side and women's business associations and entrepreneurial ecosystem at the demand side. Central to the EBRD's ambitions under the pilot is the continuation of efforts to build stakeholders capacity to collect, analyse and leverage SDD SME data to promote positive change for WSMEs both at the FI and policy level. The pilot will leverage EBRD's existing strong relationships with private and public sector partners. It will introduce a regional peer learning approach by facilitating the exchange of best practice and experiences between countries, especially to accelerate the journey of lagging countries by learning from more advanced ones.

Over the first year of the Code implementation, the EBRD will focus primarily on laying the regulatory groundwork for the Code to succeed, signing regulators and policy makers up to the code, building networks between partners and establishing a clear action plan. The second year will focus on implementation, capacity building and training of key stakeholders, and identifying FIs willing to champion the Code, with an ambition to begin producing the first reports on SME sex-disaggregated data by the end of the period. Over the third and fourth years the EBRD will ensure that changes to the availability of data deliver impact, working with Financial Institutions (FI), public sector partners and regulators to design effective policy to alleviate the gender gap in access to finance.

## B. Program Design and Key Activities

	Financial Institutions	Public Stakeholders
Phase 1: Groundwork	Launch of the We-Finance Code in the each of the countries of operation. Sign Memorandums of Understanding between the EBRD and key regulators and government departments. Sign identified regulatory champions up to the Code.	
	Map the SME sex-dissagregated data ecosystem to establish the state of data colelction, data flows, and usage across the public-private divide, and develop an action plan to proceed.	
	Establish the structure and format of national coalitions in each country. Set up a regional coalition to facilitate knowledge sharing across countries and coalitions.	
	Establish the baseline for data collection at the financial insititutions within the country.	Continue policy dialogues with relevant government departments and regulators on the adoption of a unified definition of women business into the legal and regualtory framework.
	Establish relationships between FIs and relevant organisations, e.g Financial Alliance for Women and Women's World Banking.	Establish relationships between public stakeholders and key organisations, e.g. the Alliance for Financial Inclusion.
Phase 2: Implementation	Develop toolkits and training modules to support FIs with the transition to collecting SME sex-dissagregated data.	Provide capacity building to public stakeholders with data collection and management responsibilities, e.g. business registries and central banks, to ensure compatibility with SDD collectiona and reporting.
	Provide capacity building support to local FIs to ensure that they can integrate their MIS into national SDD sources. Identify 1-2 Code signatories per country.	Work with policy makers to introduce policies that icnetitvise or mandate the tracking of SME SDD among FIs.
	Organise study tours, technical visits and workshops between countries in the region to elverage differences in institutional knowledge and generate regional efficiencies.	
	Develop a gender data dashboard to serve as a publicly accesible SDD data hub, repository for knowledge products and easily usable tool to understand the business case based on reported data.	
Phase 3: Action	Report SDD SME data to public data coordiantor.	Report SME SDD data publicly through data portal and dashboard.
	Work with FIs and public stakeholders to analyse SDD and help them to uderstand the clear business case for financial inclusion of women. Provide training so that they can design policies and financial products that aim to alleviate gender gaps in access to finance.	
	Publish reports based on available data and the process of implementing the Code. Highlight key challenges and lessons learned in the process of implementation that can serve as a tool to support others.	

The EBRD's programme design will be based on three stages of implementation: Groundwork, Implementation and Action. Groundwork will be completed over the course of the first year, working primarily with regulators to prepare for implementation of the Code. The Implementation stage will be launched the subsequent year, and will leverage a central regulatory Champion to organise training and capacity building for stakeholders across the financial ecosystem. Action will aim to ensure that any changes to SDD SME collection have

effect, share the lessons learned of implementation, and meet medium to long term goals of the code, namely to strengthen the performance of WSMEs within an economy. Implementation of the Code will be led by a regional policy coordinator, employed locally, with additional support provided from EBRD HQ. The EBRD plans to coordinate all activities with FIs through the Central Bank (or other public sector champion), creating a regulatory pull and incentivising changes in practice. The EBRD will identify 1-2 leading financial institutions to sign up to the code within a country, to promote buy-in of the code from within the private sector and champion inclusive practices among their peers.

The EBRD will complete the above actions with the funds provided through the We-Finance Code pilot, however at every stage complementarities will be generated through the Bank's existing operations and partnerships in the Central Asia. The EBRD has a firmly established Women in Business Programme in the region, providing financial institutions with funds for on-lending to WSMEs, and providing a comprehensive package of technical assistance to PFIs to help them develop an offering for WSMEs. The ongoing Women in Business Programme provides a potential pool of motivated financial institutions with exposure to female entrepreneurs and is in parallel supporting them in developing products that meet the needs of female entrepreneurs. With financial institutions that do not participate under the Women in Business Programme, the EBRD will utilize We-Fi funds for sector-level awareness-raising and training, to maximize market impact, including through the membership in organisations such as the Financial Alliance for Women. In addition, the Bank will leverage existing relationships, investment councils and platforms to promote cooperation across the public and private sectors.

### **C. Country Readiness:**

Under this proposal, the EBRD is putting forward several countries for a single regional pilot in Central Asia. The EBRD already has an extensive policy dialogue underway in each of these countries supported by We-Fi, and has built strong relationships with key stakeholders. Of the countries selected, each may be at different stages of readiness to implement the code, but it is a deliberate decision to not exclude the less prepared countries. The rationale behind this is that the marginal cost of adding an additional country to the regional selection is minimal, but the marginal benefit is large. Countries that are further behind can enjoy an accelerated path to WSME inclusion through close cooperation with the regional peers, leveraging the lessons learned and best practices of countries with similar economic and cultural starting points. This also allows We-Fi to test two approaches to assess efficacy: smaller more focused pilots with single (large) countries, and larger regional pilots with greater efficiencies and peer learning. As we have had an active We-Fi funded policy dialogue in Central Asia since 2019, most start at an advanced level for implementation of the code. The following countries are listed in order of preparedness. A full stakeholder mapping can be found in the annex.

#### **Uzbekistan**

- Uzbekistan's National Commission on Gender Equality has signed an MoU with the EBRD to introduce a unified definition of women's entrepreneurship and strengthen the

collection of sex-disaggregated data. This unified definition has been included in the draft Entrepreneurship Code, which is in the process of passing parliament.

- Both the Business Registry and the Agency of Statistics collect data on women owned and women led businesses in line with this definition, while the tax office collects data on individual women entrepreneurs and self-employed women. The Central Bank of Uzbekistan (CBU) collects data on women entrepreneurship under the state's subsidized lending programme, as does the State's Credit Guarantee Fund on beneficiaries of the credit guarantee programme and the interest rate compensation scheme.
- EBRD is working closely with the Central Bank of Uzbekistan (CBU) to operationalize the SME SDD framework to disaggregate by various different categories.
- In collaboration with the CBU, the EBRD has worked with Participating Financial Institutions (PFIs) to help them design products and services for women based on their portfolio's SDD.
- The CBU has established Gender Equality Councils in all 32 commercial banks, and trained them on practical guidelines, tools and templates to gender mainstreaming.
- The CBU has already undergone a diagnostic for SDD SME data and is following a roadmap to address any gaps.
- There is a strong network of Partner Financial Institutions in Uzbekistan to support the implementation of the Code. Hamkorkbank has approved a gender strategy for SDD SME data collection, and there are five PFIs who are active participants under the WiB programme.

## **Mongolia**

- There are two key bodies in Mongolia: The Bank of Mongolia who has oversight of the banks, and the Financial Regulatory Commission who has oversight of other savings and credit cooperatives (including MFIs).
- The Bank of Mongolia already collects SDD consumer data on all kinds of accounts, and volume and size of loans to individual customers.
- The Bank of Mongolia has conducted a baseline assessment of their preparedness to collect SDD SME data, and has recently launched a pilot programme that collects this data from the leading banks.
- Currently Mongolia lacks a unified definition of a WSME, but has recently agreed a definition through the EBRD-supported Steering Committee, and it is included in the draft law 'On Women's Entrepreneurship' due to pass through parliament. With its introduction, there will be a rapid convergence towards SDD collection, as 46% of FIs already sex-disaggregate their SME portfolio in line with their own definition.
- Mongolia has a history of promoting SDD data among regional stakeholders. In collaboration with the EBRD, the National Statistics Office of Mongolia organised a workshop for many of the region's key stakeholders from Uzbekistan, the Kyrgyz Republic and Tajikistan. Experts on gender data collection were invited from statistics offices around the world to share experience and knowledge.
- There are several strong local partners. Three Financial Institutions are part of the EBRD's WiB programme (KhanBank, Transcapital and VisionFund). XacBank and Transcapital have

a specific focus on WSMES and have developed a system for SME SDD, and Golomt launched a Women Entrepreneurs Empowerment Program in 2021 to provide training, information and financing to women entrepreneurs.

### **Tajikistan**

- The EBRD has facilitated a gendered public private dialogue through the Task Force on Women Entrepreneurship, established under the State Committee on Investments and State Property Management. The primary focus of the Task Force has been the introduction of a unified definition on women business. In addition, mandatory SME SDD data collection is envisaged under the governments draft National Women's Entrepreneurship developed with the EBRD's assistance.
- The EBRD has also been working closely with the Agency of Statistics to improve their planning capabilities and supporting them in starting to collect SME SDD.
- Tajikistan has recently become a formal member of the Alliance for Financial Inclusion through a grant agreement with the EBRD funded by the We-Fi 2<sup>nd</sup> call, providing them with direct access to knowledge sharing and capacity building support from the organisation.

### **Kyrgyz Republic**

- The EBRD conducted a gender-responsive investment climate assessment, using the findings to contribute to the development of a National Women's Entrepreneurship Programme. One key objective of this programme is the adoption of a unified definition of a women business. This has recently been embedded in a draft law developed under the working group led by the Ministry of Economy and Finance with the EBRD's assistance, and is due to be approved by parliament by the end of 2023.
- The National Statistics Office regularly collects data on women-led business using the EBRD's management criteria.
- The EBRD has also supported the Kyrgyz Republic in building the capacity for national level SDD collection through peer learning events with the Central Asia Women Leaders Caucus and the Alliance for Financial Inclusion.
- Both the National Bank of the Kyrgyz Republic and the Ministry of the Economy and Finance would be strong champions, with both having expressed interest to learn and benefit from regional peer learning on topics related to women's financial inclusion.

### **Kazakhstan**

- Kazakhstan is among the most gender advanced countries in Central Asia, but was previously not included in the EBRD's We-Fi funded policy dialogues.
- The Ministry of the National Economy, following the advocacy of the EBRD, DAMU, and WAGE has supported the introduction of a unified definition of women business into the national SME strategy.
- The EBRD has also worked with Kazakhstan to advance gender equality in the financial sector, and helped them in developing a gender responsive National Financial Sector



Development Strategy. Consequently the statistics office already collects gender data on composition of CEOs, boards, and leadership in the financial sector.

- The EBRD supported the development of an ESG Framework for Financial Institutions, which obliges FIs to collect SDD data on their clients and working conditions, including diversity and gender pay gap.
- There is an active Women in Business programme in Kazakhstan, that is run separately to the Central Asian programme and has been active since 2016, with 5 PFIs who take part.
- The second phase of the Women in Business programme was approved in March 2023, and builds on the momentum created by the first phase of the programme over the past eight years. The second phase will also focus on preparing PFIs and women-led SMEs for the upcoming trends such as digitalization.
- There is a strong network of PFIs in Kazakhstan to support the implementation of the Code. Six Financial Institutions have been part of the EBRD's WiB programme with all having developed a dedicated offering for women entrepreneurs and developing some basic capacity to sex-disaggregate their portfolios.

#### **D. Stakeholders & Key Partner Readiness:**

In addition to the relationships with key local organisations and public sector bodies discussed above, the EBRD is exploring partnerships with the Alliance for Financial Inclusion (AFI) and Financial Alliance for Women (FAW). These proposed partnerships will be designed to play to the strengths of each partner.

AFI has well-established relationships with the financial regulators across the world as a membership-based organisation for the financial regulators. On the 26<sup>th</sup> October 2021, the EBRD and AFI signed an MoU with the expressed goal of advancing gender-inclusive finance in Eastern Europe and Central Asia and SEMED. In the past, AFI and the EBRD have worked with regulators and policymakers across EBRD economies to promote the collection use and analysis of sex-disaggregated data.

FAW has accumulated extensive expertise in peer learning and creation of knowledge products through its existing network of private sector financial service providers who already produce SDD data. The EBRD is active in sharing information with the network and promoting peer exchange through the FAW to its PFIs, under the Women in Business Programme. The FAW will leverage their history of achievement on SME SDD to identify needs and support EBRD and regional FIs with the process of data collection and analysis, and facilitate knowledge sharing within a country and across the region.

In addition, other organisations, such as USAID, have already begun work on WSME inclusion in the region, and would be a strong partner for the EBRD. USAID and the EBRD have cooperated on multiple occasions to organise events on these topics, bringing together stakeholders from across Central Asia.

#### **E. IP Readiness/Track Record:**

The EBRD has extensive experience in delivering national progress on SDD data collection and financing of WSMEs. The EBRD's flagship Women in Business (WiB) Programmes were designed to offer a holistic model (see annex) to respond to the varied needs and gaps in provision of key growth enablers for women entrepreneurs at the market level. The programme provides (i) targeted finance to women-led businesses, (ii) technical assistance to participating financial institutions to build their capacity to serve women entrepreneurs, and (iii) advisory, mentoring and support to women entrepreneurs to grow their businesses and access finance. MIS changes and SDD data collection have strong emphasis in the technical component of the WiB programme. This combines PFIs having capacity to sex-disaggregate their SME data, as well as making concrete changes to MIS systems of the PFIs. This programme has been operational in Central Asia since 2019, and in Kazakhstan since 2016, providing 12 PFIs across all countries in the region with capacity to target and serve women entrepreneurs.

In 2019, the scope of the Women in Business Programme was augmented with the addition of a policy component, first launched in Central Asia and then extended to Egypt, Morocco (and funded out of the We-Fi's 2<sup>nd</sup> and 3<sup>rd</sup> rounds) and the Western Balkans (currently funded by the EBRD Shareholder Special Fund). This policy component has a significant focus on the collection, analysis and disclosure of SDD SME data. In countries where the policy component has been running the longest, such as Uzbekistan and Mongolia, significant progress has been made against this target. For example, in Uzbekistan a number of public bodies are now able to produce basic SDD SME data by region and industry, and a unified definition of a WSME is in the process of passing through parliament.

### III. IMPACT AND LEARNING (1-3 pages)

#### A. Sustainable Beneficiary Impact:

The EBRD has a long-standing record of promoting access to finance for women entrepreneurs, by providing credit lines, loans, and equity investments specifically targeting women-led businesses. The effectiveness of EBRD flagship programs, such as the Women in Business, is testimony of the impact that the Bank achieves through its activities. For example, in Türkiye, participating FIs significantly increased their lending to new as well as pre-existing female client entrepreneurs, compared to male. Moreover, female entrepreneurs benefitting from the programme grew their operations significantly faster and were six percentage points less likely to default, compared to the counterfactual (Bircan et al., 2022). The direct impact of the pilot will stem from the number of PFIs collecting and reporting their SME data on a SDD basis, relying on a uniform definition of WSMEs. It will enable tracking the provision of the financial and non-financial services to the WSMEs against the established baseline at the PFIs' level and expand the overall PFI's lending portfolio (indirect impact) as well as sector and national / regional levels.

Reducing gender disparities goes hand-in-hand with higher economic growth, greater economic stability and resilience, and lower income inequality (IMF, 2022). Set within the UN SDGs (goal 5), the IMF gender mainstreaming strategy comprises of four pillars to address such disparities, including the collection of sex-disaggregated data. This is crucial to advise and conduct policy

analysis, to identify and fill the right gaps. Given the national context of the pilot, the proposed approach is to follow the national definition of WSMEs and SMEs, including differentiation between micro and SME. In this regard, the legislation of a uniform definition of WSMEs is an integral part of the EBRD's on-going policy dialogue as specified in the project design section. According to the latest EBRD-EIB-WB Enterprise Survey, only 20% of firms located in Central Asia have a female top manager, with substantial differences across economies (from only 7% in Tajikistan to 42% in Mongolia) while 17% have more than 50% female ownership (7% in Tajikistan to 31% in Mongolia).

To promote the financial inclusion of women, deliver inclusive policy reforms and remove barriers to women's entrepreneurship, the EBRD is leading policy dialogues to bring together public and private stakeholders. Through the implementation of the Code, the Bank will actively support several reforms, among which: (i) the introduction of sex as a category for registering the manager and owner of the SME in business registries against the uniform definition of the WSME legislated in each country; (ii) change in the reporting policy/ requirements for commercial banks to include and report sex disaggregated data; (iii) adoption of policies that improve the ecosystem, support services and financial mechanisms for development of women SMEs (i.e., strategies for Women entrepreneurship Development, and Strategies for SME Development).

#### **B. Results Framework:**

**Direct impact and Theory of Change:** The EBRD's gender programmes follow a clear Theory of Change, reflecting individual, company and market level outputs and outcomes to promote gender equality (see annex). EBRD inputs range from bank capital (on-lending), to leveraging Donor Funds for technical assistance and risk cover, as well as Strategic Partnerships. Through investments, TAs and policy engagements, the Bank aims to address the constraints women face in accessing finance through its partner financial institutions, developing new financial products, support women access to skills and development opportunities, and further reforms within public policies, laws and regulations. Short- and long-term impact aim to build inclusive and gender-responsive financial systems, while amending the policy dialogue to include gender considerations.

In this regard, the We-FI Code partnership has a pivotal role in actualizing such strategic objectives. By engaging with champions to mainstream the collection of sex-disaggregated data across private and public sector stakeholders, and concretely mobilizing capital to finance WSMEs, the EBRD can supplement its efforts to promote women entrepreneurship within the region. In line with the Women in Business Programme, the client-level and market-level outcomes (quantified in the Results Framework attached) will track increased access to finance (e.g., loans, equity investments disbursed), new opportunities and business practices for WSMEs, as well as changes in regulatory and institutional frameworks and development of new financial products.

**Indirect impact at the National level:** data collected from publicly available sources may proxy for indirect impact of the partnerships for each country. The implementation of the We-FI code will allow improved access to finance for small and medium enterprises. The World Bank collects

on a yearly basis a wide series of indicators related to Gender, and more specifically related to entrepreneurship. Moreover, the EBRD has developed its own definition of firms being “credit constrained”, based on the latest EBRD-EIB-WB Enterprise Survey. A firm is credit constrained if it had applied for a loan in the previous 12 months, and either got its request rejected or got discouraged in the process, hence not getting the loan. Women-led SMEs are on average more likely to be credit-constrained compared to men-led. The implementation of the code will track a reduction in such discrimination.

More generally linked to gender equality, the Women, Business and the Law report aims to measure the (unequal) rights between men and women. One key component of measurement is entrepreneurship, which analyzes constraints on women’s starting and running a business. Similarly, the Global Gender Gap report aims to yearly benchmark gender parity across most countries around the world. Of specific interest is the economic participation and opportunity between men and women. Tracking of both measures could help measure progress at the national level in these regards.

### **C. Learning Agenda:**

Similar to other partnerships between EBRD and We-Fi to evaluate longstanding barriers affecting WSMEs access to finance, an impact evaluation study will focus on assessing the effectiveness of the implementation of the Code on enhancing access to finance for WSME. Key importance stems from the collection of data on WSME lending ex-ante, during and ex-post the implementation of the pilot, including new financial products developed for women entrepreneurs across each year of the implementation. Outcome measurements will concentrate on gender diversity in the financial sector, the effect of new products for WSMEs and the enhanced level of financial inclusion of WSMEs.

The design will follow a two-step approach, comparing the treatment group (PFI “champions”) against a broader group of counterfactuals, following one among quasi-experimental approaches. The aim of the research findings shall on the one hand contribute to better design and phasing of the projects, and on the other provide policy-oriented recommendations as to how to address further gaps in women access to finance across the region. Research / Impact briefs will disseminate the key insights at baseline, midline and endline and will contribute to the We-Fi’s knowledge and learning agenda and resources, which can be disseminated at the dedicated events.

EBRD is also contributing to the We-Fi knowledge agenda. In partnership with We-Fi and CEPR, the Bank is organizing a research conference in its HQ (23-24 October 2023) to discuss original evidence regarding financial inclusion topics for women-led SMEs in developing economies. Policy-oriented sessions and academic paper presentations will serve to bring research findings closer to the design and implementation of projects to improve access to finance for women.

The pilot will be supplemented by the EBRD’s internal thematic-level evaluation focused on learning and originated by the EBRD’s Banking, Office of the Chief Economist and Impact teams. This thematic-level assessment of the Women of the Steppe Programme in Central Asia, currently

scheduled across the next 3-years, is expected to generate usable learning for improved institutional performance and results management. This will be compiled in a lessons platform to facilitate use in future operations and strategic decisions and disseminated through various events to promote organisational learning, improve awareness, ease of access and use of findings and lessons.

## IV. KEY RISKS AND MITIGATION MEASURES (max. one page)

### **Risks Identified:**

The key operations risks relating to the activity design and implementation arrangements are considered to be low, given the EBRD's long standing relationship with key stakeholders including policy makers in each of the target countries, as well as its direct presence through its network of local offices.

Political, Social and Governance Risks are considered to be medium owing to the war in Ukraine and its likely disproportionately negative impact on emerging market economies and there is overreliance on commodities, which leads to potential for macroeconomic and fiscal volatility. There is also concentration of power in the hands of relatively few individuals within the government of Tajikistan, Uzbekistan, Kyrgyz Republic, and Kazakhstan. Nevertheless, governance risk is very low as We-Fi Program builds on the Government's gender strategies and existing programs and institutions and has strong political backing at all levels.

Further detail on these risks is provided in Annex 6.

### **Proposed Action Plan:**

The Programme builds on extensive EBRD experience and tried-and-tested methodologies that are continuously being refined. EBRD will leverage its experience and direct presence in the region to mitigate operational and political risks, using public/private fora to promote transparency and accountability for the Programme's activities.

Fiduciary risks will be mitigated through the strict application of EBRD policies including in the areas of procurement, financial management, the uniform framework for preventing fraud and corruption, public information, integrity, and environmental and social safeguards. In addition to this, EBRD's Project Complaint Mechanism, also applicable to activities funded under this Programme, offers a second layer of risk management to ensure that such activities will not have unintended impacts on final beneficiaries. The Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organisations concerning EBRD-financed projects which are alleged to have caused, or are likely to cause, environmental and/or social harm.

Further detail on the risk mitigation actions that will be undertaken is provided in Annex 6.

## V. Annex

## Annex 1: Breakdown of Costs<sup>5</sup>

All in US\$, million		2 years of implementation						
Programme Components and Other Categories	WE-Fi funds	Budget Notes	Kazakhstan	Kyrgyz Republic	Mongolia	Tajikistan	Uzbekistan	
Capacity building to national stakeholders, local banks and SDD SME aggregator / platform	939,647	Mapping of the SDD SME ecosystem with the data flows, state of data collection and usage; tailor gender data learning series to WMSMEs and country cluster needs; on-line peer learning, development of the communities of champions, creation of the dashboard data with the use cases, dissemination of the results and progress tracking.	162,929	162,929	162,929	225,429	225,429	
Programme co-ordination & administration	460,353	Development of the action plan, co-ordination of stakeholders and PFIs, form coalition & recruit signatories, train the EBRD staff, in-country visits, contracting, donor reporting and administrative support	92,071	92,071	92,071	92,071	92,071	
Membership in the partner organisations (FAW, AFI, WWB)	110,000	Calculated based on the #PFIs under the WiB over 2 years	38,824	12,941	12,941	32,353	12,941	
Programme Visibility	300,000	Awareness-raising, branded promotion material, events organisation, in-country study trips & exchanges	60,000	60,000	60,000	60,000	60,000	
Research & Learning	150,000						150,000	
IP Management Fees (5%)	40,000		8,000	8,000	8,000	8,000	8,000	
<b>TOTAL</b>	<b>2,000,000</b>		<b>361,824</b>	<b>335,941</b>	<b>335,941</b>	<b>417,853</b>	<b>548,441</b>	

<sup>5</sup> The EBRD is requesting flexibility of 20% in budget allocation by country and line item over the implementation period of the proposal

**KAZAKHSTAN**

<b>USD</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Total</b>
Investment Activities	-	-	-
Advisory / Technical Assistance	138,965	214,859	353,824
Grants to WSMEs	-	-	-
Research & M&E	-	-	
Administrative Fee	8,000	-	8,000
<b>Total We-Fi Financing Requested</b>	<b>146,965</b>	<b>214,859</b>	<b>361,824</b>

**KYRGYZ REPUBLIC**

<b>USD</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Total</b>
Investment Activities	-	-	-
Advisory / Technical Assistance	138,965	188,976	327,941
Grants to WSMEs	-	-	-
Research & M&E	-	-	
Administrative Fee	8,000	-	8,000
<b>Total We-Fi Financing Requested</b>	<b>146,965</b>	<b>188,976</b>	<b>335,941</b>

**MONGOLIA**

<b>USD</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Total</b>
Investment Activities	-	-	-
Advisory / Technical Assistance	138,965	188,976	327,941



Grants to WSMEs	-	-	-
Research & M&E	-	-	
Administrative Fee	8,000	-	8,000
<b>Total We-Fi Financing Requested</b>	<b>146,965</b>	<b>188,976</b>	<b>335,941</b>

#### TAJIKISTAN

USD	Year 1	Year 2	Total
Investment Activities	-	-	-
Advisory / Technical Assistance	138,965	270,888	409,853
Grants to WSMEs	-	-	-
Research & M&E	-	-	
Administrative Fee	8,000	-	8,000
<b>Total We-Fi Financing Requested</b>	<b>146,965</b>	<b>270,888</b>	<b>417,853</b>

#### UZBEKISTAN

USD	Year 1	Year 2	Total
Investment Activities	-	-	-
Advisory / Technical Assistance	138,965	251,476	390,441
Grants to WSMEs	-	-	-
Research & M&E	-	150,000	150,000
Administrative Fee	8,000	-	8,000
<b>Total We-Fi Financing Requested</b>	<b>146,965</b>	<b>401,476</b>	<b>548,441</b>

# KAZAKHSTAN

Sources of Financing	Amount (do not round)	
We-Fi financing requested (A)	361,824	
IP Contribution [1] (B)		
<a href="#">Public-sector co-funding [2] (C)</a>		
Private sector co-funding[3] (D)		
<a href="#">Additional co-funding [specify] [1] (E)</a>		
Total Non-We-Fi Funding (F)= (B+C+D+E)		
Total ActivitySize (G)= (F+A)	361,824	
Of which % IDA and % FCS (IDA+FCS / G)	0%	361,824
Co-Funding ratio (F/A)	0	

# KYRGYZ REPUBLIC

Sources of Financing	Amount (do not round)	
We-Fi financing requested (A)	335,941	
IP Contribution [1] (B)		
<a href="#">Public-sector co-funding [2] (C)</a>		
Private sector co-funding[3] (D)		
<a href="#">Additional co-funding [specify] [1] (E)</a>		
Total Non-We-Fi Funding (F)= (B+C+D+E)		
Total ActivitySize (G)= (F+A)	335,941	
Of which % IDA and % FCS (IDA+FCS / G)	100%	335,941
Co-Funding ratio (F/A)	0	

# MONGOLIA

Sources of Financing	Amount (do not round)	
We-Fi financing requested (A)	335,941	

IP Contribution [1] (B)	
<a href="#">Public-sector co-funding [2] (C)</a>	
Private sector co-funding[3] (D)	
<a href="#">Additional co-funding [specify] [1] (E)</a>	
Total Non-We-Fi Funding (F)= (B+C+D+E)	
Total ActivitySize (G)= (F+A)	<b>335,941</b>
Of which % IDA and % FCS (IDA+FCS / G)	<b>0%</b> <b>0</b>
Co-Funding ratio (F/A)	0

#### TAJIKISTAN

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	<b>417,853</b>
IP Contribution [1] (B)	
<a href="#">Public-sector co-funding [2] (C)</a>	
Private sector co-funding[3] (D)	
<a href="#">Additional co-funding [specify] [1] (E)</a>	
Total Non-We-Fi Funding (F)= (B+C+D+E)	
Total ActivitySize (G)= (F+A)	<b>417,853</b>
Of which % IDA and % FCS (IDA+FCS / G)	<b>100%</b> <b>417,853</b>
Co-Funding ratio (F/A)	0

#### UZBEKISTAN

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	<b>548,441</b>
IP Contribution [1] (B)	
<a href="#">Public-sector co-funding [2] (C)</a>	
Private sector co-funding[3] (D)	
<a href="#">Additional co-funding [specify] [1] (E)</a>	

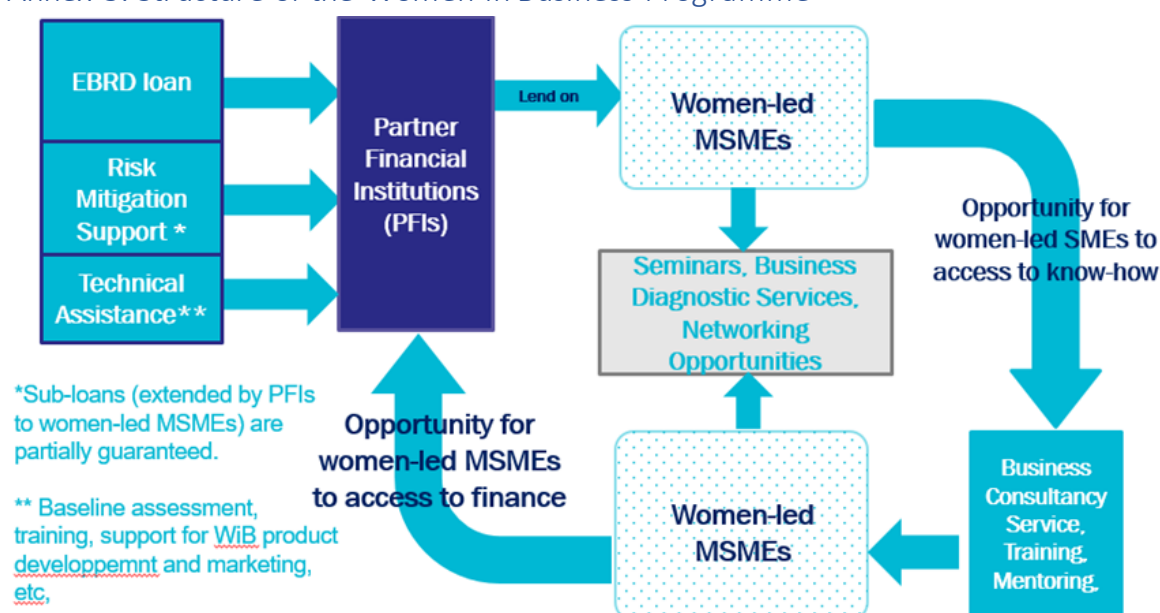
Total Non-We-Fi Funding (F)= (B+C+D+E)	0	
Total ActivitySize (G)= (F+A)	548,441	
Of which %IDAand %FCS (IDA+FCS / G)	100%	548,441
Co-Funding ratio (F/A)	0	

## Annex 2: Stakeholder Mapping

Country	Primary counterpart	Key Champion	Partners
Kyrgyz Republic	National Bank	<ul style="list-style-type: none"> <li>• Task Force on women entrepreneurship</li> <li>• Under the Ministry of Economy and Commerce</li> <li>• National Statistics Committee</li> </ul>	UN Women UNDP CIPE
Mongolia	Central Bank Financial Regulation Commission	<ul style="list-style-type: none"> <li>• Task Force on women entrepreneurship under</li> <li>• National Commission on Gender Equality</li> <li>• National Statistics Office</li> <li>• SME development Agency</li> </ul>	Alliance for Financial inclusion ADB CIDA
Tajikistan	National Bank	<ul style="list-style-type: none"> <li>• Task Force on women entrepreneurship</li> <li>• under State Committee of Investment and State Property Management</li> <li>• Agency of Statistics</li> </ul>	

Uzbekistan	Central Bank	<ul style="list-style-type: none"> <li>• Task Force on women entrepreneurship under National Commission on Gender Equality under Senate of Oliy Majlis (Parliament)</li> <li>• Agency of Statistics</li> <li>• State Fund of Entrepreneurship (Credit Guarantee Fund) under the Ministry of Economy and Finance</li> </ul>	Alliance for Financial Inclusion USAID
Kazakhstan	Central Bank	<ul style="list-style-type: none"> <li>• DAMU (Credit guarantee fund)</li> <li>• Agency for Regulation and Development of the Financial Market</li> <li>• National Statistics Office</li> <li>• Ministry of the National Economy</li> </ul>	

### Annex 3: Structure of the Women in Business Programme



### Annex 4: EBRD Women in Business Theory of Change

Inputs	Activities	Client Outputs	Client-Level	Market-Level	Economy-Level
Bank capital (for on-lending)	Extending loans	Financial products and services for target groups modified, expanded and/or upgraded	Target group entrepreneurs/SMEs have access to finance and knowhow to operate and grow their business	Access to finance and entrepreneurship increased throughout sector/region/country	Equality of access to economic opportunities increased
Bank's own resources (staff)	Extending credit lines to PFIs	Collaboration between client and relevant authorities established	Access of target group entrepreneurs/SMEs to capital increased	Legal, regulatory and institutional frameworks that facilitate equal opportunities improved throughout sector/region/country	Role of MSMEs in economy strengthened
Bi-lateral and multi-lateral donor funds (blended finance)	Extending risk-transfer/sharing instruments	Business services and networking support to entrepreneurs/SMEs facilitated	Corporates/public institutions systematically integrate gender & inclusion considerations	Financial system products diversified and deepened (expanding access).	
Strategic partnerships (e.g. ETF, ILO, OECD, UNDP)	POLICY DIALOGUE: Advising and advocating for improvements to public policies, plans, strategies, standards, laws and regulations				

**Impact statement: Human capital at an individual, company and market level developed and preserved, inequality of opportunity reduced**

[Annex 5: Results Framework](#)

Attached as a separate document.



## Annex 6: Risk Framework

### **KAZAKHSTAN**

#### **Risks Identified:**

The key operations risks relating to the activity design and implementation arrangements are considered to be low, given the EBRD's long standing relationship with key stakeholders including policy makers in Kazakhstan, as well as its direct presence through its network of local offices.

Political, Social and Governance Risks are considered to be medium owing to the war in Ukraine and its likely disproportionately negative impact on emerging market economies and there is overreliance on commodities, which leads to potential for macroeconomic and fiscal volatility. Kazakhstan experiences the inherent vulnerabilities of oil-dependent economic model, and unreformed political system with a concentration of power. Nevertheless, governance risk is very low as We-Fi Program builds on the Government's gender strategies and existing programs and institutions and has strong political backing at all levels.

#### **Proposed Action Plan:**

The Programme builds on extensive EBRD experience and tried-and-tested methodologies that are continuously being refined. EBRD will leverage its experience and direct presence in the region to mitigate operational and political risks, using public/private fora to promote transparency and accountability for the Programme's activities.

Fiduciary risks will be mitigated through the strict application of EBRD policies including in the areas of procurement, financial management, the uniform framework for preventing fraud and corruption, public information, integrity, and environmental and social safeguards. In addition to this, EBRD's Project Complaint Mechanism, also applicable to activities funded under this Programme, offers a second layer of risk management to ensure that such activities will not have unintended impacts on final beneficiaries. The Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organisations concerning EBRD-financed projects which are alleged to have caused, or are likely to cause, environmental and/or social harm.

## Annex 6: Risk Framework

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
<p>Related to the design and implementation of Activities financed by We-Fi, for example:</p> <ul style="list-style-type: none"> <li>• Is the activity design informed by lessons of previous activities in this sector/country?</li> <li>• Is the choice of the executing agency appropriate? Does the design of the activity take into account the risks of the operating context and propose appropriate mitigation measures?</li> <li>• Will the activity require major procurement not common for this sector/country (countries)? Will the activity require transfer of funds between multiple government levels?</li> <li>• The risk that the activity is supply rather than demand driven. Has the activity been discussed with potential counterparts?</li> <li>• The risk that activity outputs and outcomes are not communicated specifically and precisely, so that concerned stakeholders do not get what they</li> </ul>	Unlikely	Medium	Low	<p>Operational risks associated with activity design and implementation are considered to be low as EBRD has a long standing relationships with the key stakeholders and is one of the largest investors and SME lenders in the region.</p> <p>The Activities build on extensive EBRD policy engagement and tried-and-tested approach that are continuously being refined.</p>	<ul style="list-style-type: none"> <li>• EBRD will build on its extensive experience in delivering national level progress on SDD data collection, and integrate lessons learnt from the implementation of the WiB Programmes across 25 EBRD's countries of operation. MIS changes and SDD SME data as one of deliverables under the TC support to the PFIs under the WiB Programme.</li> <li>• EBRD is implementing a comprehensive policy dialogue in Kazakhstan, and has built a strong relationships with the key stakeholders and executing agencies. EBRD will also continue supporting the PFIs through its WiB Programme, to implement MIS changes and enhancing the PFIs' ability to report sex-disaggregate SME data.</li> <li>• All of the TC will be procured in accordance with the EBRD's procurement policies and rules which are well understood and accepted in the market and not require transfer of funds between multiple government levels.</li> <li>• An initial regional assessment has already been commissioned by EBRD and stakeholders referred in earlier section have confirmed relevance, effectiveness and potential impact of the activity. The proposed activities have been discussed with the potential counterparties and Code champions under the on-going inclusive policy dialogue in the region.</li> <li>• Careful designing and communicating the outputs and outcomes, as well as a closer dialogue in</li> </ul>

need, when and how they need it.					advance will help ensure adequate commitment to achieve the activities' objectives. In addition, active monitoring of interim results and internal evaluation process will serve as safeguards to ensure the achievement of activity objectives.
Includes risks relating to the political and social environment where the activity will be implemented. This may include political developments that could impact the activity including structural and legal barriers to female entrepreneurship. The assessment of governance risks should take into account vested interest and the extent to which the three key principles of good governance (principles of Transparency, Accountability and Participation) have been adopted and implemented in the context of the activity or operational engagement.	Possible	Medium	Medium	EBRD has a well-established presence in all countries targeted for potential intervention and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise. Kazakhstan shows commitment and openness to reform processes. Having said this, there is weak institutional capacity and lack of coordination between the government agencies prevents timely and effective implementation of the policy actions. The completion of legal reforms including adoption of unified definition of women business, mandatory SDD reporting and	<ul style="list-style-type: none"> <li>• The Bank engages with local authorities by providing policy advice, capacity building to both government agencies and banks, and advocates for key reform-agenda items that matter to business. This process is transparent and participatory. Specifically, engagements with the public sector counterparts through mechanisms such as the investment councils and working groups will serve to improve accountability of the public sector in the face of the private sector with regards to women's economic empowerment.</li> <li>• The EBRD would take into account the exposure of Programme stakeholders to economic and political shocks. A flexible, opportunistic approach and fast mobilization capacity when working with the public sector on reform through the EBRD's presence on the ground will ensure adequate and timely commitment to move the process forwards.</li> <li>• In order to mitigate against the political risk, the proposed activity entails legislating the uniform definition of WSME in Kazakhstan and mandating the collection of the SDD SME data by the banking regulator.</li> <li>• Strong EBRD local engagement with authorities will contribute to cementing commitment during the entire duration of the activities. In addition, engagement with global partners (including AFI and CLDP US State of Trade) will reinforce the messages</li> </ul>

				<p>design and implement technological platform takes longer than expected, compromising the We-Fi Program timelines.</p> <p>There is also macroeconomic instability due to Ukraine crisis.</p> <p>Lastly, risks that are more difficult - albeit not impossible – to at least partially mitigate are those associated with social perceptions of a women's role in business and external economic shocks.</p>	<p>vis-à-vis the authorities about the importance of the reform/policy actions.</p> <ul style="list-style-type: none"> <li>• Extensive capacity development including regional peer learning events and continuous engagement by EBRD with the Task Force on women entrepreneurship will help to mitigate abovementioned risks.</li> <li>• The risk that enabling legislation will be delayed is difficult to fully mitigate. To minimize this risk, the Program recognizes the timing and sequencing of the legislative process in Kazakhstan. Close coordination with the national gender machineries and Task Force on women entrepreneurship development will help.</li> <li>• Advocacy and awareness-raising has been included as an important and substantial activity under the Programme, to play a role in raising the profile of the Code.</li> </ul>
The risk that activity funds will not be used to achieve value for money with integrity in delivering the activity's intended outcomes; funds are not used for their intended purposes/do not reach intended beneficiaries. Includes the risk that due policies and processes are not followed in procurement of goods and services;	Unlikely	Substantial	Medium	EBRD policy defines thorough integrity checks and anti-money laundering and counter terrorist financing due diligence. EBRD also has a dedicated and impartial procurement division that oversees all procurement activities in line with rigorous policies to	<ul style="list-style-type: none"> <li>• Technical Assistance provided to third parties will be closely monitored by EBRD in accordance with its judiciary responsibility for managing the donor funds; EBRD maintains the right to cancel consultancy contracts at its discretion if necessary and reallocate the funds.</li> <li>• The quality of services provided by the consultants and third parties will be monitored against the agreed scope of work through regular meeting and reporting including on-site verification.</li> <li>• Furthermore, EBRD will be able to monitor the implementation progress through staff on the</li> </ul>

<p>employees/ contractors or activity participants intentionally commit acts for unlawful gain; embezzlement, time and attendance fraud, procurement fraud, blackmail, bribery, money laundering and other willful acts committed to circumvent the law. The assessment should take into account the implementation capacity to manage budgeting, procurement, accounting, funds flow, existence and robustness of oversight arrangements; the level of transparency in disclosing procurement/contract, financial reporting and audit related information. In addition, the assessment should also look at the degree to which procurement and contract administration arrangements and practices provide reasonable assurance that the activity will achieve intended results.</p>				<p>ensure competitiveness and transparency.</p>	<p>ground, the Regional Offices as well as through close communication and exchange with counterparts and beneficiaries of the services.</p>
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<p>Risk that the IPs' safeguards/standards are not properly applied in activity design, and that their implementation may not achieve their objectives with respect to possible adverse impacts on people, especially women, and on the environment.</p> <p>The assessment should take into account whether the activity and its executing agencies have the mechanisms and capacity in place for considering and addressing activity impacts on people, especially women, and on the environment; continuous consultations with beneficiaries and providing activity-based grievance reporting and redress mechanisms; promoting non-discrimination toward activity affected individuals and communities; promoting labor standards and acceptable working conditions; and promoting sustainable management of natural and living resources; in each case, in line with the safeguards/standards of IPs.</p>	Unlikely	Medium	Low	<p>The EBRD's Environmental and Social Policy applies safeguards at the project level and is applicable and binding to borrowers of any loans extended by the EBRD. Borrowers will be required to adhere to the EBRD's E&amp;S requirements, including in the areas of health, safety, social, labor and environment.</p>	<ul style="list-style-type: none"> <li>• Application and monitoring of the EBRD E&amp;S policy throughout the implementation periods of each PFI under the Program, including through spot checks (where applicable).</li> <li>• The EBRD Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organizations concerning EBRD-financed projects that are alleged to have caused, or are likely to cause, environmental and/or social harm.</li> </ul>
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Please identify any other risks associated with your activity.	Unlikely	High	High	Operational risks associated with the implementation of the Code is considered high given that there is low baseline in the target countries with respect to collecting SDD SME data and observing data privacy rights in the process thereof.	The significant focus of the EBRD activity will be on linking PFIs' MIS with the national SDD data sources and national platform administered by the banking regulator to ease the task of sex-disaggregated reporting by the PFIs. The EBRD will monitor and verify that all activities are implemented in compliance with GDPR and local regulations.
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## **KYRGZ REPUBLIC**

### **Risks Identified:**

The key operations risks relating to the activity design and implementation arrangements are considered to be low, given the EBRD's long standing relationship with key stakeholders including policy makers in Kyrgyz Republic, as well as its direct presence through its network of local offices.

Political, Social and Governance Risks are considered to be medium. The next Kyrgyz presidential elections are scheduled for late 2024 and hence may have an impact on the project implementation if a change in leadership does not support or would substantially alter the Project design. To mitigate the risk, the preparation phase has included briefings to members of the Cabinet on the adoption of a unified definition on women entrepreneurship. After following the elections, the Project will continue closely working with the new members of the government at various levels by engaging them in the key implementation and relevant decision-making processes. EBRD has a well-established presence in Kyrgyz Republic and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.

### **Proposed Action Plan:**

The Programme builds on extensive EBRD experience and tried-and-tested methodologies that are continuously being refined. EBRD will leverage its experience and direct presence in the region to mitigate operational and political risks, using public/private fora to promote transparency and accountability for the Programme's activities.

Fiduciary risks will be mitigated through the strict application of EBRD policies including in the areas of procurement, financial management, the uniform framework for preventing fraud and corruption, public information, integrity, and environmental and social safeguards. In addition to this, EBRD's Project Complain Mechanism, also applicable to activities funded under this Programme, offers a second layer of risk management to ensure that such activities will not have unintended impacts on final beneficiaries. The Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organisations concerning EBRD-financed projects which are alleged to have caused, or are likely to cause, environmental and/or social harm.

#### Annex 6: Risk Framework

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
<p>Related to the design and implementation of Activities financed by We-Fi, for example:</p> <ul style="list-style-type: none"> <li>• Is the activity design informed by lessons of previous activities in this sector/country?</li> <li>• Is the choice of the executing agency appropriate? Does the design of the activity take into account the risks of the operating context and propose appropriate mitigation measures?</li> <li>• Will the activity require major procurement not common for this sector/country (countries)? Will the activity require transfer of funds between multiple</li> </ul>	Unlikely	Medium	Low	<p>Operational risks associated with activity design and implementation are considered to be low as EBRD has a long standing relationships with the key stakeholders and is one of the largest investors and SME lenders in the region.</p> <p>The Activities build on extensive EBRD policy engagement and tried-and-tested approach</p>	<ul style="list-style-type: none"> <li>• EBRD will build on its extensive experience in delivering national level progress on SDD data collection, and integrate lessons learnt from the implementation of the WiB Programmes across 25 EBRD's countries of operation. MIS changes and SDD SME data as one of deliverables under the TC support to the PFIs under the WiB Programme.</li> <li>• EBRD will continue supporting the PFIs through its WiB Programme, to implement MIS changes and enhancing the PFIs' ability to report sex-disaggregate SME data.</li> <li>• All of the TC will be procured in accordance with the EBRD's procurement policies and rules which are well understood and accepted in the market and not require transfer of funds between multiple government levels.</li> </ul>



<p>government levels?</p> <ul style="list-style-type: none"> <li>• The risk that the activity is supply rather than demand driven. Has the activity been discussed with potential counterparts?</li> <li>• The risk that activity outputs and outcomes are not communicated specifically and precisely, so that concerned stakeholders do not get what they need, when and how they need it.</li> </ul>				<p>that are continuously being refined.</p>	<ul style="list-style-type: none"> <li>• An initial regional assessment has already been commissioned by EBRD and stakeholders referred in earlier section have confirmed relevance, effectiveness and potential impact of the activity. The proposed activities have been discussed with the potential counterparties and Code champions under the on-going inclusive policy dialogue in the region.</li> <li>• Careful designing and communicating the outputs and outcomes, as well as a closer dialogue in advance will help ensure adequate commitment to achieve the activities' objectives. In addition, active monitoring of interim results and internal evaluation process will serve as safeguards to ensure the achievement of activity objectives.</li> </ul>
<p>Includes risks relating to the political and social environment where the activity will be implemented. This may include political developments that could impact the activity including structural and legal barriers to female entrepreneurship. The assessment of governance risks should take into account vested interest and the extent to which the three key principles of good governance (principles of Transparency, Accountability and Participation) have been adopted and implemented in the context of the activity or operational engagement.</p>	Possible	Medium	Medium	<p>EBRD has a well-established presence in all countries targeted for potential intervention and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise. Kyrgyz Republic shows commitment and openness to reform processes. Institutional capacity for implementation is one of the key risks due to the current lack of a Ministry of</p>	<ul style="list-style-type: none"> <li>• The Bank engages with local authorities by providing policy advice, capacity building to both government agencies and banks, and advocates for key reform-agenda items that matter to business. This process is transparent and participatory. Specifically, engagements with the public sector counterparts through mechanisms such as the investment councils and working groups will serve to improve accountability of the public sector in the face of the private sector with regards to women's economic empowerment.</li> <li>• The EBRD would take into account the exposure of Programme stakeholders to economic and political shocks. A flexible, opportunistic approach and fast mobilization capacity when working with the public sector on reform through the EBRD's presence on the ground will ensure adequate and timely commitment to move the process forwards.</li> </ul>

			<p>economy and ministry of Labour responsible for gender policy implementation and the multiple government agencies (both vertically from national to regional/local levels and horizontally across sectors) that will take part in implementation of the Project. Lack of coordination at the technical level in National Bank of Kyrgyz Republic could adversely affect efficiency of implementation.</p> <p>The completion of legal reforms including adoption of unified definition of women business, mandatory SDD reporting and design and implement technological platform takes longer than expected, compromising the We-Fi Program timelines.</p>	<ul style="list-style-type: none"> <li>• In order to mitigate against the political risk, the proposed activity entails legislating the uniform definition of WSME in Kyrgyz Republic and mandating the collection of the SDD SME data by the banking regulator.</li> <li>• Strong EBRD local engagement with authorities will contribute to cementing commitment during the entire duration of the activities. In addition, engagement with global partners (including AFI and CLDP US State of Trade) will reinforce the messages vis-à-vis the authorities about the importance of the reform/policy actions.</li> <li>• Extensive capacity development including regional peer learning events and continuous engagement by EBRD with the Task Force on women entrepreneurship will help to mitigate abovementioned risks.</li> </ul> <p>Mitigation measures to address this risk will include plans for extensive communication and mobilization efforts and implementation arrangements that will have Task Force focus exclusively on providing technical support to develop and facilitate effective Interagency coordination</p> <ul style="list-style-type: none"> <li>• The risk that enabling legislation will be delayed is difficult to fully mitigate. To minimize this risk, the Program recognizes the timing and sequencing of the legislative process in Kyrgyz Republic. Close coordination with the national gender machineries and Task Force on women entrepreneurship development will help.</li> </ul>
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				<p>Lastly, risks that are more difficult - albeit not impossible – to at least partially mitigate are those associated with social perceptions of a women`s role in business and external economic shocks.</p>	
<p>The risk that activity funds will not be used to achieve value for money with integrity in delivering the activity`s intended outcomes; funds are not used for their intended purposes/do not reach intended beneficiaries. Includes the risk that due policies and processes are not followed in procurement of goods and services; employees/ contractors or activity participants intentionally commit acts for unlawful gain; embezzlement, time and attendance fraud, procurement fraud, blackmail, bribery, money laundering and other willful acts committed to circumvent the law. The assessment should take into account the</p>	Unlikely	Substantial	Medium	<p>EBRD policy defines thorough integrity checks and anti-money laundering and counter terrorist financing due diligence. EBRD also has a dedicated and impartial procurement division that oversees all procurement activities in line with rigorous policies to ensure competitiveness and transparency.</p>	<ul style="list-style-type: none"> <li>• Technical Assistance provided to third parties will be closely monitored by EBRD in accordance with its judiciary responsibility for managing the donor funds; EBRD maintains the right to cancel consultancy contracts at its discretion if necessary and reallocate the funds.</li> <li>• The quality of services provided by the consultants and third parties will be monitored against the agreed scope of work through regular meeting and reporting including on-site verification.</li> <li>• Furthermore, EBRD will be able to monitor the implementation progress through staff on the ground, the Regional Offices as well as through close communication and exchange with counterparts and beneficiaries of the services.</li> </ul>

<p>implementation capacity to manage budgeting, procurement, accounting, funds flow, existence and robustness of oversight arrangements; the level of transparency in disclosing procurement/contract, financial reporting and audit related information. In addition, the assessment should also look at the degree to which procurement and contract administration arrangements and practices provide reasonable assurance that the activity will achieve intended results.</p>					
<p>Risk that the IPs' safeguards/standards are not properly applied in activity design, and that their implementation may not achieve their objectives with respect to possible adverse impacts on people, especially women, and on the environment.</p> <p>The assessment should take into account whether the activity and its executing agencies have the mechanisms and capacity in place for considering and</p>	Unlikely	Medium	Low	<p>The EBRD's Environmental and Social Policy applies safeguards at the project level and is applicable and binding to borrowers of any loans extended by the EBRD. Borrowers will be required to adhere to the EBRD's E&amp;S requirements, including in the areas of health, safety, social, labor and environment.</p>	<ul style="list-style-type: none"> <li>• Application and monitoring of the EBRD E&amp;S policy throughout the implementation periods of each PFI under the Program, including through spot checks (where applicable).</li> <li>• The EBRD Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organizations concerning EBRD-financed projects that are alleged to have caused, or are likely to cause, environmental and/or social harm.</li> </ul>

addressing activity impacts on people, especially women, and on the environment; continuous consultations with beneficiaries and providing activity-based grievance reporting and redress mechanisms; promoting non-discrimination toward activity affected individuals and communities; promoting labor standards and acceptable working conditions; and promoting sustainable management of natural and living resources; in each case, in line with the safeguards/standards of IPs.					
Please identify any other risks associated with your activity.	Unlikely	High	High	Operational risks associated with the implementation of the Code is considered high given that there is low baseline in the target countries with respect to collecting SDD SME data and observing data privacy rights in the process thereof.	The significant focus of the EBRD activity will be on linking PFIs' MIS with the national SDD data sources and national platform administered by the banking regulator to ease the task of sex-disaggregated reporting by the PFIs. The EBRD will monitor and verify that all activities are implemented in compliance with GDPR and local regulations.

## **MONGOLIA**

**Risks Identified:**

The key operations risks relating to the activity design and implementation arrangements are considered to be low, given the EBRD's long standing relationship with key stakeholders including policy makers in Mongolia as well as its direct presence through its network of local offices.

Political, Social and Governance Risks are considered to be medium due to high turnover rate of relevant government officials and decision makers have created uncertainties and policy inconsistencies in the past. Nevertheless, governance risk is very low as We-Fi Program builds on the Government's gender strategies and existing programs and institutions and has strong political backing at all levels. EBRD also has a well-established presence in Mongolia and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.

**Proposed Action Plan:**

The Programme builds on extensive EBRD experience and tried-and-tested methodologies that are continuously being refined. EBRD will leverage its experience and direct presence in the region to mitigate operational and political risks, using public/private fora to promote transparency and accountability for the Programme's activities. To mitigate the high turnover and policy instability risks, the project has been designed to use a framework approach. Through more than three years of collaboration in analytical work, the EBRD team has built a strong partnership with the relevant agencies at the working level. This partnership can, to some extent, safeguard the technical soundness of project activity selection and design from undue political influence.

Fiduciary risks will be mitigated through the strict application of EBRD policies including in the areas of procurement, financial management, the uniform framework for preventing fraud and corruption, public information, integrity, and environmental and social safeguards. In addition to this, EBRD's Project Complaint Mechanism, also applicable to activities funded under this Programme, offers a second layer of risk management to ensure that such activities will not have unintended impacts on final beneficiaries. The Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organisations concerning EBRD-financed projects which are alleged to have caused, or are likely to cause, environmental and/or social harm.

## Annex 6: Risk Framework

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
<p>Related to the design and implementation of Activities financed by We-Fi, for example:</p> <ul style="list-style-type: none"> <li>• Is the activity design informed by lessons of previous activities in this sector/country?</li> <li>• Is the choice of the executing agency appropriate? Does the design of the activity take into account the risks of the operating context and propose appropriate mitigation measures?</li> <li>• Will the activity require major procurement not common for this sector/country (countries)? Will the activity require transfer of funds between multiple government levels?</li> <li>• The risk that the activity is supply rather than demand driven. Has the activity been discussed with potential counterparts?</li> <li>• The risk that activity outputs and outcomes are not communicated specifically and</li> </ul>	Unlikely	Medium	Low	<p>Operational risks associated with activity design and implementation are considered to be low as EBRD has a long standing relationships with the key stakeholders and is one of the largest investors and SME lenders in the region.</p> <p>The Activities build on extensive EBRD policy engagement and tried-and-tested approach that are continuously being refined.</p>	<ul style="list-style-type: none"> <li>• EBRD will build on its extensive experience in delivering national level progress on SDD data collection, and integrate lessons learnt from the implementation of the WiB Programmes across 25 EBRD's countries of operation. MIS changes and SDD SME data as one of deliverables under the TC support to the PFIs under the WiB Programme.</li> <li>• EBRD is implementing a comprehensive policy dialogue in Mongolia, and has built a strong relationships with the key stakeholders and executing agencies. EBRD will also continue supporting the PFIs through its WiB Programme, to implement MIS changes and enhancing the PFIs' ability to report sex-disaggregate SME data.</li> <li>• All of the TC will be procured in accordance with the EBRD's procurement policies and rules which are well understood and accepted in the market and not require transfer of funds between multiple government levels.</li> <li>• An initial regional assessment has already been commissioned by EBRD and stakeholders referred in earlier section have confirmed relevance, effectiveness and potential impact of the activity. The proposed activities have been discussed with the potential counterparties and Code champions</li> </ul>

precisely, so that concerned stakeholders do not get what they need, when and how they need it.					<p>under the on-going inclusive policy dialogue in the region.</p> <ul style="list-style-type: none"> <li>• Careful designing and communicating the outputs and outcomes, as well as a closer dialogue in advance will help ensure adequate commitment to achieve the activities' objectives. In addition, active monitoring of interim results and internal evaluation process will serve as safeguards to ensure the achievement of activity objectives.</li> </ul>
Includes risks relating to the political and social environment where the activity will be implemented. This may include political developments that could impact the activity including structural and legal barriers to female entrepreneurship. The assessment of governance risks should take into account vested interest and the extent to which the three key principles of good governance (principles of Transparency, Accountability and Participation) have been adopted and implemented in the context of the activity or operational engagement.	Possible	Medium	Medium	<p>EBRD has a well-established presence in all countries targeted for potential intervention and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise. Mongolia shows commitment and openness to reform processes.</p> <p>High turnover of government officials could lower chances of government's ownership of the project, successful scale-up of project interventions. while turnover at the level of Bank of Mongolia and national agencies might</p>	<ul style="list-style-type: none"> <li>• The Bank engages with local authorities by providing policy advice, capacity building to both government agencies and banks, and advocates for key reform-agenda items that matter to business. This process is transparent and participatory. Specifically, engagements with the public sector counterparts through mechanisms such as the investment councils and working groups will serve to improve accountability of the public sector in the face of the private sector with regards to women's economic empowerment.</li> <li>• The EBRD would take into account the exposure of Programme stakeholders to economic and political shocks. A flexible, opportunistic approach and fast mobilization capacity when working with the public sector on reform through the EBRD's presence on the ground will ensure adequate and timely commitment to move the process forwards.</li> <li>• At a higher level, the National Commission on gender equality commitments to SDD development of ensures alignment with Mongolia's long-term development goals, which helps buffer potential adverse impacts stemming from high turnover of officials. Further, Bank of Mongolia together the EBRD</li> </ul>



				<p>affect concerted implementation of project needed to maximize development impact.</p> <p>Lastly, risks that are more difficult - albeit not impossible – to at least partially mitigate are those associated with social perceptions of a women`s role in business and external economic shocks.</p>	<p>as part of its routine project supervision, will formally sign MoU and document the issues during project implementation and will emphasize broad and frequent consultations and communication with the national counterparts and also with political decision makers, beneficiaries, and other stakeholders . This will promote ownership, continuity, broad-based buy-in, and support for the implementation of all planned activities.</p> <ul style="list-style-type: none"> <li>• Strong EBRD local engagement with authorities will contribute to cementing commitment during the entire duration of the activities. In addition, engagement with global partners (including AFI and CLDP US State of Trade) will reinforce the messages vis-à-vis the authorities about the importance of the reform/policy actions.</li> <li>• Extensive capacity development including regional peer learning events and continuous engagement by EBRD with the Task Force on women entrepreneurship will help to mitigate abovementioned risks.</li> <li>• Close coordination with the national gender machineries and Task Force on women entrepreneurship development will help.</li> <li>• Advocacy and awareness-raising has been included as an important and substantial activity under the Programme, to play a role in raising the profile of the Code.</li> </ul>
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<p>The risk that activity funds will not be used to achieve value for money with integrity in delivering the activity's intended outcomes; funds are not used for their intended purposes/do not reach intended beneficiaries. Includes the risk that due policies and processes are not followed in procurement of goods and services; employees/ contractors or activity participants intentionally commit acts for unlawful gain; embezzlement, time and attendance fraud, procurement fraud, blackmail, bribery, money laundering and other willful acts committed to circumvent the law. The assessment should take into account the implementation capacity to manage budgeting, procurement, accounting, funds flow, existence and robustness of oversight arrangements; the level of transparency in disclosing procurement/contract, financial reporting and audit related information. In addition, the assessment</p>	Unlikely	Substantial	Medium	<p>EBRD policy defines thorough integrity checks and anti-money laundering and counter terrorist financing due diligence. EBRD also has a dedicated and impartial procurement division that oversees all procurement activities in line with rigorous policies to ensure competitiveness and transparency.</p>	<ul style="list-style-type: none"> <li>• Technical Assistance provided to third parties will be closely monitored by EBRD in accordance with its judiciary responsibility for managing the donor funds; EBRD maintains the right to cancel consultancy contracts at its discretion if necessary and reallocate the funds.</li> <li>• The quality of services provided by the consultants and third parties will be monitored against the agreed scope of work through regular meeting and reporting including on-site verification.</li> <li>• Furthermore, EBRD will be able to monitor the implementation progress through staff on the ground, the Regional Offices as well as through close communication and exchange with counterparts and beneficiaries of the services.</li> </ul>
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should also look at the degree to which procurement and contract administration arrangements and practices provide reasonable assurance that the activity will achieve intended results.					
<p>Risk that the IPs' safeguards/standards are not properly applied in activity design, and that their implementation may not achieve their objectives with respect to possible adverse impacts on people, especially women, and on the environment.</p> <p>The assessment should take into account whether the activity and its executing agencies have the mechanisms and capacity in place for considering and addressing activity impacts on people, especially women, and on the environment; continuous consultations with beneficiaries and providing activity-based grievance reporting and redress mechanisms; promoting non-discrimination</p>	Unlikely	Medium	Low	<p>The EBRD's Environmental and Social Policy applies safeguards at the project level and is applicable and binding to borrowers of any loans extended by the EBRD. Borrowers will be required to adhere to the EBRD's E&amp;S requirements, including in the areas of health, safety, social, labor and environment.</p>	<ul style="list-style-type: none"> <li>• Application and monitoring of the EBRD E&amp;S policy throughout the implementation periods of each PFI under the Program, including through spot checks (where applicable).</li> <li>• The EBRD Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organizations concerning EBRD-financed projects that are alleged to have caused, or are likely to cause, environmental and/or social harm.</li> </ul>

toward activity affected individuals and communities; promoting labor standards and acceptable working conditions; and promoting sustainable management of natural and living resources; in each case, in line with the safeguards/standards of IPs.					
Please identify any other risks associated with your activity.	Unlikely	High	High	Operational risks associated with the implementation of the Code is considered high given that there is low baseline in the target countries with respect to collecting SDD SME data and observing data privacy rights in the process thereof.	The significant focus of the EBRD activity will be on linking PFIs' MIS with the national SDD data sources and national platform administered by the banking regulator to ease the task of sex-disaggregated reporting by the PFIs. The EBRD will monitor and verify that all activities are implemented in compliance with GDPR and local regulations.

## **TAJIKISTAN**

### **Risks Identified:**

The key operations risks relating to the activity design and implementation arrangements are considered to be low, given the EBRD's long standing relationship with key stakeholders including policy makers in Tajikistan, as well as its direct presence through its network of local offices.

Political, Social and Governance Risks are considered to be medium owing to the war in Ukraine. The war in Ukraine may deteriorate Tajikistan's growth prospects in 2023 and undermine government's ability to implement some reforms support. The political decision-making process in Tajikistan is centralized with the executive, legislative, and judicial branches respond to decisions issued

by the central government. EBRD has a well-established presence in Tajikistan and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.

### Proposed Action Plan:

The Programme builds on extensive EBRD experience and tried-and-tested methodologies that are continuously being refined. EBRD will leverage its experience and direct presence in the region to mitigate operational and political risks, using public/private fora to promote transparency and accountability for the Programme's activities.

Fiduciary risks will be mitigated through the strict application of EBRD policies including in the areas of procurement, financial management, the uniform framework for preventing fraud and corruption, public information, integrity, and environmental and social safeguards. In addition to this, EBRD's Project Complain Mechanism, also applicable to activities funded under this Programme, offers a second layer of risk management to ensure that such activities will not have unintended impacts on final beneficiaries. The Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organisations concerning EBRD-financed projects which are alleged to have caused, or are likely to cause, environmental and/or social harm.

### Annex 6: Risk Framework

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
Related to the design and implementation of Activities financed by We-Fi, for example: <ul style="list-style-type: none"> <li>• Is the activity design informed by lessons of previous activities in this sector/country?</li> <li>• Is the choice of the executing agency appropriate? Does the design of the activity take into account the risks of the operating context and propose appropriate mitigation measures?</li> </ul>	Unlikely	Medium	Low	Operational risks associated with activity design and implementation are considered to be low as EBRD has a long standing relationships with the key stakeholders and is one of the largest investors and SME lenders in the region.	<ul style="list-style-type: none"> <li>• EBRD will build on its extensive experience in delivering national level progress on SDD data collection, and integrate lessons learnt from the implementation of the WiB Programmes across 25 EBRD's countries of operation. MIS changes and SDD SME data as one of deliverables under the TC support to the PFIs under the WiB Programme.</li> <li>• EBRD is implementing a comprehensive policy dialogue in Tajikistan, and has built a strong relationships with the key stakeholders and executing agencies. EBRD will also continue supporting the PFIs through its WiB Programme, to</li> </ul>

<ul style="list-style-type: none"> <li>• Will the activity require major procurement not common for this sector/country (countries)? Will the activity require transfer of funds between multiple government levels?</li> <li>• The risk that the activity is supply rather than demand driven. Has the activity been discussed with potential counterparts?</li> <li>• The risk that activity outputs and outcomes are not communicated specifically and precisely, so that concerned stakeholders do not get what they need, when and how they need it.</li> </ul>				<p>The Activities build on extensive EBRD policy engagement and tried-and-tested approach that are continuously being refined.</p>	<p>implement MIS changes and enhancing the PFIs' ability to report sex-disaggregate SME data.</p> <ul style="list-style-type: none"> <li>• All of the TC will be procured in accordance with the EBRD's procurement policies and rules which are well understood and accepted in the market and not require transfer of funds between multiple government levels.</li> <li>• An initial regional assessment has already been commissioned by EBRD and stakeholders referred in earlier section have confirmed relevance, effectiveness and potential impact of the activity. The proposed activities have been discussed with the potential counterparties and Code champions under the on-going inclusive policy dialogue in the region.</li> <li>• Careful designing and communicating the outputs and outcomes, as well as a closer dialogue in advance will help ensure adequate commitment to achieve the activities' objectives. In addition, active monitoring of interim results and internal evaluation process will serve as safeguards to ensure the achievement of activity objectives.</li> </ul>
<p>Includes risks relating to the political and social environment where the activity will be implemented. This may include political developments that could impact the activity including structural and legal barriers to female entrepreneurship. The assessment of governance risks should take into account vested interest and the extent to which the three key principles of good</p>	Possible	Medium	Medium	<p>EBRD has a well-established presence in all countries targeted for potential intervention and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise. Tajikistan shows commitment and</p>	<ul style="list-style-type: none"> <li>• The Bank engages with local authorities by providing policy advice, capacity building to both government agencies and banks, and advocates for key reform-agenda items that matter to business. This process is transparent and participatory. Specifically, engagements with the public sector counterparts through mechanisms such as the investment councils and working groups will serve to improve accountability of the public sector in the face of the private sector with regards to women's economic empowerment.</li> </ul>

<p>governance (principles of Transparency, Accountability and Participation) have been adopted and implemented in the context of the activity or operational engagement.</p>			<p>openness to reform processes. The administrative and gender technical capacity of the implementing agencies is limited. Low public salaries and high staff turnover causes depreciation of institutional memory. This challenge is further compounded by the lack of effective horizontal linkages and cross-sector policy coordination which creates a significant burden to carry out reforms.</p> <p>. The completion of legal reforms including adoption of unified definition of women business, mandatory SDD reporting and design and implement technological platform takes longer than expected,</p>	<ul style="list-style-type: none"> <li>• The EBRD would take into account the exposure of Programme stakeholders to economic and political shocks. A flexible, opportunistic approach and fast mobilization capacity when working with the public sector on reform through the EBRD's presence on the ground will ensure adequate and timely commitment to move the process forwards.</li> <li>• In order to mitigate against the political risk, the proposed activity entails legislating the uniform definition of WSME in Tajikistan and mandating the collection of the SDD SME data by the banking regulator.</li> <li>• Strong EBRD local engagement with authorities will contribute to cementing commitment during the entire duration of the activities. In addition, engagement with global partners (including AFI and CLDP US State of Trade) will reinforce the messages vis-à-vis the authorities about the importance of the reform/policy actions.</li> <li>• The Government is well aware of these risks and has been intensively working with the EBRD and other development partners to enhance the capacity of public officials and inter-agency collaboration. Extensive capacity development including regional peer learning events and continuous engagement by EBRD with the Task Force on women entrepreneurship will help to mitigate abovementioned risks.</li> <li>• The risk that enabling legislation will be delayed is difficult to fully mitigate. To minimize this risk, the Program recognizes the timing and sequencing of the legislative process in Tajikistan. Close coordination with the national gender machineries</li> </ul>
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				<p>compromising the We-Fi Program timelines.</p> <p>There is also macroeconomic instability due to Ukraine crisis.</p> <p>Lastly, risks that are more difficult - albeit not impossible – to at least partially mitigate are those associated with social perceptions of a women's role in business and external economic shocks.</p>	<p>and Task Force on women entrepreneurship development will help.</p> <ul style="list-style-type: none"> <li>• Advocacy and awareness-raising has been included as an important and substantial activity under the Programme, to play a role in raising the profile of the Code.</li> </ul>
<p>The risk that activity funds will not be used to achieve value for money with integrity in delivering the activity's intended outcomes; funds are not used for their intended purposes/do not reach intended beneficiaries. Includes the risk that due policies and processes are not followed in procurement of goods and services; employees/ contractors or activity participants intentionally commit acts for unlawful gain; embezzlement,</p>	Unlikely	Substantial	Medium	<p>EBRD policy defines thorough integrity checks and anti-money laundering and counter terrorist financing due diligence. EBRD also has a dedicated and impartial procurement division that oversees all procurement activities in line with rigorous policies to ensure competitiveness and transparency.</p>	<ul style="list-style-type: none"> <li>• Technical Assistance provided to third parties will be closely monitored by EBRD in accordance with its judiciary responsibility for managing the donor funds; EBRD maintains the right to cancel consultancy contracts at its discretion if necessary and reallocate the funds.</li> <li>• The quality of services provided by the consultants and third parties will be monitored against the agreed scope of work through regular meeting and reporting including on-site verification.</li> <li>• Furthermore, EBRD will be able to monitor the implementation progress through staff on the ground, the Regional Offices as well as through close communication and exchange with counterparts and beneficiaries of the services.</li> </ul>



time and attendance fraud, procurement fraud, blackmail, bribery, money laundering and other willful acts committed to circumvent the law. The assessment should take into account the implementation capacity to manage budgeting, procurement, accounting, funds flow, existence and robustness of oversight arrangements; the level of transparency in disclosing procurement/contract, financial reporting and audit related information. In addition, the assessment should also look at the degree to which procurement and contract administration arrangements and practices provide reasonable assurance that the activity will achieve intended results.					
Risk that the IPs' safeguards/standards are not properly applied in activity design, and that their implementation may not achieve their objectives with respect to possible adverse impacts on people, especially	Unlikely	Medium	Low	The EBRD's Environmental and Social Policy applies safeguards at the project level and is applicable and binding to borrowers of any loans extended by the EBRD. Borrowers will	<ul style="list-style-type: none"> <li>• Application and monitoring of the EBRD E&amp;S policy throughout the implementation periods of each PFI under the Program, including through spot checks (where applicable).</li> <li>• The EBRD Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organizations concerning EBRD-financed projects that are alleged to have caused, or are likely to cause, environmental and/or social harm.</li> </ul>

<p>women, and on the environment.</p> <p>The assessment should take into account whether the activity and its executing agencies have the mechanisms and capacity in place for considering and addressing activity impacts on people, especially women, and on the environment; continuous consultations with beneficiaries and providing activity-based grievance reporting and redress mechanisms; promoting non-discrimination toward activity affected individuals and communities; promoting labor standards and acceptable working conditions; and promoting sustainable management of natural and living resources; in each case, in line with the safeguards/standards of IPs.</p>				<p>be required to adhere to the EBRD's E&amp;S requirements, including in the areas of health, safety, social, labor and environment.</p>	
<p>Please identify any other risks associated with your activity.</p>	Unlikely	High	High	<p>Operational risks associated with the implementation of the Code is considered high given that there is low baseline in the target countries with respect to collecting</p>	<p>The significant focus of the EBRD activity will be on linking PFIs' MIS with the national SDD data sources and national platform administered by the banking regulator to ease the task of sex-disaggregated reporting by the PFIs.</p> <p>The EBRD will monitor and verify that all activities are implemented in compliance with GDPR and local regulations.</p>

			SDD SME data and observing data privacy rights in the process thereof.	
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## **UZBEKISTAN**

### **Risks Identified:**

The key operations risks relating to the activity design and implementation arrangements are considered to be low, given the EBRD's long standing relationship with key stakeholders including policy makers in Uzbekistan, as well as its direct presence through its network of local offices.

Political, Social and Governance Risks are considered to be medium. The political environment has supported reforms under the new administration, and there is a strong commitment to continue the momentum in advancing gender equality, specifically in the financial inclusion. Although the government approved the Gender strategy, the approval process was challenging and similarly there is a risk of poor coordination between government institutions that may re-emerge during the implementation of the Gender strategy and the Code. EBRD also has a well-established presence in Uzbekistan and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.

### **Proposed Action Plan:**

The Programme builds on extensive EBRD experience and tried-and-tested methodologies that are continuously being refined. EBRD will leverage its experience and direct presence in the region to mitigate operational and political risks, using public/private fora to promote transparency and accountability for the Programme's activities.

Fiduciary risks will be mitigated through the strict application of EBRD policies including in the areas of procurement, financial management, the uniform framework for preventing fraud and corruption, public information, integrity, and environmental and social safeguards. In addition to this, EBRD's Project Complaint Mechanism, also applicable to activities funded under this Programme, offers a second layer of risk management to ensure that such activities will not have unintended impacts on final beneficiaries. The Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organisations concerning EBRD-financed projects which are alleged to have caused, or are likely to cause, environmental and/or social harm.

## Annex 6: Risk Framework

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
<b>Activity Design and Implementation Arrangements</b> Related to the design and implementation of Activities financed by We-Fi, for example: <ul style="list-style-type: none"> <li>• Is the activity design informed by lessons of previous activities in this sector/country?</li> <li>• Is the choice of the executing agency appropriate? Does the design of the activity take into account the risks of the operating context and propose appropriate mitigation measures?</li> <li>• Will the activity require major procurement not common for this sector/country (countries)? Will the activity require transfer of funds between multiple government levels?</li> <li>• The risk that the activity is supply rather than demand driven. Has the activity been discussed with potential counterparts?</li> <li>• The risk that activity outputs and outcomes are not communicated specifically and precisely, so that</li> </ul>	Unlikely	Medium	Low	<p>Operational risks associated with activity design and implementation are considered to be low as EBRD has a long standing relationships with the key stakeholders and is one of the largest investors and SME lenders in the region.</p> <p>The Activities build on extensive EBRD policy engagement and tried-and-tested approach that are continuously being refined.</p> <p>The political decisions on the reform agenda and the authorities themselves have confirmed a strong commitment to implementation. However, the risks of</p>	<ul style="list-style-type: none"> <li>• EBRD will build on its extensive experience in delivering national level progress on SDD data collection, and integrate lessons learnt from the implementation of the WiB Programmes across 25 EBRD's countries of operation. MIS changes and SDD SME data as one of deliverables under the TC support to the PFIs under the WiB Programme.</li> <li>• EBRD is implementing a comprehensive policy dialogue in Uzbekistan, and has built a strong relationships with the key stakeholders and executing agencies. EBRD will also continue supporting the PFIs through its WiB Programme, to implement MIS changes and enhancing the PFIs' ability to report sex-disaggregate SME data.</li> <li>• All of the TC will be procured in accordance with the EBRD's procurement policies and rules which are well understood and accepted in the market and not require transfer of funds between multiple government levels.</li> <li>• An initial regional assessment has already been commissioned by EBRD and stakeholders referred in earlier section have confirmed relevance, effectiveness and potential impact of the activity. The proposed activities have been discussed with the potential counterparties and Code champions under the on-going inclusive policy dialogue in the region.</li> </ul>

concerned stakeholders do not get what they need, when and how they need it.			<p>backtracking or holding off the reform along the implementation path by various ministries, state agencies or even PFIs themselves remain moderate. This will require careful, persistent, and coordinated implementation led by the Task Force.</p> <p>Therefore, ensuring adequate resources and gender expertise at the CBU and public agencies involved in SDD collection will be vital. The project will also contribute to the capacities's strengthening and gender sensitization.</p>	<ul style="list-style-type: none"> <li>• Careful designing and communicating the outputs and outcomes, as well as a closer dialogue with stakeholders in advance will help ensure adequate commitment to achieve the activities' objectives. In addition, active monitoring of interim results and internal evaluation process will serve as safeguards to ensure the achievement of activity objectives. Lastly, An impact evaluation study with a focus on assessing the effectiveness of the implementation of the Code on enhancing access to finance for WSME will be conducted at the end of the pilot.</li> </ul>
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<p><b>Political, Social and Governance Risks</b></p> <p>Includes risks relating to the political and social environment where the activity will be implemented. This may include political developments that could impact the activity including structural and legal barriers to female entrepreneurship. The assessment of governance risks should take into account vested interest and the extent to which the three key principles of good governance (principles of Transparency, Accountability and Participation) have been adopted and implemented in the context of the activity or operational engagement.</p>	Possible	Medium	Medium	<p>EBRD has a well-established presence in all countries targeted for potential intervention and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise. Uzbekistan shows commitment and openness to reform processes. Having said this, there is weak institutional capacity and lack of coordination between the government agencies prevents timely and effective implementation of the policy actions. The completion of legal reforms including adoption of unified definition of women business, mandatory SDD reporting and design and implement technological platform takes longer than expected,</p>	<ul style="list-style-type: none"> <li>• The Bank engages with local authorities by providing policy advice, capacity building to both government agencies and banks, and advocates for key reform-agenda items that matter to business. This process is transparent and participatory. Specifically, engagements with the public sector counterparts through mechanisms such as the investment councils and Task Force on women entrepreneurship will serve to improve accountability of the public sector in the face of the private sector with regards to women's economic empowerment.</li> <li>• The EBRD would take into account the exposure of Programme stakeholders to economic and political shocks. A flexible, opportunistic approach and fast mobilization capacity when working with the public sector on reform through the EBRD's presence on the ground will ensure adequate and timely commitment to move the process forwards.</li> <li>• In order to mitigate against the political risk, the proposed activity entails legislating the uniform definition of WSME in Uzbekistan and mandating the collection of the SDD SME data by the banking regulator.</li> <li>• Strong EBRD local engagement with authorities will contribute to cementing commitment during the entire duration of the activities. In addition, engagement with global partners (including AFI and CLDP US State of Trade) will reinforce the messages vis-à-vis the authorities about the importance of the reform/policy actions.</li> <li>• Extensive capacity development including regional peer learning events and continuous engagement by EBRD with the Task Force on women</li> </ul>
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				<p>compromising the We-Fi Program timelines.</p> <p>Lastly, risks that are more difficult - albeit not impossible – to at least partially mitigate are those associated with social perceptions of a women's role in business and external economic shocks.</p>	<p>entrepreneurship will help to mitigate abovementioned risks.</p> <ul style="list-style-type: none"> <li>• The risk that enabling legislation will be delayed is difficult to fully mitigate. To minimize this risk, the Program recognizes the timing and sequencing of the legislative process in Uzbekistan. Close coordination with the national gender machineries and Task Force on women entrepreneurship development will help.</li> <li>• Advocacy and awareness-raising has been included as an important and substantial activity under the Programme, to play a role in raising the profile of the Code.</li> </ul>
<p><b>Fiduciary Risks</b></p> <p>The risk that activity funds will not be used to achieve value for money with integrity in delivering the activity's intended outcomes; funds are not used for their intended purposes/do not reach intended beneficiaries. Includes the risk that due policies and processes are not followed in procurement of goods and services; employees/contractors or activity participants intentionally commit acts for unlawful gain; embezzlement, time and attendance fraud, procurement fraud, blackmail, bribery, money laundering and other willful acts committed to circumvent the</p>	Unlikely	Substantial	Medium	<p>EBRD policy defines thorough integrity checks and anti-money laundering and counter terrorist financing due diligence. EBRD also has a dedicated and impartial procurement division that oversees all procurement activities in line with rigorous policies to ensure competitiveness and transparency.</p>	<ul style="list-style-type: none"> <li>• Technical Assistance provided to third parties will be closely monitored by EBRD in accordance with its judiciary responsibility for managing the donor funds; EBRD maintains the right to cancel consultancy contracts at its discretion if necessary and reallocate the funds.</li> <li>• The quality of services provided by the consultants and third parties will be monitored against the agreed scope of work through regular meeting and reporting including on-site verification.</li> <li>• Furthermore, EBRD will be able to monitor the implementation progress through staff on the ground, the Regional Offices as well as through close communication and exchange with counterparts and beneficiaries of the services.</li> </ul>

law. The assessment should take into account the implementation capacity to manage budgeting, procurement, accounting, funds flow, existence and robustness of oversight arrangements; the level of transparency in disclosing procurement/contract, financial reporting and audit related information. In addition, the assessment should also look at the degree to which procurement and contract administration arrangements and practices provide reasonable assurance that the activity will achieve intended results.					
<b>Environment and Social Safeguards/Standards</b> Risk that the IPs' safeguards/standards are not properly applied in activity design, and that their implementation may not achieve their objectives with respect to possible adverse impacts on people, especially women, and on the environment. The assessment should take into account whether the activity and its executing agencies have the mechanisms and capacity in place for considering and	Unlikely	Medium	Low	The EBRD's Environmental and Social Policy applies safeguards at the project level and is applicable and binding to borrowers of any loans extended by the EBRD. Borrowers will be required to adhere to the EBRD's E&S requirements, including in the areas of health, safety, social, labor and environment.	<ul style="list-style-type: none"> <li>• Application and monitoring of the EBRD E&amp;S policy throughout the implementation periods of each PFI under the Program, including through spot checks (where applicable).</li> <li>• The EBRD Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organizations concerning EBRD-financed projects that are alleged to have caused, or are likely to cause, environmental and/or social harm.</li> </ul>



addressing activity impacts on people, especially women, and on the environment; continuous consultations with beneficiaries and providing activity-based grievance reporting and redress mechanisms; promoting non-discrimination toward activity affected individuals and communities; promoting labor standards and acceptable working conditions; and promoting sustainable management of natural and living resources; in each case, in line with the safeguards/standards of IPs.					
<b>Other Risks</b> Please identify any other risks associated with your activity.	Unlikely	High	High	Operational risks associated with the implementation of the Code is considered high given that there is low baseline in the target countries with respect to collecting SDD SME data and observing data privacy rights in the process thereof.	The significant focus of the EBRD activity will be on linking PFIs' MIS with the national SDD data sources and national platform administered by the banking regulator to ease the task of sex-disaggregated reporting by the PFIs. The EBRD will monitor and verify that all activities are implemented in compliance with GDPR and local regulations.

