

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 OF RECONSTRUCTION AND DEVELOPMENT

FOR

Western Balkans We-Finance Code Pilot

Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia

Table of Contents

I.	WE-Fi THEMATIC REQUEST – DATA SHEET	3
II.	PROGRAM/PROJECT DESCRIPTION (max. five pages)	4
	A. Objective Statement:.....	4
	B. Program Design and Key Activities	5
	C. Country Readiness.....	6
	D. Stakeholders & Key Partner Readiness	10
	E. IP Readiness/Track Record.....	10
III.	IMPACT AND LEARNING (1-3 pages)	12
	A. Sustainable Beneficiary Impact:.....	12
	B. Results Framework.....	12
	C. Learning Agenda:.....	13
IV.	KEY RISKS AND MITIGATION MEASURES (max. one page)	14
	A. Risks Identified	14
	B. Proposed Action Plan	14
V.	Attachments.....	24
	Attachment 1: WE Finance Code Concept.....	Error! Bookmark not defined.
	Attachment 2: We-Fi Results Framework.....	Error! Bookmark not defined.
	Attachment 3: Risk Framework	Error! Bookmark not defined.
	Attachment 4: Funding Reallocation Template (<i>if applicable</i>)	Error! Bookmark not defined.
VI.	Annexes.....	15
	Annex 1: Guidance for Data Sheet	Error! Bookmark not defined.
	Annex 2: Criteria for Scoring the Project Proposal	Error! Bookmark not defined.
	Annex 3: We-Fi Principles Guiding Co-Funding Calculations.....	Error! Bookmark not defined.
	Annex 4: Countries/Territories Eligible for We-Fi funding..	Error! Bookmark not defined.

I. We-Fi THEMATIC REQUEST – DATA SHEET

BASIC INFORMATION

IP Name	European Bank for Reconstruction and Development
Program/Project Name:	Western Balkans We-Finance Code
Country(s)	Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia
# of partners engaged through the Pilot	6 regulators 2 membership-based organisations 11 PFIs
Private Sector, Public Sector or Both	Public & private sectors
Implementation Start Date	October 2023
Commitment End Date	No later than June 30 th , 2025
Supervision End Date	No earlier than June 30 th 2027
IP Focal Point Contact (name, email, phone)	Oksana Pak (pako@ebrd.com +44 7810 638846 Seva Rustamova (rustamos@ebrd.com +44 7881013455)
Key Staff Contacts (e.g., Project Lead, M&E Officer, Comms Officer)	Calum Wallace (wallaceC@ebrd.com)

We-Fi FUNDING REQUEST¹

USD	Year 1	Year 2	Total
Investment Activities	0	0	0
Advisory / Technical Assistance	594,824	1,215,177	1,810,000
Grants to WSMEs	0	0	0
Research & M&E		150,000	150,000
Administrative Fee	40,000		40,000
Total We-Fi Financing Requested	634,824	1,365,177	2,000,000

TOTAL PROGRAM COST & CO-FUNDING^{2,3,4}

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	2,000,000
IP Contribution [1] (B)	0
Public-sector co-funding [2] (C)	0
Private sector co-funding [3] (D)	0
Additional co-funding [specify] ⁵ (E)	0
Total Non-We-Fi Funding (F)= (B+C+D+E)	0
Total Activity Size (G)= (F+A)	2,000,000
Of which % IDA and % FCS (IDA+FCS / G)	13.4%
Co-Funding ratio (F/A)	0

¹ Regional breakdown available in Annex 1.

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

³ See Annex 1 for definitions and guidance on this table

⁴ Regional breakdown available in Annex 1

⁵ *Inter alia*, parallel funding arrangements should be captured here.

Western Balkans Regional We-Finance Code

We-Fi FUNDING PROPOSAL

II. PROGRAM/PROJECT DESCRIPTION (max. five pages)

A. Objective Statement:

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

In the economies of the Western Balkans (namely Albania, Bosnia & Herzegovina, Kosovo, North Macedonia, Montenegro and Serbia), despite rapid economic development over the past 30 years, women, and in particular women entrepreneurs, continue to be held back: cultural norms, complex business processes and historical biases leave women underrepresented in entrepreneurship. According to the latest EBRD-EIB-WB Enterprise Survey, only 16% of firms located in the Western Balkans have a female top manager, with substantial differences across economies (from only 3% in Kosovo to 20% in North Macedonia). Improvements in legislation have represented positive steps towards addressing the gender gap in entrepreneurship, but in practice major challenges remain with respect to implementation. In large part, this is due to a significant lack of SDD across the Western Balkans including within the financial sector, leading to insufficient knowledge on the progress (rate and growth) of women's entrepreneurship and access to finance, and on the type of investments and support mechanisms that are most effective.

Since 2014, the EBRD has been focused 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 (WiB) across the Western Balkans, and more recently launched a comprehensive set of financial inclusion policy dialogue activities, modelled on the We-Fi programme that the EBRD is implementing in Central Asia. At every point along this journey, the EBRD has sought out efficiencies and changes to help accelerate the goal of financial inclusion for women entrepreneurs. 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 SDD as a systemic impediment to expanding finance for women-led SMEs (WSMEs). Through the pilot, the EBRD plans to catalyze existing efforts and create a pull from the financial regulatory authorities to scale up the availability of SDD and improve financing to WSMEs through the leading FI 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 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 FI willing to champion the Code, with an ambition to begin producing the first reports on SDD 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 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

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 collection have effect, disseminate learning from implementation of the Code, 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 FI 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 below 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 Western Balkans. The EBRD has a long running Women in Business Programme in the region, providing FI with funds for on-lending to WSMEs, and providing a comprehensive package of technical assistance to Partner Financial Institutions (PFI) to help them develop an offering for WSMEs. The ongoing Women in Business Programme provides a potential pool of motivated FI with exposure to female entrepreneurs and is in parallel supporting them in developing products that meet the needs of female entrepreneurs. With FI that do not participate under the Women in Business Programme, the EBRD will utilize We-Fi funds for training and capacity building support, 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 private sectors.

	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-dissaggregated data ecosystem to establish the state of data collection, 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 institutions 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 regulatory 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-dissaggregated 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 collection 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 incentivise or mandate the tracking of SME SDD among FIs.
	Organise study tours, technical visits and workshops between countries in the region to leverage differences in institutional knowledge and generate regional efficiencies.	
	Develop a gender data dashboard to serve as a publicly accessible 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 coordinator.	Report SME SDD data publicly through data portal and dashboard.
	Work with FIs and public stakeholders to analyse SDD and help them to understand 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.	

C. Country Readiness:

This proposal covers several countries across the Western Balkans under a single pilot programme. There are several reasons for this. The EBRD already has an extensive policy engagement programme underway in each of these countries and has built strong relationships with key stakeholders. Of the countries selected, each may be at a different stage of readiness to implement the code, but it is a deliberate decision not to exclude the less prepared countries. 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 their 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. We therefore outline the preparedness of three champion countries (Albania, North Macedonia and Montenegro), who as well as implementing the code in full, will serve as regional leaders to catalyze change among the remaining Western Balkan countries.

Albania

- EBRD is preparing a roadmap for a Gender Responsive Investment Climate.
- An EBRD baseline study of the financial sector revealed that more than half of all FI have the ability to sex-disaggregate their SME portfolios. Yet, only 30% of said FI do analyse loans on a sex-disaggregated basis, highlighting a need for further support.
- The EBRD has initiated policy engagement activities with the banking regulator (Central Bank of Albania) to promote diversity in the banking sector and develop a tailor-made gender transformation plan. That plan mandates SDD reporting and capacity building to collect, analyse and leverage this data for evidence-based financial policy and product development.
- There are several key stakeholders within Albania, with a high degree of readiness to champion the Code:
 - Central Bank of Albania: Independent central bank that supervises the entire Albanian banking system. The Central Bank of Albania does not currently mandate or collect SDD, but has expressed an interest in the institutionalization of gender criteria in mandatory reporting requirements from commercial banks.
 - Association of Albanian Banks: The unified voice of the banking industry in Albania. The Association already collects SDD and publishes it in an annual report on progress against SDGs. The Association has physical capacity, offers venues, and is very interested in cooperating on gender and diversity capacity building for the benefits of its members.
 - Institute of Statistics/Business Registry of Albania: The business register contains detailed information on legal units, enterprises, and local entities that carry out their economic activities in the Albanian territory.
 - National Council of Gender Equality: An advisory body comprising members of the council of ministers, deputy ministers and three NGO representatives. The Council's duties are to ensure gender mainstreaming, analyze the situation of gender equality and domestic violence in Albania and to approve progress reports on the implementation of the national strategy for gender equality.

- FI: Currently 11 banks operate in Albania, several of which are EBRD PFI and one participant of the WiB programme.
- Various ecosystem partners: The Association of Women in Business, the Gender Alliance for Development and Cooperation, the Women's Economic Chamber, the American Chamber of Commerce, and the International Chamber of Commerce.
- Investment Council: A public-private advisory council and coordinating body that brings together key stakeholders from across public and private sectors to advise on policy aimed at improving the investment climate in the country.

North Macedonia

- The Central Bank has endorsed the EBRD's Social Taxonomy⁶ among all 13 local FI, giving a clear baseline of the financial sector's current gender responsive practices.
- The Ministry of the Economy has agreed to work with the EBRD to develop a new policy framework for women entrepreneurs as the current Strategy for the Development of Women Entrepreneurship is ending in 2023, and has committed to legislative changes to improve SDD gathering.
- The EBRD has completed a diagnostic study on Gender Responsive Investment Climate reforms and established a roadmap for improving access to finance for women entrepreneurs.
- Other policy engagement programmes in the country focus on institutional strengthening of the Ministry of the Economy, the Central Registry, and of local FI through the Central Bank to enhance the collection, use and analysis of SDD. The key stakeholders positioned to champion the code are:
 - Central Bank of North Macedonia: The Central Bank has adopted a financial literacy strategy, yet it lacks operationalization. It has ambitions to advance their data systems to facilitate the collection of SDD and has expressed interest to take part in policy dialogue and financial inclusion capacity building activities.
 - Macedonian Banking Association: The Macedonian Banking Association is ready to work on capacity building and awareness raising among FI.
 - FI: There are 13 licensed FI operating in the country, five of which are EBRD PFI.
 - Central Registry: The Central Registry is the central information base of legal and other relevant data on businesses. The data entered in the Central Registry are electronically processed, unified, selected, stored and made available to the users that are interested. The Central Registry will build its institutional capacity to collect and publish SDD.
 - Ministry of the Economy: The main policy maker in the area of economic development. Keen to act as a core policy partner and mainstream gender into all programmes, creating an important platform for policy solutions to financial inclusion challenges across several areas.

⁶ The EBRD's Social Taxonomy is a taxonomy of gender responsive practices in the financial sector. The taxonomy is completed by FI and is used to establish where practices currently stand and when further support might be needed.

- Ministry of Labour and Social Policy: The main policy development and implementation coordination body in the field of gender equality. Currently implementing the National Strategy for Gender Equality with objectives focused on women's economic empowerment.
- Ecosystem partners: Various partners, such as business associations and chambers that will synergise efforts on product development for women entrepreneurs.

Montenegro

- The EBRD is at an advanced stage of policy engagement in Montenegro, working through the Competitiveness Council of Montenegro, a public-private dialogue body.
- The EBRD is currently in the process of launching its Social Taxonomy in all 11 FI in Montenegro, establishing a clear gender baseline.
- The Competitiveness Council has produced national guidelines that allow businesses to declare if they meet the criteria of a women enterprise.
- The EBRD has produced a roadmap for a Gender Responsive Investment Climate, providing analysis of the key factors that limit women entrepreneurship and advises on necessary reforms to address them.
- The EBRD is in discussion with the Central Bank of Montenegro to change the reporting requirements to introduce regular SDD collection.
- There are several key stakeholders in Montenegro who could champion the code:
 - Central Bank of Montenegro: Independent institution responsible for monetary policy and the establishment and maintenance of a sound banking system. The Central Bank has expressed interest to advance their MIS through the inclusion of SDD, as well as enhancing its gender analytical capacity. It will cooperate in policy dialogue and FI capacity building activities.
 - Association of Montenegrin Banks: The AMB will act as institutions building partner and work on capacity building and awareness raising among FI.
 - FI: There are 11 banks in Montenegro, of which two are EBRD WiB clients.
 - Ministry of Economic Development and Tourism: Responsible for the development of micro, small and medium enterprises, Strategy for development of women's entrepreneurship and Strategy for lifelong entrepreneurial learning. It represents the key policy actor responsible for gender mainstreaming of investment climate reforms and coordinates the working group on women's economic empowerments, in support of gender-mainstreaming programs.
 - Ministry of Human and Minority Rights: Houses the Department for Gender Equality that oversees the adoption of action plans and strategies to achieve gender equality at all levels.
 - Competitiveness Council: Key platform for public-private dialogue, consisting of key stakeholders from various government institutions, business associations, etc. Two women's business associations take active part in their work.

The policy dialogue with the remaining economies in the region (Bosnia and Herzegovina, Kosovo, Serbia) is at a nascent stage. The Central Bank of Serbia is interested in entering policy

dialogue with EBRD, provided a business case justifying the change in reporting requirements for FI to systematically report SDD. Efforts in collecting SDD in the country are evident. For example, since July 2022, the Central registry of Serbia has introduced the owner and manager's sex as a category for firms' registration in the country.

With a soon-to-be appointed governor for Kosovo's Central Bank, discussions on possible cooperation between leading FI and the Association of Banks to support collection of SDD in the financial sector are to follow shortly. In parallel, the EBRD entered a policy dialogue with the Ministry of trade for its revision of the law on SMEs, with the aim is to include a formal definition for WSMEs. No policy dialogue has been launched in Bosnia and Herzegovina, but policy makers have expressed their keenness and desire to work with the EBRD to address these issues.

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 a well-established relationships with the financial regulators across the world as a membership-based organisation for the financial regulators. 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. FAW is therefore uniquely positioned to support a community of practice on the Code, build learning services and bring forward best practices and momentum.

Alliance for Financial Inclusion: AFI is a policy leadership alliance whose members are central banks and financial regulators in 89 developing countries. AFI share knowledge among its members, promoting best practices in financial inclusion and supporting implementation of effective policy and regulation, in particular through collection and use of SDD. On the 26th 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 SDD. Similar knowledge sharing events will be important in promoting the SDD usage across the region.

Financial Alliance for Women (FAW): The EBRD also has a strong cooperation with the Financial Alliance for Women (FAW). The EBRD is active in sharing information with the network and promoting peer exchange through the FAW to its PFI under the Women in Business Programme. The FAW will leverage their history of achievement on SDD to identify needs, support EBRD and regional FI with the process of data collection and analysis, and facilitate knowledge sharing within a country and across the region. This will include through access to champions in their own community, sharing best practice from FI that have successfully begun to collect and analyse SDD.

E. IP Readiness/Track Record:

The EBRD has extensive experience in delivering national progress on SDD 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 WSMEs, (ii) technical assistance to participating FI to build their capacity to serve women entrepreneurs, and (iii) advisory, mentoring and support to women entrepreneurs to grow their businesses and access finance. This programme has been operational in the Western Balkans since 2014, one of the first such programmes to launch and has provided 14 PFI across all countries in the region with capacity to target and serve women entrepreneurs, and as such is one of the most mature programmes with a significant stamp in the local markets in the region. The Programme has been supported by Italy, Luxembourg, Sweden and the EBRD Shareholder Special Fund. A recent independent evaluation of the Western Balkans WiB Programme, commissioned by the Sida (Swedish development agency), found that the programme had contributed to shifting PFI' perceptions of women entrepreneurs, with many now contributing a significant proportion of their own funds towards financing the WSME segment. The legacy of this programme, which has been expanded in to the second phase, has created a financial ecosystem which understands the business rationale and is able to deploy products and services that serve women entrepreneurs.

MIS changes and SDD collection are strongly emphasised in the technical component of the WiB programme. It is based both on PFI' capacity to sex-disaggregate SME data, and on making concrete changes to MIS systems of the PFI. However, in most cases, one of the implementation challenges faced in the programme has been achieving actual MIS changes, which have been very rare, and the impact is limited to the tracking of the EBRD's WSME portfolio under the WiB Programme. The reasons for this vary from organisational to structural factors (MIS can be set at the Group / parent level), to lacking the business case in return on the MIS investment given the long list of competing demands for IT improvements within FI. However, the business case for MIS improvements is getting easier as the WiB share increases in the PFI' SME portfolios, with increased exposure to the preferences and repayment behavior of WSMEs. The engagement with the financial regulator on the SDD will have the potential to create the required incentives for FI to start collecting, analysing and reporting total SME portfolios disaggregated by sex. Here, peer-learning will be particularly valuable to define the added-value and specifics that other PFI have seen in this area, either within existing fora, such as the Financial Alliance for Women, or as an EBRD direct initiative between PFI under the Code.

In 2019, the WiB 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 2nd and 3rd rounds) and the Western Balkans (currently funded by the EBRD Shareholder Special Fund). The policy component has a significant focus on the collection, analysis and disclosure of SDD. 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 by region and industry, and a unified definition of a WSME is in the process of passing through parliament. While the policy

dialogues in the Western Balkans are at a more nascent stage, they have been able to lean on the lessons learned from Central Asia experience, and have already made significant progress.

III. IMPACT AND LEARNING (1-3 pages)

A. Sustainable Beneficiary Impact:

The effectiveness of EBRD flagship programs, such as the WiB Programme, is testimony of the impact that the Bank achieves through its activities. For example, in Türkiye, participating FI 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 PFI collecting and reporting SDD, relying on the uniform definition of WSMEs in each of the six countries. It will enable tracking the provision of the financial and non-financial services to the WSMEs against the established baseline at the PFI 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 SDD. This is crucial to advise and conduct policy analyses, 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, including a differentiation between micro and SME. 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 16% of firms located in the Western Balkans have a female top manager with substantial differences across economies (from 3% in Kosovo to 20% in North Macedonia) while 12% have more than 50% female ownership (4% in Kosovo to 17% in North Macedonia).

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 MSME 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 SDD; (iii) adoption of policies that improve the ecosystem, support services and financial mechanisms for development of women MSMEs (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 PFI, 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 SDD 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 WiB 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, including inter alia the World Bank's yearly data related to Gender and entrepreneurship. Moreover, based on the latest EBRD-EIB-WB Enterprise Survey, the EBRD's defines "credit constrained" firms as those that applied for a loan in the previous 12 months, and either got their request rejected or discouraged in the process, hence not getting the loan. The implementation of the code will track a potential reduction of the likelihood of WSMES' credit-constraints compared to men-led.

More generally linked to gender equality, the Women, Business and the Law report aims to measure (unequal) rights between men and women, incl. in the area of entrepreneurship, namely constraints on women 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 focus 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 a quasi-experimental approach. Findings of the research shall on the one hand contribute to a better design and phasing of the projects, and on the other provide policy-oriented recommendations as to how to address further gaps in women’s 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 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 WSMEs in developing economies. Policy-oriented sessions and academic 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, originated by the EBRD’s Banking, Office of the Chief Economist and Impact teams. A thematic-level assessment of the Women of the Steppe Programme in Central Asia, currently scheduled across the next 3-years, is expected to generate learnings for improved institutional performance and results management. It will be compiled in a lessons platform to facilitate use in future operations and strategic decisions and disseminated through various events, promoting organisational learning, improve awareness, ease of access and use of findings and lessons.

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

The Implementing Partner is responsible for ensuring that activities in this proposal are executed in accordance with the IP’s policies and procedures.

- A. Risks Identified:** Describe and assess risks to achieving the overall program/project development objective(s) and associated activities. A template for the risk framework has been provided in Attachment 3 as a framework to consider these risks.
- B. Proposed Action Plan:** Reflecting your fiduciary and safeguards policies, provide a plan to manage these risks. Describe the mitigation measures and program risk management mechanisms that will be employed.

Key operations risks related to the activity design and implementation arrangements are considered low or medium 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. A full exploration of risk and mitigation can be found in Annex 5.

V. Annexes

Annex 1 – EBRD Breakdown of Costs⁷

All in US\$, million		2 years of implementation						
Programme Components and Other Categories	WE-Fi funds	Budget Notes	Albania	Bosnia and Herzegovina	Kosovo	Montenegro	North Macedonia	Serbia
Capacity building to national stakeholders, local banks and SDD SME aggregator / platform	1,139,647	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.	178,356	183,930	159,794	151,544	194,856	271,169
Programme co-ordination & administration	460,353	Development of the action plan, co-ordination of stakeholders and PFIs, form coalition & recruits signatories, train the EBRD staff, in-country visits, contracting, donor reporting and administrative support	76,726	76,726	76,726	76,726	76,726	76,726
Membership in the partner organisations (FAW, AFI, WWB)	110,000	Calculated based on the #PFIs under the WiB over 2 years	16,923	8,462	8,462	8,462	33,845	33,845
Programme Visibility	100,000	Awareness-raising, branded promotion material, events organisation, in-country study trips & exchanges	16,666	16,666	16,666	16,666	16,666	16,669
Research & Learning	150,000						150,000	
IP Management Fees (5%)	40,000		6,667	6,667	6,667	6,667	6,667	6,667
TOTAL	2,000,000		295,338	292,450	268,314	260,064	478,759	405,075

⁷ The EBRD is requesting flexibility of 20% in budget allocation by country and line item over the implementation period of the proposal

ALBANIA

USD	Year 1	Year 2	Total
Investment Activities			
Advisory / Technical Assistance	65,431	223,240	288,671
Grants to WSMEs			-
Research & M&E			-
Administrative Fee	6,667		6,667
Total We-Fi Financing Requested	72,098	223,240	295,338

BOSNIA AND HERZEGOVINA

USD	Year 1	Year 2	Total
Investment Activities			
Advisory / Technical Assistance	124,913	160,870	285,783
Grants to WSMEs			-
Research & M&E			-
Administrative Fee	6,667		6,667
Total We-Fi Financing Requested	131,580	160,870	292,450

KOSOVO

USD	Year 1	Year 2	Total
Investment Activities			
Advisory / Technical Assistance	71,379	190,268	261,647
Grants to WSMEs			-
Research & M&E			-
Administrative Fee	6,667		6,667
Total We-Fi Financing Requested	78,046	190,268	268,314

MONTENEGRO

USD	Year 1	Year 2	Total
Investment Activities			
Advisory / Technical Assistance	65,431	187,966	253,397
Grants to WSMEs			-
Research & M&E			-
Administrative Fee	6,667		6,667
Total We-Fi Financing Requested	72,098	187,966	260,064

NORTH MACEDONIA

USD	Year 1	Year 2	Total
Investment Activities			
Advisory / Technical Assistance	77,327	244,765	322,092
Grants to WSMEs			-
Research & M&E		150,000	150,000
Administrative Fee	6,667		6,667
Total We-Fi Financing Requested	83,994	394,765	478,759

SERBIA

USD	Year 1	Year 2	Total
Investment Activities			
Advisory / Technical Assistance	113,016	285,392	398,408
Grants to WSMEs			-
Research & M&E			-
Administrative Fee	6,667		6,667
Total We-Fi Financing Requested	119,683	285,392	405,075

ALBANIA

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	295,338
IP Contribution [1] (B)	
Public-sector co-funding [2] (C)	
Private sector co-funding[3] (D)	
Additional co-funding [specify] [1] (E)	
Total Non-We-Fi Funding (F)= (B+C+D+E)	0
Total ActivitySize (G)= (F+A)	295,338
Of which % IDA and % FCS (IDA+FCS / G)	0% 0
Co-Funding ratio (F/A)	0

BOSNIA AND HERZEGOVINA

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	292,450
IP Contribution [1] (B)	
Public-sector co-funding [2] (C)	
Private sector co-funding[3] (D)	
Additional co-funding [specify] [1] (E)	
Total Non-We-Fi Funding (F)= (B+C+D+E)	0
Total ActivitySize (G)= (F+A)	292,450
Of which % IDA and % FCS (IDA+FCS / G)	0% 0
Co-Funding ratio (F/A)	0

KOSOVO

Sources of Financing	Amount (do not round)	
We-Fi financing requested (A)	268,314	
IP Contribution [1] (B)		
Public-sector co-funding [2] (C)		
Private sector co-funding[3] (D)		
Additional co-funding [specify] [1] (E)		
Total Non-We-Fi Funding (F)= (B+C+D+E)	0	
Total ActivitySize (G)= (F+A)	268,314	
Of which % IDA and % FCS (IDA+FCS / G)	100%	268314
Co-Funding ratio (F/A)		

MONTENEGRO

Sources of Financing	Amount (do not round)	
We-Fi financing requested (A)	260,064	
IP Contribution [1] (B)		
Public-sector co-funding [2] (C)		
Private sector co-funding[3] (D)		
Additional co-funding [specify] [1] (E)		
Total Non-We-Fi Funding (F)= (B+C+D+E)	0	
Total ActivitySize (G)= (F+A)	260,064	
Of which % IDA and % FCS (IDA+FCS / G)	0%	0
Co-Funding ratio (F/A)	0	

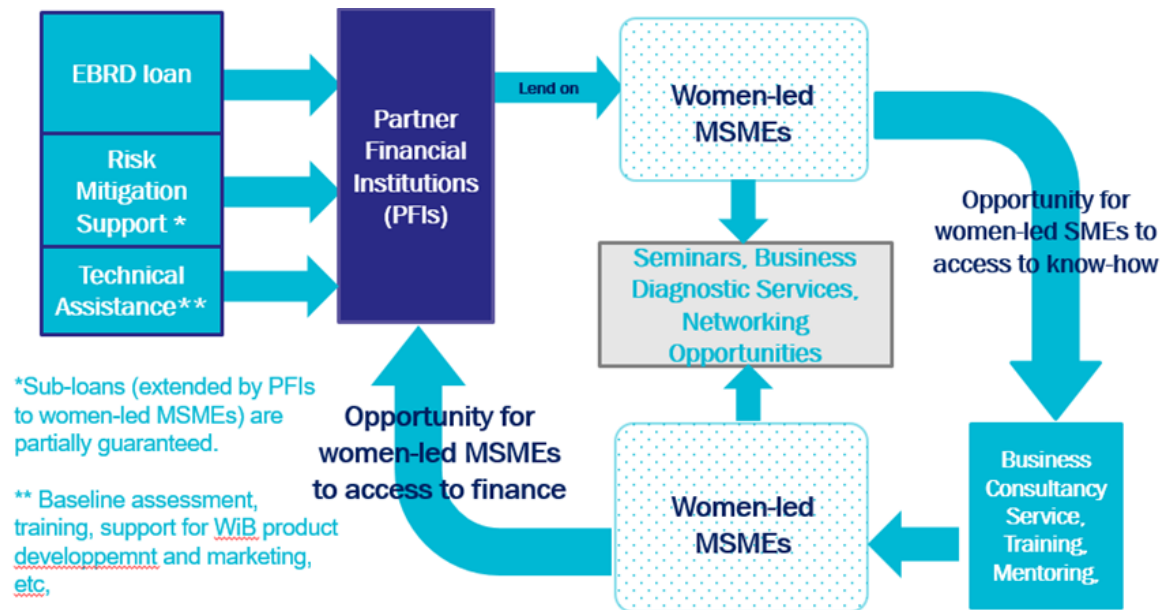
NORTH MACEDONIA

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	478,759
IP Contribution [1] (B)	
Public-sector co-funding [2] (C)	
Private sector co-funding[3] (D)	
Additional co-funding [specify] [1] (E)	
Total Non-We-Fi Funding (F)= (B+C+D+E)	0
Total ActivitySize (G)= (F+A)	478,759
Of which % IDA and % FCS (IDA+FCS / G)	0% 0
Co-Funding ratio (F/A)	0

SERBIA

Sources of Financing	Amount (do not round)
We-Fi financing requested (A)	405,075
IP Contribution [1] (B)	
Public-sector co-funding [2] (C)	
Private sector co-funding[3] (D)	
Additional co-funding [specify] [1] (E)	
Total Non-We-Fi Funding (F)= (B+C+D+E)	0
Total ActivitySize (G)= (F+A)	405,075
Of which % IDA and % FCS (IDA+FCS / G)	0% 0
Co-Funding ratio (F/A)	0

Annex 2 - Structure of Western Balkans Women in Business Programme



Annex 3 - 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 4 – Results Framework

Attached separately.

ALBANIA

I. 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 Western Balkans, including Albania, as well as its direct presence through its network of local offices. Political, Social and Governance Risks are considered to be low as EBRD has a well-established presence in Albania 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, including Albania, 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 4.

Risk Description	Rating	Assessment	Response Measures
------------------	--------	------------	-------------------

	Probability	Impact	Overall		
Activity Design and Implementation Arrangements					
<p>Related to the design and implementation of Activities financed by We-Fi, for example:</p> <ul style="list-style-type: none"> • Is the activity design informed by lessons of previous activities in this sector/country? • 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? • Will the activity require major procurement not common for this sector/country (countries)? Will the activity require transfer of funds between multiple government levels? • The risk that the activity is supply rather than demand driven. Has the activity been discussed with potential counterparts? • The risk that activity outputs and outcomes are not communicated specifically and precisely, so that 	Possible	Medium	Low	<p>Operational risks associated with activity design and implementation are considered to be low as EBRD has a long-standing relationship with the key stakeholders and is the largest investor and SME lender in Albania.</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"> • The design is evidence based and informed by the Gender Responsive Investment Climate Assessment that has been produced for Albania. 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. • EBRD is implementing a comprehensive policy dialogue in Albania, and has built a strong relationship with the Central Bank and the Association of banks. Their willingness to cooperate has been confirmed with a country memorandum for cooperation signed. EBRD has identified the Investment Council as a relevant platform through which policy dialogue is facilitated. • 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. • The sex disaggregated data interventions in Albania are demand driven. 30% of the banks are already disaggregating data, but OECD and the EU for a long time recommend the whole financial sector to use sex

concerned stakeholders do not get what they need, when and how they need it.				<p>disaggregated data. 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. Furthermore, 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.</p> <ul style="list-style-type: none"> • Before the project was developed the EBRD team conducted a social taxonomy survey of the whole financial sector in Albania and the design of the intervention addresses the needs detected. In addition, active monitoring of interim results and internal evaluation process will serve as safeguards to ensure the achievement of activity objectives.
Political, Social and Governance Risks				

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	Low	Low	<p>EBRD has a well-established presence in Albania and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.</p> <p>The current political situation in Albania is stable, there is a strong commitment and openness to reform processes anchored on the prospect of EU membership. Risks are at least partially mitigated by the social perception of women's role in business and their contribution to the resilience of the economies to the external shocks.</p>	<ul style="list-style-type: none"> • The Bank is supporting the Investment Council of Albania which is a public private dialogue body through which all stakeholders are engaged, policy advice is provided. In addition, the Bank has a MoU with the Central Bank and the Association of Albanian banks providing for basis for capacity building to commercial banks. This process is transparent and participatory. • The EBRD would take into account the exposure of Program 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. • In order to mitigate against the political risk, the proposed activity entails mandating the collection of the SDD SME data by the banking regulator in Albania. • Strong EBRD local engagement with authorities will contribute to cementing commitment during the entire duration of the activities. In addition, engagement with global partners (such as AFI) and regional ones (such as the RCC) will reinforce the messages vis-à-vis the authorities about the importance of the reform/policy actions. • When developing financial products for women in business commercial banks should respond to the new
---	----------	-----	-----	---	---

				<p>Covid-19 pandemic and the war in Ukraine has also created economic and political shocks and in particularly disrupted the supply chains. The Gender responsive investment climate assessments of EBRD shows that women led/owned enterprises are more affected by this than men owned/led enterprises.</p>	<p>challenges faced by women led/owned enterprises stemming from the war. In example promotion of supply chain financing will be supported to address the aftermath of the Ukraine-Russia war.</p> <ul style="list-style-type: none"> • Advocacy and awareness-raising has been included and will be implemented in cooperation with the Association of Albanian Banks.
Fiduciary Risks					
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	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	<ul style="list-style-type: none"> • 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. • The quality of services provided by the consultants and third parties will be monitored against the agreed

<p>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 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>procurement division that oversees all procurement activities in line with rigorous policies to ensure competitiveness and transparency.</p>	<p>scope of work through regular meeting and reporting including on-site verification.</p> <ul style="list-style-type: none"> • 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.
Environment and Social Safeguards/Standards					

<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</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&S requirements, including in the areas of health, safety, social, labor and environment.</p>	<ul style="list-style-type: none"> • Application and monitoring of the EBRD E&S policy throughout the implementation periods of each PFI under the Program, including through spot checks (where applicable). • 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. • The Western Balkan Governments, including Albania, have aligned their procurement systems with the EU Directive on public procurement from 2014 which regulates environmental, social and innovation focused procurement. The Governments of North Macedonia, and Serbia committed to use environmental procurement from 2023.
--	----------	--------	-----	---	--

line with the safeguards/standards of IPs.					
Other Risks					
<ul style="list-style-type: none"> Local financial institutions unable or unwilling to provide sex-disaggregated data Data privacy concerns regarding reporting on sex-disaggregated data. 	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.	<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>

BOSNIA and HERZ.

II. 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 Western Balkans, including Bosnia and Herz., as well as its direct presence through its network of local offices. Political, Social and Governance Risks are considered to be medium as the political situation in Bosnia and Herzegovina is sensitive and the ongoing geopolitical struggle affects the fragile political design on the state. EBRD has a well-established presence in the country and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.

A full exploration of risk and mitigation can be found in Annex 4.

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 4.

Annex 5 – Risk Framework

Risk Description	Rating	Assessment	Response Measures
-------------------------	---------------	-------------------	--------------------------

	Probability	Impact	Overall		
Activity Design and Implementation Arrangements					
<p>Related to the design and implementation of Activities financed by We-Fi, for example:</p> <ul style="list-style-type: none"> • Is the activity design informed by lessons of previous activities in this sector/country? • 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? • Will the activity require major procurement not common for this sector/country (countries)? Will the activity require transfer of funds between multiple government levels? • The risk that the activity is supply rather than demand driven. Has the activity been discussed with potential counterparts? • The risk that activity outputs and outcomes are not communicated specifically and precisely, so that 	Possible	Medium	Low	<p>Operational risks associated with activity design and implementation are considered to be low as EBRD has a long-standing relationship with the key stakeholders and is the largest investor and SME lender in Bosnia and Herzegovina.</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"> • The intervention in Bosnia and Herzegovina mirrors the evidence-based approach that has been informed by the Gender Responsive Investment Climate Assessment conducted in other countries of the region. The GRICA in BiH is going to be launched in autumn 2023. In addition, the approach is informed of EBRD's experience in delivering national level progress on SDD data collection, and integrate lessons learnt from the implementation of the WiB Programs across 25 EBRD's countries of operation. • EBRD has built a strong relationships with the Central Bank and the Association of banks. Their willingness to cooperate has been confirmed prior to proposal development. In the coming period EBRD will identify a relevant platform through which policy dialogue is facilitated. Furthermore, the sex disaggregated data interventions in Bosnia and Herzegovina have been recommended by OECD and the EU and request for technical assistance has voiced by national level stakeholders in this regard. 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.

<p>concerned stakeholders do not get what they need, when and how they need it.</p>					<ul style="list-style-type: none"> • 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. • An initial regional assessment has 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. • 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.
Political, Social and Governance Risks					

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 Bosnia and Herzegovina as is one of the largest investors. The RO office is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.</p> <p>The political situation in Bosnia and Herzegovina is sensitive as the ongoing geopolitical struggle affects the fragile political design on the state. The recently granted candidate status for EU member state provides an important perspective towards reforms that will secure EU membership.</p> <p>Women role in the economy has been recognized since the Bosnian conflict and</p>	<ul style="list-style-type: none"> • The Bank has multiple investments in strategic infrastructure in Bosnia and Herzegovina which has been priority and only unifying point of deliberation of the different stakeholders in the past period. Implementing the WiB program the EBRD also has number of partner financial institutions and working relationship with the Central Bank and the Association of banks providing for basis for capacity building to commercial banks. This process is transparent and participatory. • The EBRD would take into account the exposure of Program 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. • In order to mitigate against the political risk, the proposed activity entails mandating the collection of the SDD SME data by the banking regulator in BiH. • Strong EBRD local engagement with authorities will contribute to cementing commitment during the entire duration of the activities. In addition, engagement with global partners (such as AFI) and regional ones (such as the RCC) will reinforce the messages vis-à-vis the authorities about the importance of the reform/policy actions.
---	----------	--------	--------	--	--

			<p>thus risks are at least partially mitigated by the social perception of women's role in business and their contribution to the resilience of the economy to the external shocks.</p> <p>Covid-19 pandemic and the war in Ukraine has also created economic and political shocks and in particularly affected survival rates of women owned business and their economic growth, as savings were smaller and quickly used. The Gender responsive investment climate assessment of EBRD will be launched this autumn in BiH providing for a roadmap of reforms and dialogue that empowers women in business.</p>	<ul style="list-style-type: none"> • When developing financial products for women in business commercial banks should respond to the new challenges faced by women led/owned enterprises stemming from the war. • Advocacy and awareness-raising has been included and will be implemented in cooperation with the Association of Banks.
--	--	--	--	--

Fiduciary Risks					
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	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 ensure competitiveness and transparency.	<ul style="list-style-type: none"> • 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. • 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. • 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.

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.					
Environment and Social Safeguards/Standards					
<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</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</p>	<ul style="list-style-type: none"> • Application and monitoring of the EBRD E&S policy throughout the implementation periods of each PFI under the Program, including through spot checks (where applicable). • 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.

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.				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"> The Western Balkan Governments, including Albania, have aligned their procurement systems with the EU Directive on public procurement from 2014 which regulates environmental, social and innovation focused procurement. The Governments of North Macedonia, and Serbia committed to use environmental procurement from 2023.
Other Risks					
<ul style="list-style-type: none"> Local financial institutions unable or unwilling to provide sex-disaggregated data Data privacy concerns regarding reporting on sex-disaggregated data. 	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	<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>

				respect to collecting SDD SME data and observing data privacy rights in the process thereof.	
--	--	--	--	--	--

KOSOVO

III. 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 Western Balkans, including Kosovo, as well as its direct presence through its network of local offices. Political, Social and Governance Risks are considered to be medium as the political situation in Kosovo is fragile, and there is an external pressure on the Government which in turn has a strong support internally. EBRD has a well-established presence in Kosovo and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.

A full exploration of risk and mitigation can be found in Annex 4.

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 4.

Annex 5 – Risk Framework

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
Activity Design and Implementation Arrangements					
Related to the design and implementation of Activities financed by We-Fi, for example: <ul style="list-style-type: none"> • Is the activity design informed by lessons of previous activities in this sector/country? • 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? • Will the activity require major procurement not common for this 	Possible	Medium	Low	Operational risks associated with activity design and implementation are considered to be low as EBRD has a long-standing relationship with the key stakeholders and is the largest investor and SME lender in the country. The Activities build on extensive EBRD	<ul style="list-style-type: none"> • The intervention in Kosovo mirrors the evidence-based approach that has been informed by the Gender Responsive Investment Climate Assessment conducted in other countries of the region. The EBRD in Kosovo will launch the social taxonomy survey of the financial sector in autumn 2023. In addition, the approach is informed of EBRD's experience in delivering national level progress on SDD data collection, and integrate lessons learnt from the implementation of the WiB Programs across 25 EBRD's countries of operation. • EBRD has built a strong relationships with the Central Bank and the Association of banks. Their willingness to cooperate has been confirmed prior to proposal development. In the coming period EBRD will identify a

<p>sector/country (countries)? Will the activity require transfer of funds between multiple government levels?</p> <ul style="list-style-type: none"> • The risk that the activity is supply rather than demand driven. Has the activity been discussed with potential counterparts? • 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. 				<p>policy engagement and tried-and-tested approach that are continuously being refined..</p>	<p>relevant platform through which policy dialogue is facilitated.</p> <ul style="list-style-type: none"> • 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. • The sex disaggregated data interventions in Kosovo are demand driven. The country introduced a window for women owned companies in the Guarantee Fund that has been recently established. This brought the definition of WSMEs and the sex disaggregated data collection, analysis and reporting on the agenda. 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. In addition, an initial regional assessment has 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. • 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.
Political, Social and Governance Risks					
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 Kosovo and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.</p> <p>The political situation in Kosovo is fragile, as there is an external pressure on the Government which in turn has a strong support internally. This might affect the stability but the stakeholders engaged in this intervention are appointed by the President which has</p>	<ul style="list-style-type: none"> • The Bank has cooperation with the Central bank and is awaiting for appointment of the new Governor to sign memorandum of cooperation that will allow for a capacity building to be implemented with all banks in a transparent and participatory way. • The EBRD would take into account the exposure of Program stakeholders to economic and political shocks. • In order to mitigate against the political risk, the proposed activity entails mandating the collection of the SDD SME data by the banking regulator in Kosovo. Initial discussions were conducted with the Chief of staff of the Central Bank and the Credit Bureau. • Strong EBRD local engagement with authorities will contribute to cementing commitment during the entire duration of the activities. In addition, engagement with global partners (such as AFI) and regional ones (such as the RCC) will reinforce the messages vis-à-vis the authorities about the importance of the reform/policy actions.

			<p>both internal and external support and secures stability. The resolution of the status of Kosovo in the talks mediated by the EU with Serbia will determine the EU future of the country and the alignment with EU law.</p> <p>Kosovo is advanced in respect to gender mainstreaming of policies, but lacks specific measures for women economic empowerment except for the window reserved for women and youth in the Guarantee fund. EBRD facilitates policy dialogue through which external shocks on women in business</p>	<ul style="list-style-type: none"> • When developing financial products for women in business commercial banks should respond to the new challenges faced by women led/owned enterprises stemming from the war. In example promotion of supply chain financing will be supported to address the aftermath of the Ukraine-Russia war. • Advocacy and awareness-raising has been included and will be implemented in cooperation with the Central Bank, the Association of Banks.
--	--	--	---	---

				<p>and other risks can be mitigated.</p> <p>Covid-19 pandemic and the war in Ukraine has also created economic and political shocks and in particularly disrupted the supply chains.</p>	
Fiduciary Risks					
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,	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</p>	<ul style="list-style-type: none"> • 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. • 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. • Furthermore, EBRD will be able to monitor the implementation progress through staff on the ground, the Regional Offices as well as through close

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.				competitiveness and transparency.	communication and exchange with counterparts and beneficiaries of the services.
Environment and Social Safeguards/Standards					
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	Unlikely	Medium	Low	The EBRD's Environmental and Social Policy applies safeguards at the project level and is applicable and binding to borrowers	<ul style="list-style-type: none"> • Application and monitoring of the EBRD E&S policy throughout the implementation periods of each PFI under the Program, including through spot checks (where applicable). • The EBRD Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organizations concerning EBRD-

<p>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>				<p>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.</p>	<p>financed projects that are alleged to have caused, or are likely to cause, environmental and/or social harm.</p> <ul style="list-style-type: none"> • The Western Balkan Governments, including Albania, have aligned their procurement systems with the EU Directive on public procurement from 2014 which regulates environmental, social and innovation focused procurement. The Governments of North Macedonia, and Serbia committed to use environmental procurement from 2023.
Other Risks					
<ul style="list-style-type: none"> • Local financial institutions unable or unwilling to 	Unlikely	High	High	<p>Operational risks associated with the implementation of the Code is</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</p>

provide sex-disaggregated data <ul style="list-style-type: none"> • Data privacy concerns regarding reporting on sex-disaggregated data. 				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.	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.
---	--	--	--	--	---

MONTENEGRO

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 Western Balkans, including Montenegro, as well as its direct presence through its network of local offices. Political, Social and Governance Risks are considered to be low, as EBRD has a well-established presence in Kosovo and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.

A full exploration of risk and mitigation can be found in Annex 4.

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 for a 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 4.

Annex 5 – Risk Framework

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
Activity Design and Implementation Arrangements					
Related to the design and implementation of Activities financed by We-Fi, for example: <ul style="list-style-type: none"> • Is the activity design informed by lessons of previous activities in this sector/country? • 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? • Will the activity require major 	Possible	Medium	Low	Operational risks associated with activity design and implementation are considered to be low as EBRD has a long-standing relationship with the key stakeholders and is the largest investor and SME lender in Bosnia and Herzegovina.	<ul style="list-style-type: none"> • The design is evidence based and informed by the Roadmap for Gender Responsive Investment Climate Reform. EBRD will in addition 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. • EBRD is implementing a comprehensive policy dialogue on women economic empowerment in Montenegro which has been singled out as best practice in the region by the OECD SME Policy Index. EBRD has built a strong relationship with the Central Bank and the Association of banks. Their willingness to

<p>procurement not common for this sector/country (countries)? Will the activity require transfer of funds between multiple government levels?</p> <ul style="list-style-type: none"> • The risk that the activity is supply rather than demand driven. Has the activity been discussed with potential counterparts? • 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. 				<p>The Activities build on extensive EBRD policy engagement and tried-and-tested approach that are continuously being refined.</p>	<p>cooperate has been confirmed prior to developing the proposal. EBRD has identified the Competitiveness as a relevant platform through which policy dialogue is facilitated. Furthermore, the sex disaggregated data interventions in Montenegro are necessary as this is the biggest weakness of the country and number one priority of the Working group for women economic empowerment for 2024. EBRD will also continue supporting the PFIs through its WiB Program, to implement MIS changes and enhancing the PFIs' ability to report sex-disaggregate SME data.</p> <ul style="list-style-type: none"> • 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. • 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. • Before the project was developed the EBRD team launched a social taxonomy survey in cooperation with the Association of Banks of Montenegro and the intervention will respond to its findings. In addition, active monitoring of interim results and internal
--	--	--	--	--	--

					evaluation process will serve as safeguards to ensure the achievement of activity objectives.
Political, Social and Governance Risks					
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	Low	Low	EBRD has a well-established presence in Montenegro and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise. The current political situation in Montenegro is fragile as a new government needs to be formed after June elections, however the stability of the legal and judicial system as well as the Central bank is secured through the President who has been elected recently and will appoint Governor and Constitutional Court judges to	<ul style="list-style-type: none"> • The Bank is supporting the Competitiveness Council which is a public private dialogue body through which all stakeholders are engaged, policy advice is provided. The Competitiveness Council has a Working group on Women economic empowerment through which mainstreaming of all entrepreneurship support programs is done. The EBRD has a MoU with the Central Bank and working relationship with the Association of Montenegrin banks providing for basis for capacity building to commercial banks. This process is transparent and participatory. • The EBRD would take into account the exposure of Program stakeholders to economic and political shocks. The Secretariat of the competitiveness council also operationalized cooperation with the Investment development fund of Montenegro to support women in decision making positions in businesses which can provide for fast mobilization capacity when working with the public sector on reform and on business level. • In order to mitigate against the political risk, the proposed activity entails mandating the collection of the SDD SME data by the banking regulator in

			<p>secure stability. The country has the strongest commitment in the region for EU membership and this serves as bases for all reforms.</p> <p>Montenegro is a champion in developing and implementing measures for women economic empowerment according to the OECD SME policy index, due to the continuous support of EBRD which will also mitigate risks of external shocks impact on women businesses.</p> <p>Covid-19 pandemic and the war in Ukraine has also created economic and political shocks and in particularly disrupted the supply chains. The Gender responsive</p>	<p>Montenegro. Initial discussions were conducted with the Vice Governor and the Credit Bureau.</p> <ul style="list-style-type: none"> • Strong EBRD local engagement through the Secretariat of the Competitiveness Council with authorities will contribute to cementing commitment during the entire duration of the activities. In addition, engagement with global partners (such as AFI) and regional ones (such as the RCC) will reinforce the messages vis-à-vis the authorities about the importance of the reform/policy actions. • When developing financial products for women in business commercial banks should respond to the new challenges faced by women led/owned enterprises stemming from the war. In example promotion of supply chain financing will be supported to address the aftermath of the Ukraine-Russia war. • Advocacy and awareness-raising has been included and will be implemented in cooperation with the Secretariat of the Competitiveness Council and the Association of Montenegrin Banks.
--	--	--	--	--

				investment climate assessments of EBRD shows that women led/owned enterprises are more affected by this than men owned/led enterprises.	
Fiduciary Risks					
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	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 ensure competitiveness and transparency.	<ul style="list-style-type: none"> • 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. • 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. • 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.

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.					
Environment and Social Safeguards/Standards					
<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</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</p>	<ul style="list-style-type: none"> • Application and monitoring of the EBRD E&S policy throughout the implementation periods of each PFI under the Program, including through spot checks (where applicable). • 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.

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.				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"> The Western Balkan Governments, including Albania, have aligned their procurement systems with the EU Directive on public procurement from 2014 which regulates environmental, social and innovation focused procurement. The Governments of North Macedonia, and Serbia committed to use environmental procurement from 2023.
Other Risks					
<ul style="list-style-type: none"> Local financial institutions unable or unwilling to provide sex-disaggregated data Data privacy concerns regarding reporting on sex-disaggregated data. 	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	<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>

				respect to collecting SDD SME data and observing data privacy rights in the process thereof.	
--	--	--	--	--	--

NORTH MACEDONIA

V. 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 Western Balkans, including North Macedonia, as well as its direct presence through its network of local offices. Political, Social and Governance Risks are considered to be low, as EBRD has a well-established presence in North Macedonia and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.

A full exploration of risk and mitigation can be found in Annex 4.

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.

Further detail on the risk mitigation actions that will be undertaken is provided in Annex 4.

Annex 5 – Risk Framework

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
Activity Design and Implementation Arrangements					
<p>Related to the design and implementation of Activities financed by We-Fi, for example:</p> <ul style="list-style-type: none"> • Is the activity design informed by lessons of previous activities in this sector/country? • 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? • Will the activity require major procurement not common for this sector/country (countries)? Will the activity require transfer of funds between multiple government levels? 	Possible	Medium	Low	<p>Operational risks associated with activity design and implementation are considered to be low as EBRD has a long-standing relationship with the key stakeholders and is the largest investor and SME lender in Bosnia and Herzegovina.</p> <p>The Activities build on extensive EBRD policy engagement and tried-and-tested</p>	<ul style="list-style-type: none"> • The design is evidence based and informed by the Roadmap for Gender Responsive Investment Climate Reform launched in North Macedonia in May 2023. 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. • EBRD is implementing a comprehensive policy dialogue in North Macedonia, and has built a strong relationship with the Central Bank and the Association of banks. Their willingness to cooperate has been confirmed with a country memorandum for cooperation signed. In addition, EBRD's leverage is with the implementation of the GEF facility which include 8 of the 13 PFIs operating in the country. The Bank has identified the Ministry of Economy, department for

<ul style="list-style-type: none"> • The risk that the activity is supply rather than demand driven. Has the activity been discussed with potential counterparts? • 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. 				<p>approach that are continuously being refined.</p>	<p>competitiveness as a relevant platform that will establish a Working group on women economic empowerment through which policy dialogue will be facilitated.</p> <ul style="list-style-type: none"> • 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. • The sex disaggregated data interventions in Macedonia are demand driven. The Central Bank has invested in a unified system of collection of data, analysis and reporting called ISIDORA and demanded from EBRD technical assistance for gender mainstreaming. EBRD has conducted prior to development of the proposal a social taxonomy survey of whole financial sector and 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. Furthermore, an initial regional assessment has 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 MKD. • Before the project was developed the EBRD team conducted a social taxonomy survey of the whole financial sector in Macedonia and the design of the
---	--	--	--	--	--

					intervention addresses the needs detected. 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.
Political, Social and Governance Risks					
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	Low	Low	EBRD has a well-established presence in North Macedonia and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise. The political situation in Macedonia will change as it is expected for the opposition to win the forthcoming elections in 2024, but this should not affect stability of the Central regulator as the mandate is for 9 years covering the	<ul style="list-style-type: none"> • The Bank has cooperation with the Central bank and is implementing GEF facility with 8 of 13 commercial banks in the country which provides for capacity building basis. Through the Association of Macedonian Banks the process will be opened to all banks in a transparent and participatory way. • The EBRD would take into account the exposure of Program stakeholders to economic and political shocks. The policy dialogue that is promoted in the country and is facilitated by EBRD will provide for fast mobilization capacity when working with the public sector on reform and through the cooperation with the Chambers it will be brought to the level of businesses. • In order to mitigate against the political risk, the proposed activity entails mandating the collection of the SDD SME data by the banking regulator in

			<p>implementation period of the intervention. The country has commitment to EU accession processes but these are dependent on overall preparedness of the Union for further enlargement.</p> <p>Macedonia has policy and legal framework for women's entrepreneurship and is receiving assistance from EBRD to strengthen institutional capacities through the forming of the Working group of women's entrepreneurship which can mitigate risks of external shocks on women in business.</p> <p>Covid-19 pandemic and the war in Ukraine has also created economic and political shocks</p>	<p>Macedonia. Initial discussions were conducted with the Governor, the Credit Bureau and the Chief economist.</p> <ul style="list-style-type: none"> • Strong EBRD local engagement with authorities will contribute to cementing commitment during the entire duration of the activities. In addition, engagement with global partners (such as AFI) and regional ones (such as the RCC) will reinforce the messages vis-à-vis the authorities about the importance of the reform/policy actions. • When developing financial products for women in business commercial banks should respond to the new challenges faced by women led/owned enterprises stemming from the war. In example promotion of supply chain financing will be supported to address the aftermath of the Ukraine-Russia war. • Advocacy and awareness-raising has been included and will be implemented in cooperation with the Central Bank, the Association of Macedonian Banks and the Chambers.
--	--	--	--	---

				and in particularly disrupted the supply chains. The Gender responsive investment climate assessment in North Macedonia of EBRD shows that women led/owned enterprises are more affected by this than men owned/led enterprises.	
Fiduciary Risks					
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,	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 ensure	<ul style="list-style-type: none"> • 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. • 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. • Furthermore, EBRD will be able to monitor the implementation progress through staff on the ground, the Regional Offices as well as through close

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.				competitiveness and transparency.	communication and exchange with counterparts and beneficiaries of the services.
Environment and Social Safeguards/Standards					
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	Unlikely	Medium	Low	The EBRD's Environmental and Social Policy applies safeguards at the project level and is applicable and binding to borrowers	<ul style="list-style-type: none"> • Application and monitoring of the EBRD E&S policy throughout the implementation periods of each PFI under the Program, including through spot checks (where applicable). • The EBRD Project Complaint Mechanism provides an opportunity for an independent review of complaints from individuals and organizations concerning EBRD-

<p>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>				<p>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.</p>	<p>financed projects that are alleged to have caused, or are likely to cause, environmental and/or social harm.</p> <ul style="list-style-type: none"> • The Western Balkan Governments, including Albania, have aligned their procurement systems with the EU Directive on public procurement from 2014 which regulates environmental, social and innovation focused procurement. The Governments of North Macedonia, and Serbia committed to use environmental procurement from 2023.
Other Risks					
<ul style="list-style-type: none"> • Local financial institutions unable or unwilling to 	Unlikely	High	High	<p>Operational risks associated with the implementation of the Code is</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</p>

provide sex-disaggregated data <ul style="list-style-type: none"> • Data privacy concerns regarding reporting on sex-disaggregated data. 				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.	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.
---	--	--	--	--	---

SERBIA

VI. 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 Western Balkans, including Serbia, as well as its direct presence through its network of local offices. Political, Social and Governance Risks are considered to be low, as EBRD has a well-established presence in Serbia and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.

A full exploration of risk and mitigation can be found in Annex 4.

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.

Further detail on the risk mitigation actions that will be undertaken is provided in Annex 4.

Annex 5 – Risk Framework

Risk Description	Rating			Assessment	Response Measures
	Probability	Impact	Overall		
Activity Design and Implementation Arrangements					
Related to the design and implementation of Activities financed by We-Fi, for example: <ul style="list-style-type: none"> • Is the activity design informed by lessons of previous activities in this sector/country? • 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? • Will the activity require major 	Possible	Medium	Low	Operational risks associated with activity design and implementation are considered to be low as EBRD has a long-standing relationship with the key stakeholders and is the largest investor and SME lender in Bosnia and Herzegovina.	<ul style="list-style-type: none"> • Gender Responsive Investment Climate Assessment that has been produced for Serbia and the Roadmap for Gender Responsive Investment Climate Reform which is in preparation and will be published in autumn 2023. 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 Programs across 25 EBRD's countries of operation. • EBRD has a strong relationship with the Central Bank and the Association of banks. Their willingness to cooperate has been confirmed with the launch of the social taxonomy survey. The working group on women

<p>procurement not common for this sector/country (countries)? Will the activity require transfer of funds between multiple government levels?</p> <ul style="list-style-type: none"> • The risk that the activity is supply rather than demand driven. Has the activity been discussed with potential counterparts? • 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. 				<p>The Activities build on extensive EBRD policy engagement and tried-and-tested approach that are continuously being refined.</p>	<p>entrepreneurship within the SME council has been identified as a relevant platform through which policy dialogue is facilitated.</p> <ul style="list-style-type: none"> • 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. • The sex disaggregated data interventions in Serbia are demand driven. 30% of the banks are already disaggregating data, but OECD and the EU for a long time recommend the whole financial sector to use sex disaggregated data. 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. Furthermore, an initial regional assessment has 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. • Before the project was developed the EBRD team launched a social taxonomy survey of the whole financial sector in Serbia which will be concluded in autumn 2023 and the intervention will respond to the needs detected. In addition, active monitoring of interim results and internal evaluation process will
--	--	--	--	--	---

					serve as safeguards to ensure the achievement of activity objectives.
Political, Social and Governance Risks					
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	Low	Low	<p>EBRD has a well-established presence in Serbia and is suitably positioned to mitigate political risks affecting the implementation of the Code when they arise.</p> <p>The political situation in Serbia is fragile after the mass shootings in May which provoked citizens' dissatisfaction with the government. The Serbian government is stable and the central regulator is expected to continue implementing policies that will</p>	<ul style="list-style-type: none"> • The Bank has cooperation with the Central bank and Memorandum for cooperation with the Association of banks of Serbia which is also the EBRD partner for capacity building of all banks, implemented in a transparent and participatory way. • The EBRD would take into account the exposure of Program stakeholders to economic and political shocks. The policy dialogue that is promoted in the country and is facilitated by EBRD will provide for fast mobilization capacity when working with the public sector on reform and through the cooperation with the Chambers it will be brought to the level of businesses. • In order to mitigate against the political risk, the proposed activity entails mandating the collection of the SDD SME data. • Strong EBRD local engagement with authorities will contribute to cementing commitment during the entire duration of the activities. In addition, engagement with global partners (such as AFI) and regional ones (such as the RCC) will reinforce the messages vis-à-vis the

			<p>mitigate risks affecting women in business. The country has commitment to EU accession processes and receives external support to join.</p> <p>Serbia has policy and legal framework for entrepreneurship development and some specific measures for women in business that can also be used to avert external shocks on women in business.</p> <p>Covid-19 pandemic and the war in Ukraine has also created economic and political shocks and in particularly disrupted the supply chains. The Gender responsive investment climate</p>	<p>authorities about the importance of the reform/policy actions.</p> <ul style="list-style-type: none"> • When developing financial products for women in business commercial banks should respond to the new challenges faced by women led/owned enterprises stemming from the war. In example promotion of supply chain financing will be supported to address the aftermath of the Ukraine-Russia war. • Advocacy and awareness-raising has been included and will be implemented in cooperation with the Association of Serbian Banks and the Chambers.
--	--	--	---	--

				assessment in Serbia of EBRD shows that women led/owned enterprises are more affected by this than men owned/led enterprises.	
Fiduciary Risks					
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	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 ensure competitiveness and transparency.	<ul style="list-style-type: none"> • 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. • 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. • 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.

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.					
Environment and Social Safeguards/Standards					
<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</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</p>	<ul style="list-style-type: none"> • Application and monitoring of the EBRD E&S policy throughout the implementation periods of each PFI under the Program, including through spot checks (where applicable). • 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.

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.				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"> The Western Balkan Governments, including Albania, have aligned their procurement systems with the EU Directive on public procurement from 2014 which regulates environmental, social and innovation focused procurement. The Governments of North Macedonia, and Serbia committed to use environmental procurement from 2023.
Other Risks					
<ul style="list-style-type: none"> Local financial institutions unable or unwilling to provide sex-disaggregated data Data privacy concerns regarding reporting on sex-disaggregated data. 	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	<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>

				respect to collecting SDD SME data and observing data privacy rights in the process thereof.	
--	--	--	--	--	--