

2X Challenge and GIIN develop metrics for gender-smart investing

Core metric sets, evidence, and implementation guidance available in the GIIN's IRIS+ system to ease access for investors

27 June 2019 - Leading development finance institutions (DFIs) and the Global Impact Investing Network (GIIN) have co-developed a set of gender impact metrics that allow investors to better track their contributions to women's economic empowerment, which will be adopted by members of the 2X Challenge.

Members of the 2X Challenge and the European Development Finance Institutions (EDFI) joined forces with the GIIN to create the gender metrics, which are aligned to the **2X Criteria**—a global benchmark for what it means to “invest in women”—and available to industry on GIIN's comprehensive impact measurement and management system, IRIS+.

The 2X Challenge is a commitment by 11 leading DFIs to mobilise over US\$3 billion in investment capital to support women's economic empowerment in emerging markets.

There has been a growing interest amongst investors for gender-smart investing, as more evidence has revealed the scale of opportunity that arises from including and empowering women throughout the business value chain: companies with more than one woman in senior management have returns 3.7 per cent higher than sector peers, and women control an estimated \$15 trillion of consumer spending.

The IRIS+ system makes it easier for investors to translate their impact intentions into real impact results, and provides key indicators, evidence, and best-in-class resources and guidance across a wide number of impact themes including gender. Earlier this year, the GIIN and the 2X Challenge working group learnt of each other's efforts to develop a set of gender metrics, and decided to collaborate, together with the Gender Finance Collaborative and the GIIN's Gender Lens Investing Initiative, to ensure that a common suite of indicators was created for the market.

Metrics are structured around the 2X Challenge criteria, and cover data points on areas such as ‘women-founded businesses’ and the ‘representation of women in investment committees’. They have been selected drawing on the GIIN’s decade-long history developing standardized, evidence-backed impact metrics and experience working with leading impact investors around the world. They also include indicators on whether investees have initiatives in place to advance women in the workforce and whether companies provide products and services that particularly benefit women.

The metrics are available on IRIS+ at iris.thegiin.org. As well as helping investors on an investment and portfolio level, the combined approach will also enable the 2X Challenge to monitor efforts to shift the needle on directing more capital to advancing gender equality in developing country markets.

In the coming months GIIN and the 2X Challenge will co-author a methodological note to provide practical guidance on applying the metrics.

Amit Bouri, Co-Founder & CEO, GIIN, “Through this alignment with IRIS+, the 2X Initiative will be able to engage directly with a global set of investors around the common goal of improving the livelihoods of women in emerging markets. This is exactly the type of collaboration that is required to advance gender equity and economic empowerment of women around the world.

Nick O’Donohoe, CEO, CDC Group, “The spirit and speed with which all the partners collaborated reflects the willingness and desire within the investment community to really move forward with gender lens investing. By aligning these metrics, all investors can get on with putting their ambitions into practice and achieving great outcomes for women worldwide.”

Efforts to align IRIS+ and 2X criteria were driven by GIIN and CDC, the UK’s DFI. Other DFI participants included the Overseas Private Investment Corporation (OPIC, USA), FinDev Canada, Cassa depositi e prestiti Group (CDP, Italy), Proparco (France), Japan Bank for International Cooperation and the Japan International Cooperation Agency, DEG (Germany), FMO (the Netherlands), Swedfund, Finnfund and IFU (Denmark). The Criterion Institute also participated in the effort to align IRIS+ and the 2X Criteria.

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Notes for editors**About GIIN**

The Global Impact Investing Network (GIIN) is the global champion of impact investing, dedicated to increasing its scale and effectiveness around the world. Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market to market rate, depending on the circumstances. The GIIN builds critical infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry. For more information, please visit www.thegiin.org

About IRIS+

IRIS+ is the generally accepted system for impact investors to measure, manage, and optimize their impact. Built on over a decade of the GIIN's experience in managing the IRIS catalog of metrics, and on contributions from 800 stakeholders around the world, IRIS+ makes it easier for impact investors to translate their impact intentions into real results. IRIS+ provides short lists of key indicators, together with evidence, best-in-class resources, and practical implementation guidance across common impact investing themes, all in one easy-to-navigate system. IRIS+ is also the home to the IRIS catalog of metrics. For more information, please visit iris.giin.org

About the 2X Challenge

At the 2018 G7 Summit in Charlevoix, Quebec, the G7 DFIs – FinDev Canada, the United Kingdom (CDC), the United States (Overseas Private Investment Corporation – OPIC), Italy (Cassa depositi e prestiti – Cdp), France (Proparco) and Japan (JBIC and JICA), and Germany (DEG) – established the 2X Challenge.

The 2X Challenge is a commitment to mobilise US\$3 billion by 2020 for investment in business activities that will benefit women. In the year since its announcement four new member nations have joined: the Netherlands (FMO), Finland (Finnish Fund for Industrial Cooperation), Sweden (Swedfund), and Denmark (Investment Fund for Developing Countries). The 2X Challenge has mobilised more than \$1 billion since its creation in June 2018.

About CDC Group

CDC Group plc is the UK's development finance institution. Wholly owned by the UK Government, it invests with the aim of supporting economic development to create jobs and opportunity in Africa and South Asia. It has net assets of £5.1 billion and invests flexibly using debt, equity, intermediated equity and guarantees to meet businesses' needs.

About the Gender Finance Collaborative

The Collaborative consists of 14 DFIs plus the European Investment Bank (EIB) and has a collective goal to increase the strategic impact of investment capital toward women as business and fund leaders, entrepreneurs, a strong and valued workforce, consumers and community members.