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2X Challenge: G7 development finance institutions commit and mobilize close to \$2.5 billion to global women's economic empowerment

One year after the launch of the 2X Challenge at the G7 Charlevoix Summit, development finance institutions (DFIs) of the G7 countries have already committed and mobilized \$2.47 billion in gender-smart investments. With new members having joined the challenge and a set of criteria defining what it means to invest in women, the momentum to advance women's economic participation and opportunity is growing stronger.

The World Economic Forum's 2018 Global Gender Gap Report estimates it would take 202 years¹ to close the economic participation and opportunity gender gap if we continue to move at the same pace. That is why the development finance institutions (DFIs) of the G7 countries decided to join forces and launch the 2X Challenge at the Charlevoix G7 Summit in 2018.

The "2X Challenge – Financing for Women" aims at increasing access to finance for women-owned, women-led and women-supporting enterprises in developing and emerging countries.

The \$2.47 billion that have already been committed and mobilized through the 2X Challenge are supporting projects that empower women as entrepreneurs, as business leaders, as employees and as consumers of products and services that enhance their economic participation. The ambitious \$3 billion target to be reached by the end of 2020 is likely to be largely exceeded.

A commitment by 12 DFIs to increasing the number of gender-smart investments

DFIs are development banks which mobilize private capital to invest in emerging markets and developing countries. The founding members of the 2X Challenge are DFIs from Canada (FinDev Canada), France (Proparco), Germany (DEG), Italy (Cassa Depositi e Prestiti – CDP), Japan (JBIC and JICA), the United Kingdom (CDC) and the United States (Overseas Private Investment Corporation - OPIC).

In May 2019, the 2X founding group welcomed 4 new DFIs from the Netherlands (FMO), Sweden (Swedfund), Finland (Finnfund) and Denmark (IFU).

The participating DFIs host an online platform (2xchallenge.org) to publicly track their progress and coordinate efforts made by other 2X Challenge participants.

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A common set of criteria to define what investing in women means

The 2X Challenge members, in partnership with Dalberg Advisors, used the best available research to develop evidence-based eligibility criteria for 2X qualifying transactions.

The criteria are quickly becoming the global standard for what it means to 'invest in women', and represent a major step towards establishing a common language for investors worldwide. Investors and pooled investment vehicles reference the 2X criteria to define gender-smart investments that reduce gender inequalities. Increasingly recognized and adopted widely by investors worldwide, this set of well-defined criteria helps investors identify gender-smart investments, define gender investment strategies and monitor impact.

A concrete impact for women

The projects supported through the 2X Challenge present concrete, demonstrable impacts for women.

For example, Annapurna Finance Pvt Ltd is a company offering microloans and related financial literacy education, mainly to poor women in rural India. Thanks to the financing provided by Finnfund, Annapurna will be able to offer its services more widely in India beyond the 1.4 million customers it is currently serving. The possibility of using a microloan to generate more income contributes to the economic independence of women and those in vulnerable positions.

PEG Africa, an asset financing solar power company providing home systems to underserved customers in West Africa, is another company which has been financed by CDC as part of the 2X Challenge. PEG has spearheaded a company-wide mentorship programme to facilitate the progression of female mid-managers into more senior management levels and introduced a range of family-centred policies while setting a hiring scheme to increase the number of local, female staff.

Invest2Impact

In order to further support the growth of high potential, women-owned businesses and increase their commerciality and impact, FinDev Canada, CDC Group, Proparco and OPIC, along with the Mastercard Foundation, launched in June 2019 the *2X Invest2Impact Business Competition*. *Invest2Impact* will provide 100 women-owned SMEs with mentorships, business development services, visibility and the opportunity for funding.

→ Visit [the Invest2Impact website](https://www.invest2impact.org) for more information

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→ To find out more about 2X Challenge criteria, key figures, main sectors and impacts: www.2Xchallenge.org

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