



2X Challenge exceeds initial target by committing and mobilizing \$4.5 billion in capital towards women's economic empowerment

Montreal, June 30th, 2020 - Just two years after the launch of the 2X Challenge at the G7 Charlevoix Summit in Canada, the initiative has committed and mobilized a total \$4.5 billion in gender-smart investments. Founding G7 DFIs contributed and mobilized \$4.1 billion, surpassing the initial target of \$3 billion by the end of 2020. DFIs remain the primary source of capital towards the challenge (with their own balance sheet representing \$2.4 billion of the overall amount), while private sector financiers and other investors accounted for \$1.2 billion and \$0.8 billion respectively.

The 2X Challenge is a multilateral initiative launched during the G7 Charlevoix Summit with the ambitious objective of deploying and mobilizing unprecedented amounts of capital to support projects that empower women as entrepreneurs, as business leaders, as employees and as consumers of products and services that enhance their economic participation.

“As we reach the final year of our initial commitment, we are thrilled to announce that we have not only met, but exceeded our target of \$3 billion,” said Anne-Marie Lévesque, Chair of the 2X Challenge Working Group and Head of Gender and Impact at FinDev Canada. “Now that we’ve reached this new milestone, we need to be even more ambitious as we look to the future and continue to challenge ourselves in increasing capital flows towards gender-lens investing, especially from the private sector.”

With additional members having joined the 2X Challenge and a new set of aligned metrics designed to help financiers manage the gendered impacts of their investments, the momentum to advance women's economic participation and empowerment continues to grow.

More DFIs join the 2X Challenge

In the past year, the 2X Challenge has gained significant traction, with a growing number of members and supporters joining the initiative. In addition to its founding members, development finance institutions (DFIs) from the G7 countries – CDC Group (UK), CDP (Italy), DEG (Germany), DFC (USA), FinDev Canada, JBIC (Japan), JICA (Japan) and Proparco (France), –

in May of 2019 the group welcomed four additional members to the challenge: the DFIs of the Netherlands (FMO), Sweden (Swedfund), Finland (Finnfund) and Denmark (IFU).

In October 2019, the 2X Challenge announced that [two additional investors had joined the 2X Challenge](#), with the Swiss Investment Fund for Emerging Markets (SIFEM) joining the 2X Challenge as a new member and the European Investment Bank (EIB) announcing its endorsement and use of the [2X Criteria](#), becoming the first multilateral development bank to do so. At the end of 2019, the Belgian Investment Company for Developing countries (BIO) became the newest DFI to join.

“We consider gender equality to be a matter of fundamental human rights and of social justice and a key component of our mission as development financiers and impact investors,” said Maria João Coelho, Development & Sustainability Officer and Gender Specialist at BIO. “We are very pleased to be a member of the 2X Challenge and look forward to working with our peers to bolster gender equality and women’s economic empowerment.”

A new 2X Criteria Reference Guide for investors

In response to growing interest from various types of non-DFI investors in the 2X Criteria and gender-smart investing, the 2X Challenge Working Group has also released a [2X Reference Guide for Investors](#), which is aimed at investors, financial institutions and businesses that wish to use the 2X Criteria as a gender-lens investing tool.

The document is based on a pre-existing resource developed internally for 2X Challenge members by strategic advisory firm [Dalberg Advisors](#) and will continue to evolve as 2X Challenge members and other investors continue to gain experience in applying the criteria.

The 2X Reference Guide for Investors is the second significant piece of guidance issued this year by the 2X Challenge. In March 2020, the 2X Challenge, led by CDC Group, [launched](#) the [2X Challenge Indicators](#) in collaboration with the Global Impact Investing Network (GIIN). These new metrics were created by the Gender Finance Collaborative and the 2X Challenge to create an industry standard that will enable the global investment community to better measure the gender impact of their financial commitments. They were also reviewed by the GIIN to ensure that they aligned with their gender metrics included in IRIS+, the GIIN’s system for measuring, managing and optimizing impact.

The guidance note, entitled “[How to Measure the Gender Impact of Investments: Using the 2X Challenge Indicators in Alignment with IRIS+](#)”, is available for download on the 2X Challenge website.

The way forward

The 2X Challenge has significantly surpassed its goal of \$3 billion, reaching an important milestone this year, with its members committing and mobilizing a total of \$4.5 billion in investments towards women's economic empowerment.

These remarkable results clearly indicate that more can be done by DFIs and private sector financiers to foster gender equality and women's economic participation in the developing world.

However, gender-smart investors face unprecedented challenges as the COVID-19 pandemic disrupts health, economic and financial systems on a global scale, magnifying pre-existing gender inequalities and vulnerabilities. In April 2020, the 2X Challenge [released a set of recommendations](#) for DFIs, private sector investors and other financial intermediaries to respond to the COVID-19 crisis.

In addition, recent racial justice movements have highlighted the need for a more proactive strategy to tackle global injustices and inequalities as well as systemic racism. The 2X Challenge recognizes that gender equality cannot truly be achieved if other forms of discrimination and inequity exist. Conversations are currently taking place to determine concrete ways to use the 2X Challenge platform and framework to drive and foster greater diversity – including, but not limited to, gender diversity.

It is with the same determination to face these challenges and build a more inclusive and equal world that DEG (Germany) will be stepping in as the 2X Challenge's new Chair, succeeding FinDev Canada.

“DEG is excited about the opportunity to lead the 2X Challenge to new major milestones as the initiative is getting traction within the wider investment industry. We look forward to new collaborations with a broad range of investors globally to mobilize and drive more private capital towards gender equality and women's economic empowerment”, said Jessica Espinoza, Global Gender Finance Lead at DEG.

“Longstanding challenges made visible by social justice movements and new challenges arising with the Covid-19 crisis present a timely opportunity to transform investment cultures and promote intersectional justice.”

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