



European  
Investment Bank

**2X**Challenge

**Gender-lens investing**  
**with the European Investment Bank**  
for banks and funds becoming 2X Challenge  
partners

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98-100, boulevard Konrad Adenauer

L-2950 Luxembourg

+352 4379-1

[info@eib.org](mailto:info@eib.org)

[www.eib.org](http://www.eib.org)

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Published by the European Investment Bank.

Printed on FSC® paper.

# Investing in women

## Why invest with a gender lens?

Many studies have shown that startups founded and co-founded by women perform better over time. According to the [Boston Consulting Group](#), those businesses generated 10% more in cumulative revenue over a five-year period compared to startups founded or exclusively co-founded by men.

Women-led firms also achieve higher environmental, social and governance scores than other companies. They attract and retain more women, positively affecting female employment and reducing gender disparities, while promoting more inclusive growth.

However, women's small and medium enterprises face a [\\$300 billion shortfall](#) in credit globally, even though female-owned and led businesses typically have lower non-performing loans than men.

Gender-lens investing helps address these issues by taking factors and situations unique to women into account when making investment decisions.

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The female economy, or women's annual consumer spending, is twice as big as the economies of India and China combined. By 2028, female consumers will control around \$15 trillion of global consumer spending, or roughly [one-quarter of consumer spending](#) globally.

Despite this, the female market is underserved. Investing in companies serving women makes sense business-wise and in social terms.

## European Investment Bank's focus on gender-lens investing

Gender equality is one of the founding values of the European Union, and a key objective of the Sustainable Development Goals. The Bank promotes equal access to the goods, services, benefits and opportunities its investments generate.

The EIB started the [ShelInvest](#) initiative to boost investments that empower women economically and help to close broader gender gaps across Africa, Asia and Latin America. The initiative aims to mobilise €2 billion of gender-lens investment and has already supported numerous women-owned and led businesses across the world.

## What is the 2X Challenge and who has committed?

At the Group of Seven summit in 2021, 20 global development finance institutions and multilateral development banks committed to mobilise \$15 billion to support gender-lens investing under the 2X Challenge, which was originally founded in 2018.

The initiative aims to advance opportunities for women through quality employment, business leadership, access to finance, and products and services that meaningfully support women in emerging markets and the developing world in line with a set of common criteria — the 2X criteria.

The [2X criteria](#) provide a backbone for gender-lens investing, and they are being used as a global framework by a wide range of investors, including international financial institutions, banks, pension funds, private equity and venture capital funds.

## 2X Challenge

### What is a 2X Challenge investment?

It fulfils one of these criteria:

#### ENTREPRENEURSHIP

51%

women ownership or the business is founded by a woman

#### LEADERSHIP

30%

women in senior leadership or 30% women on the board or investment committee

#### EMPLOYMENT

30-50%

share of women in the workforce (depending on sector) and one quality indicator beyond compliance

#### CONSUMPTION

Product(s) or service(s) that specifically or disproportionately benefit women

#### INVESTMENTS THROUGH FINANCIAL INTERMEDIARIES

30%

of the development finance institution loan proceeds or portfolio companies meet the 2X criteria

#### SUPPORTED BY



European Investment Bank

A complete guide to the 2X criteria is available [here](#).

Participating institutions<sup>1</sup> continue to actively look for financial sector clients willing to invest with a gender lens, or companies that are promoting gender equality and women's economic empowerment through their practices or services.

In 2021, the gender-lens investing body 2X Global was also founded and the creation of an independent [2X Certification Mechanism](#) for the investment industry was announced.

## **Qualifying for the 2X Challenge with the EIB**

Financial institutions will qualify for the 2X Challenge if they pledge that a minimum of 30% of the EIB credit line will be dedicated to small, medium or large companies that clearly meet one of the 2X criteria. The EIB and the 2X Challenge highly encourage banks and funds to make bigger commitments and will work to enhance the visibility of clients that make further commitments.

Financial institutions are also encouraged to promote gender diversity within their own workforce and within leadership teams, in line with the direct 2X leadership and employment criteria.

The commitment and reporting requirements are codified in the EIB's investment agreement (side letter).

As a financial institution partnering with the EIB, you will be able to benefit from the points listed below from the day your institution signs a side letter with the EIB that contains a 2X commitment.

1. A complete list of 2X members can be found at the bottom of this web page: [2X Challenge](#)

# Benefits of an EIB gender-focused and 2X-compliant credit line

## Attracting investors

Qualifying for the 2X Challenge is a testimony to your institution's commitment to women's economic empowerment. It can help raise your profile within the broader investment community and attract funds from gender-focused investors.

## Using the 2X Challenge visual identity

As a 2X Challenge qualifier, and to demonstrate your commitment to advancing gender equality, you can refer to the 2X Challenge and use the 2X Challenge logo on your communication material and marketing efforts, as well as for future fundraising efforts, following the 2X Challenge [brand use policy](#).

You can start using the 2X logo and brand in your communication from the day you sign an investment agreement (side letter) with the EIB that includes a gender or 2X portfolio commitment. At that time, the EIB will share the logo with you.

## Mentioning the EIB and ShelInvest

As the EIB's financial partner, you are welcome to mention the Bank's ShelInvest initiative in communication related to your 2X Challenge investment in Africa, Asia and Latin America.

## Telling your stories

The EIB can help you write case studies and stories that can be featured on the [2X Challenge/stories](#) website, [EIB website blogs](#) and on your website.

Case studies are a great way to show the impact of your investment. The 2X Challenge shares stories that explain how money raised through the challenge is changing the lives of women and their communities across the developing world.

## Engaging on social media

You are encouraged to promote your 2X Challenge investment on social media, using the hashtag #2X Challenge, and tagging the EIB and the 2X Challenge and 2X Global in your posts.



## Other resources and areas of support

In some instances, the EIB may be able to further support financial institutions' efforts to adopt gender-lens investing by providing training and technical assistance and informing clients how to use [Equilo 2X assessment tools](#).

For example, Equilo partners with 2X Global to provide investor members and potential investees with tools to help assess whether projects meet 2X eligibility requirements and put in place processes that connect firms, micro, small and medium enterprises, entrepreneurs, funds, and financial institutions looking to invest in women and gender equality.

## Disclaimer

If the partner financial institution fails to meet the target of investing at least 30% of the credit line in companies or funds that meet at least one of the 2X criteria, the EIB may consider removing the financial institution from the list of 2X investments and inform the 2X Challenge Secretariat accordingly. In this case, the financial institution will no longer be entitled to use the 2X logo in its communication or outreach activities or in any of the above-mentioned services provided by the EIB.

## Examples of EIB clients qualifying for the 2X Challenge

### Banks:

- Banfondesa in the Dominican Republic: Dominican Republic: EIB and BANFONDESA to provide new microfinance support for entrepreneurs.
- Development Bank of Rwanda: Boosting gender equality around the world: EIB expands ShelInvest initiative and strengthens cooperation with Development Bank of Rwanda.
- Ecobank Malawi and First Capital Bank Malawi: Celebrating rural women around the world.
- Uganda Development Bank: UDB's first dedicated credit line to women entrepreneurs in partnership with EIB — 2X Challenge.

### Funds:

- **Alitheia IDF:** EIB-supported gender lens investment fund Alitheia IDF announces final close at \$100 million.
- **BluePeak:** BluePeak's Inaugural Fund qualifies to contribute to 2X global gender finance challenge — 2X Challenge.
- **ResponsAbility:** responsAbility Commits to Gender Equality: Climate fund qualifies for the 2X Challenge — 2X Challenge.
- **Development Partners International:** Championing economic opportunities for women in Africa – Development Partners International's (DPI) latest fund to become the first 2X Flagship Fund — 2X Challenge.
- **Portland Private Equity:** Making a Difference | Portland Private Equity ([portlandpe.com](http://portlandpe.com)).
- **InsuResilience Investment Fund:** InsuResilience Investment Fund — 2XCollaborative.
- **Ecoenterprises:** Ecoenterprises III — 2XCollaborative.