



Moving The Needle On Gender Smart Investing

***Building Investor Capacity and
Unlocking Capital at Scale***

Keynote

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1.

The Case for Gender Smart Investing

Entrepreneurship

- Companies founded by women receive less than half as much funding as those founded by men,
- but deliver twice as much revenue per dollar invested.

MC MASSCHALLENGE

BCG

Leadership

- Gender balanced leadership teams in private equity generate a 20% higher net IRR.
- Yet only 15% of senior investment teams have a gender balance

OLIVER WYMAN

IFC

Employment

- Closing the gender gap in the labor force would boost global GDP by USD 28 trillion per year by 2025.
- That's more than the economies of the US and China combined.

McKinsey
& Company

Products & Services

- 65% of household purchasing decisions are made by women.
- Women control \$40 trillion of global consumer spending.

WORLD ECONOMIC FORUM

1.

Global Investor Initiative Launched at G7 Summit in 2018



OUR MISSION:

Invest in women. Invest in the world.

The G7 Development Finance Institutions (DFIs) propose a bold commitment to inspire other DFIs to take the *2X Challenge: Financing for Women* and invest in the world's women.

#2XCHALLENGE

2X CHALLENGE
FINANCING FOR WOMEN



1.

Our achievements to date:

Mobilizing Capital with a Gender Lens

First Round:
2018-2020

US\$ 6.9 bn
committed

Surpassing the original G7 commitment of US \$3 billion by end of 2020

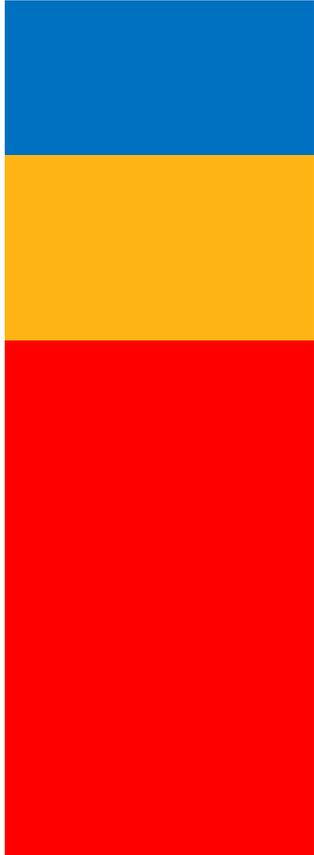
Second Round:
2021-2022



New Billion Target

to be formally announced at G7 Summit

US\$ 11.4 bn total mobilized



- Other Capital
- Private Sector Capital
- DFI Capital



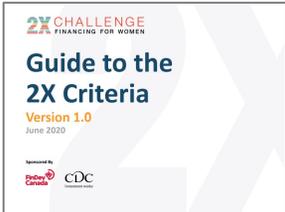
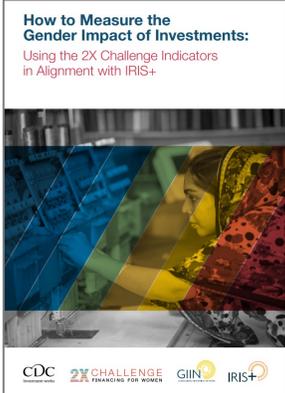
Current Members:



New members to be announced soon!

3.

Setting New Standard for Gender Lens Investing



2X Criteria defining what good looks like:

Fulfilling *one* criteria makes an investment 2X eligible:

	Criteria	Threshold
Direct Criteria	1 Entrepreneurship	1A. Share of women ownership 51%
		OR
	1B. Business founded by a woman Yes/No	
	2 Leadership	2A. Share of women in senior management ¹ 20-30% ²
		OR
2B. Share of women on the Board or IC ¹ 30%		
3 Employment	3A. Share of women in the workforce ¹ 30-50% ²	
	AND	
3B. One "quality" indicator beyond compliance Yes/No		
4 Consumption	4. Product or service specifically or disproportionately benefit women Yes/No	
	OR	
Indirect	5 Investments through Financial Intermediaries³	<i>On-Lending facilities</i> : Percent of the DFI loan proceeds supporting businesses that meet direct criteria ¹ 30%
		OR
	<i>Funds</i> : Percent of portfolio companies that meet the direct criteria ¹ 30%	

Sector-Specific Thresholds

2.A Women in Senior Management*

Grp.	Sector	%
Low	Infrastructure, Power, Telecoms	20%
Mid	Financial Services, Manufacturing	25%
	Agribusiness & Food, Professional Services, Consumer Services	
High	Healthcare, Education	30%

3.A Women in the Workforce*

Grp.	Sector	%
Low	Infrastructure, Power, Telecoms	30%
Mid	Financial Services, Manufacturing – Heavy, Agribusiness & Food, Professional Services	40%
High	Healthcare, Education, Consumer Services, Manufacturing – Light ³	50%

*Room for judgement: Investees in unique sectors or geographies may require case-by-case consideration.

Alignment with IRIS+, HIPSO & OECD

The 2X Criteria have quickly become the global standard for gender lens investing.

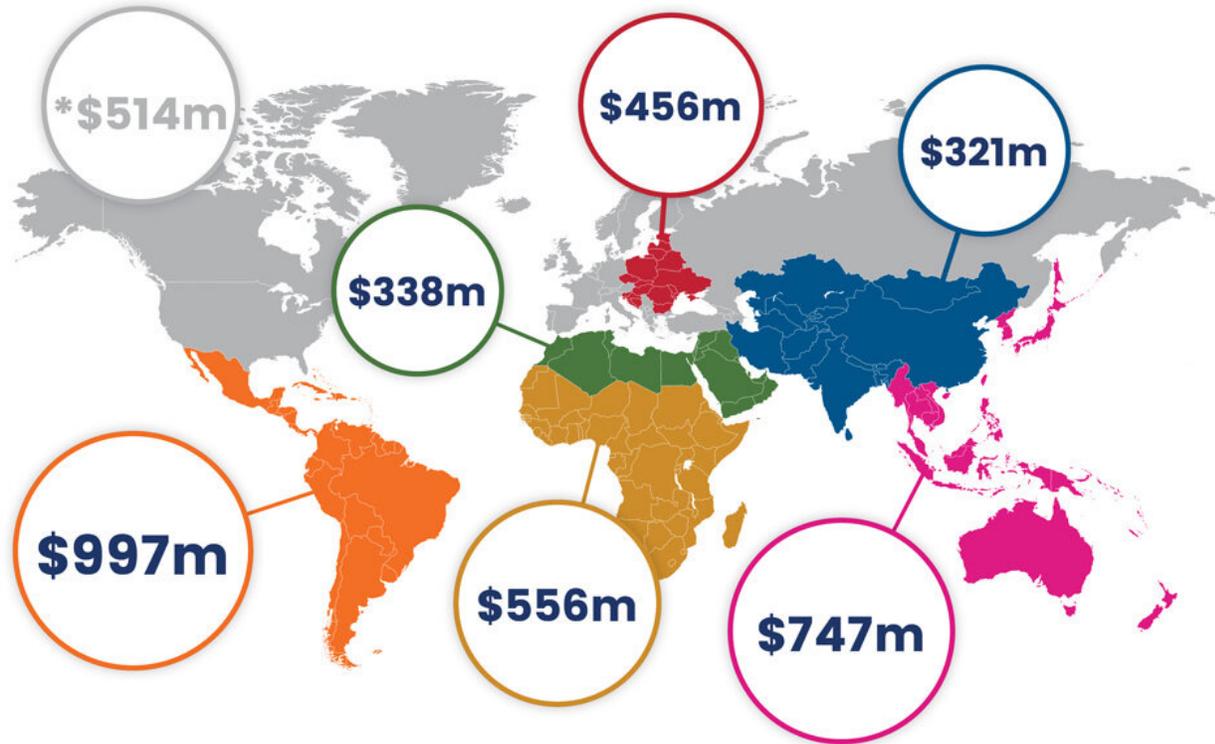
A broad range of investors and investee companies is adopting the 2X criteria.

The criteria and metrics are aligned with the GIIN's IRIS+ (final), HIPSO & OECD (in process).



4.

Providing Thought Leadership to the Global Industry



Regions

- South Asia
- Eastern Europe
- East Asia & Pacific
- Global*
- Africa
- Latin America & Caribbean
- Middle East & North Africa

2X CHALLENGE
FINANCING FOR WOMEN

2X Challenge and Gender Finance Collaborative response to the COVID-19 pandemic

Why women and girls should be central to response mechanisms

2X CHALLENGE
FINANCING FOR WOMEN

PRIVATE EQUITY AND VALUE CREATION

A FUND MANAGER'S GUIDE TO GENDER-SMART INVESTING



CDC
Investment works

IFC
International Finance Corporation
WORLD BANK GROUP
Creating Markets,
Creating Opportunities

1.

Our achievements to date:

Creating Deal Pipeline with 2X Flagship Funds

One of the best ways to scale the impact of our capital – and also to mobilize investment from a broader range of institutional and commercial investors - is to **invest in funds and intermediary platforms** that in turn invest in women through gender-smart businesses.

As part of our new 2X Challenge commitment, we will be **developing a portfolio** of commercially vetted **gender-smart funds**, who are committed to both **improving gender diversity** in the investment industry (within the fund managers themselves) and also to investing with a gender lens to **build gender-smart portfolios**.

The three tiers of the 2X Flagship Funds portfolio:

1. GROWTH

- High-performing, top-quartile PE and credit fund managers
- \$.3-\$1 bn fund size (targeting 5 funds in the portfolio)
- Regionally focused – emerging markets
- Committed to building gender balance at 2 levels



Target size

\$3bn

2. PIONEER

- Gender balanced PE and credit fund managers with clear GSI strategies
- \$20-\$500 m fund size (targeting 20 funds in the portfolio)
- Committed to building commercially successful, gender-smart PE and debt funds
- + Accelerator Facility

\$1.5bn

3. VENTURE

- Gender balanced VC fund managers with clear gender-smart investment strategies
- \$15-\$100 m fund size (targeting 10 funds in the portfolio)
- Committed to building commercially successful, gender-smart VC funds

\$0.5bn



Mobilizing global LPs to co-invest into vetted pipeline of 2X Flagship Funds

- **Elected, dedicated Committee** responsible for the 'vetting' (commercial & gender) and decision on funds entering the **pipeline** with a 2X Flagship Fund stamp.
- Each investor follows **own internal approval process** for investments in 2X Flagship Fund pipeline.

4.

The Gender Lens Initiative for Switzerland

An initiative launched on 8 March 2021 by Sustainable Finance Geneva (SFG) in collaboration with AlphaMundi Group Ltd.

The GLIS will carry out **research to gather better industry data** regarding gender lens investing in Switzerland, while also promoting public-private partnerships, products development and other measures such as awareness-building events.

It will set a **benchmark for the industry** on gender issues and pave the way for some **common standards**.

2X CHALLENGE
FINANCING FOR WOMEN



alphamundi

Investment Solutions
For People and Planet



Gender Lens Initiative
For Switzerland

SUSTAINABLE
FINANCE
GENEVA



2.

The 2X Industry Body:

A New Leading Industry Body for Gender Lens Investing



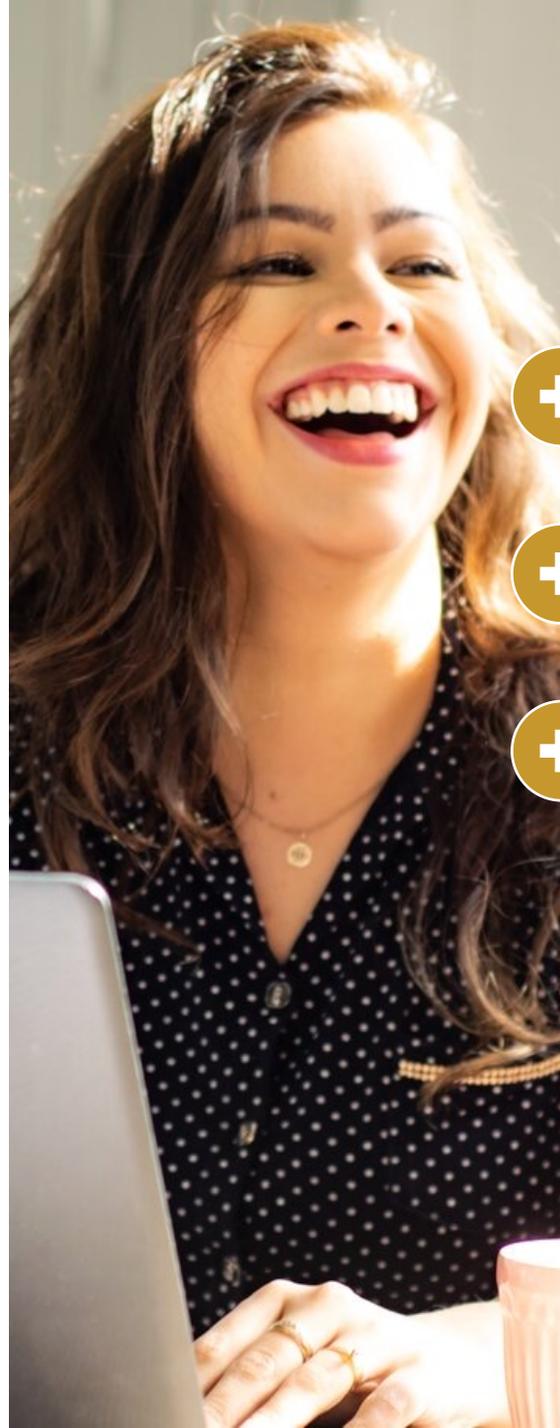
The 2X Challenge and the Gender Finance Collaborative¹ have gained significant traction in the market.

A broad range of investors is working with the criteria, standards and best practice developed in both initiatives and have **expressed interest in formal membership**. **The timing is opportune to bring both initiatives together** into one leading industry body, opening up membership to the full suite of global investors.



We're launching a structured network for those who move capital at the forefront of gender lens investing.

¹ The GFC, founded in 2018, is a peer-learning network of 15 DFIs + EIB with active working groups engaged in building investor capacity.



Key Benefits the 2X Industry Body will provide:



Leading industry body for gender finance, organized as a structured network with membership open to the spectrum of capital providers.



Unique platform for deal pipeline, peer-learning, shared tools.



One-stop-shop for gender lens investing, connecting all the dots between the suite of initiatives, resources and innovations globally.



3.

The 2X Collaborative



Members-driven structured networks

