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

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 management¹: 20-30%
   - OR
   - 2B. Share of women on the Board or IC¹: 30%

3. **Employment**
   - 3A. Share of women in the workforce¹: 30-50%
   - AND
   - 3B. One “quality” indicator beyond compliance: Yes/No

4. **Consumption**
   - 4. Product or service specifically or disproportionately benefit women: Yes/No

5. **Investments through Financial Intermediaries³**
   - On-Lending facilities: Percent of the DFI loan proceeds supporting businesses that meet direct criteria¹: 30%
   - OR
   - Funds: Percent of portfolio companies that meet the direct criteria¹: 30%

---

¹) Commitments to achieve targets in these categories also make investments eligible, including new commitments by existing investees.

²) These thresholds vary depending on the sector of the investment. See sector-specific thresholds.

³) Investments through financial intermediaries may also be eligibility if the financial intermediary meets any of the direct criteria. For funds, this requires either that the fund manager itself meeting one of the categories, or if the fund itself has a clear investment thesis to invest in women.

---

**Sector-Specific Thresholds**

2.A **Women in Senior Management**

<table>
<thead>
<tr>
<th>Grp.</th>
<th>Sector</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Infrastructure, Power, Telecoms</td>
<td>20%</td>
</tr>
<tr>
<td>Mid</td>
<td>Financial Services, Manufacturing</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>Agribusiness &amp; Food, Professional Services, Consumer Services</td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Healthcare, Education</td>
<td>30%</td>
</tr>
</tbody>
</table>

3.A **Women in the Workforce**

<table>
<thead>
<tr>
<th>Grp.</th>
<th>Sector</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Infrastructure, Power, Telecoms</td>
<td>30%</td>
</tr>
<tr>
<td>Mid</td>
<td>Financial Services, Manufacturing – Heavy, Agribusiness &amp; Food, Professional Services</td>
<td>40%</td>
</tr>
<tr>
<td>High</td>
<td>Healthcare, Education, Consumer Services, Manufacturing – Light³</td>
<td>50%</td>
</tr>
</tbody>
</table>

*Room for judgement: Investees in unique sectors or geographies may require case-by-case consideration.
2X Criteria: Details

Important definitions and qualification:

1. **Entrepreneurship**

   **Ownership**: Percentage of the organization that is *directly* woman owned (# shares owned by women / total # of shares).

   **Founded**: Investee founded by a woman or a group of women that retain(s) an active role in the organization.

2. **Leadership**

   **Senior Management**: Includes C-Suite or equivalent (e.g. Managing Directors, Partners).

   **Boards**: Excludes female Board members that do not play an active role on the Board. Share of women on the Board should also exceed legal minimum.

3. **Employment**

   **Workforce**: Includes direct, indirect and/or supplier employees as makes sense in the investee context.

   **Quality indicator**: A policy or program, beyond those required for compliance, addressing barriers to women’s quality employment (e.g. wage inequity, lack of child care, discrimination / harassment), with evidence of implementation or a commitment to implement.

4. **Consumption**

   **Products and services** qualify if they:
   - Are designed for women’s unique needs, or
   - Address a problem that disproportionately impacts women, or
   - Have a majority of women customers, or
   - Have a majority of women beneficiaries (e.g., a male household member may purchase product, but the end users are female household members).
2X Criteria: Details

Important definitions and qualification:

All on-lending and funds can qualify through the direct criteria if the financial intermediary meets one of the direct 2X criteria. For instance, the financial intermediary would qualify if 51% women-owned, if 30% of the investment committee is women, if banks prioritize women in their portfolio (e.g., a fund focuses on investing in women-owned businesses, or a bank offers financing product tailored for female clients), etc.

New on-lending investments can qualify indirectly by committing to deploy 30% or more of the DFI capital to 2X qualifying businesses. New on-lending facilities may also qualify if 30% or more of the overall SME/Corporate portfolio is composed of 2X qualifying businesses.

New fund investment can qualify indirectly by actually deploying, or committing to deploy, 30% of the fund to 2X qualifying businesses, or by establishing a credible gender strategy and clear thesis to invest in women.

Existing generalist fund can qualify indirectly by making a new commitment to deploy or maintain 30% of its portfolio to 2X qualifying businesses throughout the life of the fund.

Commitment Requirements

All commitments to achieve 2X Challenge criteria must include clear objectives and be monitorable. They must be presented in a formal, written commitment such as a side letter or in a Memorandum of Understanding, gender action plan with senior level oversight, or similar document deemed appropriate by the DFI.

A commitment should include a mix of the following: (1) clear targets; (2) action items with roles and responsibilities (3) interim targets; (4) resources allocation; and (5) monitoring system.
2X Criteria: Examples

Examples and counter examples of consumption (for guidance):

✓ **Increased safety or security:** MiBlackBox
South Africa femicide rate is five times more than the global rate. MiBlackBox is designed to act as a "virtual witness". The click app records audio, video, images taking place around you and alerts your contacts. The app can also identify the nearest police station, fire station or hospital and can also call a user's armed response company.

OR

✓ **Access to health:** Healthcare / Pharma company
A chain of chemists which is growing rapidly across one African country. The chain provides affordable drugs and healthcare for poor households by locating in rural or disadvantaged urban areas where women’s access to healthcare is particularly limited. It was also the first firm in its country to offer the morning after pill.

OR

✓ **Access to education:** Community Digital Learning Centres (DLC)
The DLCs leverage technology to provide quality education to 15-25 years old women within their own communities, helping them overcome limited mobility, patriarchal and socio economic challenges, and to curb school dropouts and boost the self-confidence of girls in marginalised communities.

OR

✓ **Access to finance:** Habib Bank
Pakistan’s largest bank HBL/Habib Bank launched HBL Nisa, a banking platform solely dedicated to women. It aims to understand, educate and develop products and services that suit the financial needs of women to close the financial gap. Habib Bank is also a member of the Global Banking Alliance for Women.

OR

✓ **Decrease time poverty:** Twiga
Twiga is the first company in Kenya to aggregate demand for and supply of produce onto a single technology platform while providing the logistical movement of those goods as a service. The majority of the vendors to which Twiga sells produce are female and 67% reported life improvements thanks to Twiga, due largely to time savings.

✗ **Not eligible:** Infrastructure
Infrastructures projects may serve 50% or more women without having a specific strategy to target or benefit women. Except if the project disproportionately benefits women or if gender is included explicitly in the design phase, infrastructures projects should not be accounted as 2X deals.
### 2X Criteria: Timing

1. Investments are reported to the 2X Challenge at following times and in the following amounts:

<table>
<thead>
<tr>
<th>Product</th>
<th>Timing</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct debt</td>
<td>At signing</td>
<td>Full project costs</td>
</tr>
<tr>
<td>Direct equity</td>
<td>At close of funding round</td>
<td>Full project costs</td>
</tr>
<tr>
<td>Guarantees</td>
<td>At signing</td>
<td>Full project costs</td>
</tr>
<tr>
<td>New commitments by existing investees</td>
<td>At time of 2X commitment</td>
<td>Full project costs</td>
</tr>
<tr>
<td>On-lending (direct &amp; indirect criteria)</td>
<td>At signing</td>
<td>Full project costs</td>
</tr>
<tr>
<td>New funds (direct &amp; indirect criteria)</td>
<td>At close of funding round</td>
<td>Capital raised at close of current fundraising round, and updated to reflect subsequent fundraising rounds.</td>
</tr>
<tr>
<td>New commitment by existing funds (indirect criteria)</td>
<td>At time of 2X commitment</td>
<td>Capital raised at time of 2X commitment</td>
</tr>
</tbody>
</table>

2. Investment amounts will be reconciled quarterly to make any adjustments necessary to accurately reflect the amount of funds mobilized by the 2X Challenge (e.g. to account for the participation of multiple 2X Challenge participants in a single 2X Challenge-qualifying transaction).

3. 2X Challenge-eligible investments and commitments must be signed on or after June 1, 2018, and fund investments are eligible if the relevant funding round closed on or after this date.

4. Loans made to sovereign entities will count towards the 2X Challenge when those funds are on-lent or invested in private entities, including in public private partnerships, so long as those investments are otherwise 2X eligible. The monetary value of technical assistance will not count towards the 2X Challenge’s $3 billion target.