

# HOW TO USE IRIS+ AND 2X CHALLENGE INDICATORS TOGETHER

Developed in Partnership with the 2X Challenge and CDC (on behalf of the Gender Finance Collaborative)

## IRIS+ ALIGNMENT

### PURPOSE

This document provides guidance on how to use IRIS metrics alongside 2X Challenge indicators.

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### AUDIENCE

Development finance institutions, multilateral development banks, impact investors, foundations and donor-funded development programs. May also be useful to enterprises and service providers working with impact investors.

**LEVEL:** BEGINNER

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### REFERENCE

Use this document with



## BACKGROUND

Harmonizing impact measurement and management (IMM) approaches is key to effectively using impact performance data for investment decision-making. The Global Impact Investing Network (GIIN) works alongside leading organizations across sectors and industries to align their respective standards, methodologies, metrics, and/or assessment tools with IRIS+ and IRIS metrics. These alignments:

- 1) help organizations communicate with a common impact performance language;
- 2) alleviate the reporting burden on both investors and investee organizations; and
- 3) enhance data interoperability between different actors measuring and reporting on the positive and or negative effects of their actions.

### About The 2X Challenge

The 2X Challenge was launched in June 2018 as a major new commitment originally made by the development finance institutions (DFIs) from the G7 countries<sup>1</sup> to unlock resources that will help advance women's economic empowerment and gender equality. These DFIs have since been supporting investments and initiatives that provide women in developing countries with access to leadership opportunities, quality forms of employment, finance, enterprise support, as well as products and services that enhance the inclusion or economic participation of women and girls.

Since the launch of this initiative, six new members joined, expanding the commitment to the 2X Challenge to BIO-Invest, Finfund, FMO, IFU, SIFEM, and Swedfund. In October 2019, the EIB became the first multi-lateral development bank to endorse the 2X Criteria.

To qualify for the 2X Challenge, an investment must already meet – or have an explicit commitment to meet – at least one of the 2X criteria. **More information on the 2X Challenge Criteria is available to download [here](#).**

The 2X Challenge constitutes a practical framework to help DFIs assess and understand what gender-lens investing is. DFIs can use it to direct capital towards women, pre-or post-investment by:

- encouraging investees to collect data on women employees and consumers;
- measuring the development impact of investing with and in women, over time; and
- making a business case for investing with and in women.

<sup>1</sup> CDP, CDC, FinDev Canada, Proparco, DEG, JBIC/JICA and OPIC (now DFC).

**CDC**  
Investment works

**2X CHALLENGE**  
FINANCING FOR WOMEN

#### ABOUT THE GIIN

The Global Impact Investing Network (GIIN) is the global champion of impact investing, dedicated to increasing its scale and effectiveness around the world. The GIIN builds critical market infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry. The GIIN manages IRIS+ as a public good.

#### ABOUT CDC GROUP

CDC Group is the world's first impact investor with over 70 years of experience successfully supporting the sustainable, long-term growth of businesses in South Asia and Africa. CDC is a UK champion of the UN's Sustainable Development Goals, the global blueprint to achieve a better and more sustainable future for us all. The company has investments in over 1,200 businesses in emerging economies and a total portfolio value of GBP 5.8 billion. CDC invest in companies in Africa and Asia with a focus on fighting climate change, empowering women, and creating new jobs and opportunities for millions of people. CDC is funded by the UK government, and all proceeds from its investments are reinvested to improve the lives of millions of people in Africa and South Asia. CDC's expertise makes it the perfect partner for private investors looking to devote capital to making a measurable environmental and social impact in countries most in need of investment.

## About IRIS+

IRIS+ is the generally accepted system for measuring, managing, and optimizing impact. Developed with broad stakeholder input, IRIS+ can be used by asset owners, asset managers, enterprises, and other impact investing stakeholders working to understand, assess, and advance impact performance. Whether used end-to-end as an impact measurement & management system, or to underpin other standards, methodologies, and assessment tools by employing the use of standard IRIS metrics, IRIS+ enables impact investing stakeholders to translate impact intentions into real results in a clear, consistent, and credible way.

IRIS+ provides a standard way to frame impact goals, outlines what and how to measure progress toward such goals in a way that produces clear, consistent, and comparable data (Core Metrics Sets), offers a built-in evidence base of research linking those common impact goals to achievable outcomes, and includes curated best-in-class third-party resources, as well as practical, how-to guidance to advance impact measurement and management practice. IRIS+ is a free, publicly available resource managed by the GIIN, the global champion of impact investing.

## USING IRIS+ AND 2X CHALLENGE INDICATORS TOGETHER

The GIIN and CDC (acting on behalf of the Gender Finance Collaborative<sup>2</sup>), and the 2X Challenge teams worked collectively to align the 2X Challenge indicators to IRIS metrics. As a result of this alignment the IRIS+ system contains:

- the same 2X Challenge indicators, included in relevant IRIS+ Core Metrics Sets as well as in the IRIS Catalog of Metrics; or
- a commensurate metric or combination of standard IRIS metrics with guidance on how practitioners would disaggregate and or collect data to conform with a 2X definition.

The below table details the metrics alignment of 2X Challenge indicators and IRIS Metrics.

**A comprehensive and detailed guidance note on how to apply the 2X indicator alignment with IRIS metrics can be accessed [here](#).**

2X Criterion	2X Sub-Criterion	2X Indicator	IRIS Aligned Metric(s)
1. Entrepreneurship	1A. Share of women ownership	1A. Percent of female ownership	Percent Female Ownership (OI2840)
	1B. Business founded by a woman	1B. Percent of company founder(s) who are female	Founders: Female (OI8197) Founders: Total (OI2209)

<sup>2</sup> The Gender Finance Collaborative was launched by CDC in 2018, bringing together 15 DFIs, with the aim of developing shared gender smart financing principles, definitions and methodologies that promote the integration of "gender based" decision-making into DFIs' investment processes and internal operations.

2X Criterion	2X Sub-Criterion	2X Indicator	IRIS Aligned Metric(s)
2. Leadership	2A. Share of women in senior management	2A. Percent of senior management who are female	Full-time Employees: Female Managers (OI1571) Full-time Employees: Managers (OI8251)
	2B(i). Share of women on the Board	2B(i). Percent of board who are female	Board of Directors: Female (OI8118) Board of Directors: Total (OI1075)
	2B(ii). Share of women on the IC	2B(ii). Percent of IC who are female	Investment Committee Members: Female (OI8709) Investment Committee Members: Total (OI7829)
3. Employment	3A. Share of women in the workforce	3A. Percent of employees (FTE) who are female	Permanent Employees: Female (OI2444) Permanent Employees: Total (OI8869) Temporary Employees: Total (OI9028) Temporary Employees: Female (OI6978)
	3B. Quality indicator beyond compliance	3B. Investee has initiative in place to specifically advance women in the workforce (Y/N)	Women's Career Advancement Initiative (OD4232)+ one or more from the list below (disaggregated where needed by using the Target Stakeholder Demographic (PD5752) metric): <ul style="list-style-type: none"> <li>• Gender Wage Equity (OI855)</li> <li>• Diverse Representation Policy (OI9485)</li> <li>• Flexible Work Arrangements (OI7983)</li> <li>• Sexual Harassment Policy (OI9088)</li> <li>• Employment Benefits (OI2742)</li> <li>• Fair Compensation Policy (OI3819)</li> <li>• Fair Career Advancement Policy (OI4884)</li> <li>• Anti-Discrimination Policy (OI9331)</li> <li>• Employees Trained (OI4229)</li> </ul>



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