# Investing in Women, Driving Impact

## Key findings from FinDev Canada's evaluation of 2X Challenge investments

**External Summary**
2025

Kore Global

FinDev Canada

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# Introduction

## Context

**Gender equality and women's economic empowerment have been central priorities for FinDev Canada since its launch in 2018.** This commitment is reflected in its 2019 Gender Equality Strategy, which sets out a comprehensive approach to advancing women's entrepreneurship, leadership, quality employment, and access to services. FinDev Canada is also one of the founding members of the 2X Challenge, a global initiative launched by the G7 development finance institutions (DFIs) in 2018 to mobilize capital and set shared standards (i.e. the 2X Criteria) for defining investments that advance women's economic empowerment. As of December 2023, 64% of FinDev Canada's USD 875.4 million portfolio was aligned with the 2X Criteria.

**Between November 2024 and November 2025, FinDev Canada engaged Kore Global to undertake an evaluation to better understand the gender-related outcomes and impact of its portfolio.** The evaluation had two main objectives: a summative objective, to assess the effectiveness of FinDev Canada's current Gender Equality Strategy; and a formative objective, to identify lessons on what should be continued, adjusted, or improved to inform FinDev Canada's approach. It also sought to generate insights to enhance gender-smart investing practices across the wider development finance ecosystem.

**This evaluation comes at a critical moment for FinDev Canada and the wider gender-lens investing (GLI) ecosystem.** With the G7 Summit returning to Canada in 2025, seven years after the launch of the 2X Challenge, the evaluation presents a timely opportunity to share learnings with the wider ecosystem, contributing to a growing body of evidence on the development impact case for GLI. The evaluation also complements similar initiatives undertaken by FinDev Canada's peers, advancing shared goals of transparency, accountability, and collective learning across the sector. Findings from these collective efforts are included in the forthcoming 2025 synthesis report of DFI gender portfolio evaluations.

**This external summary presents the main findings, insights, and recommendations emerging from FinDev Canada's gender portfolio evaluation.** Together, these findings are intended to support FinDev Canada in strengthening its Gender Equality Strategy and GLI approach, while also contributing to wider accountability and field-building efforts by sharing evidence and insights with the wider development finance community.

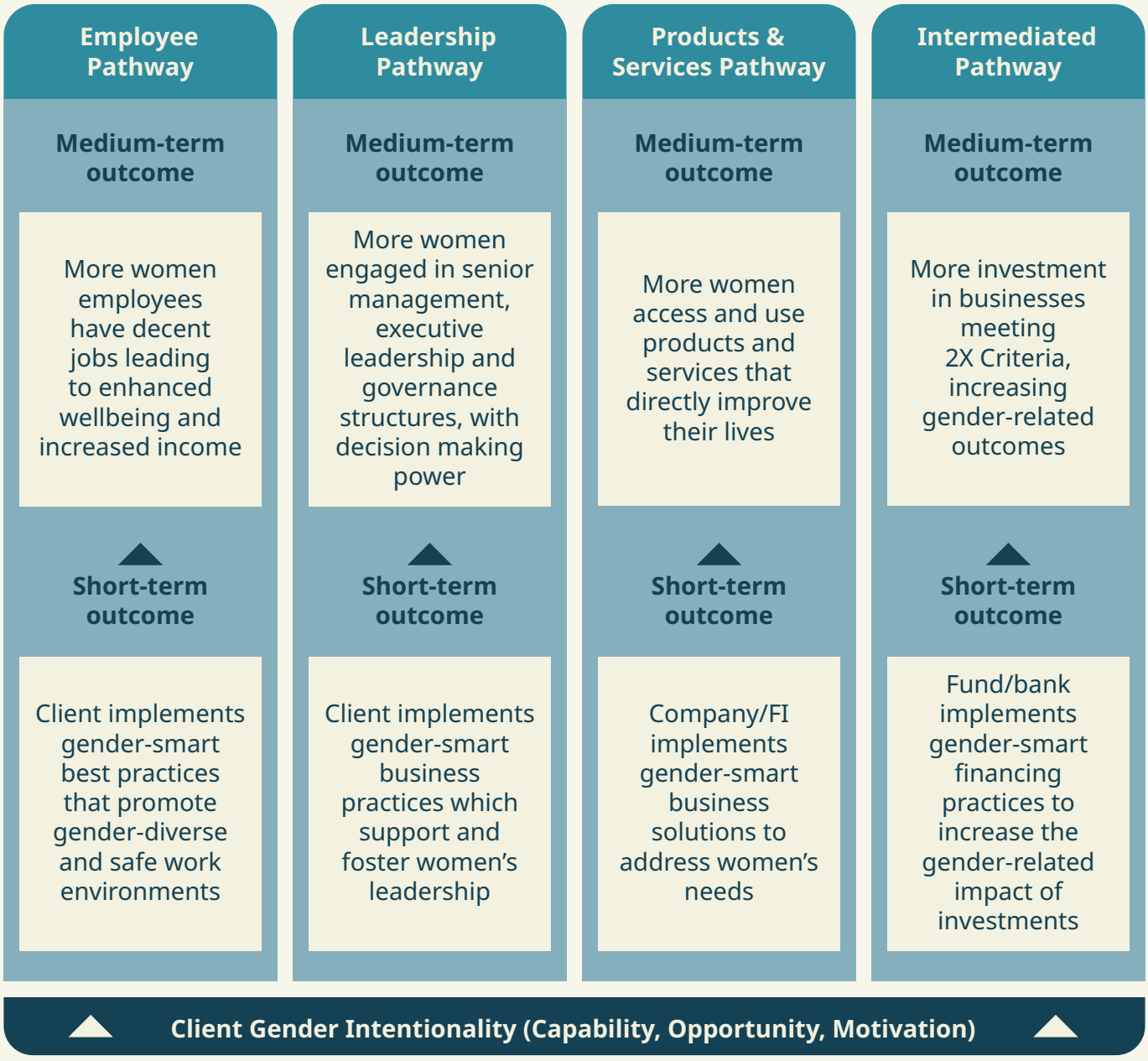
# Evaluation approach and methodology

**The evaluation was guided by a theory of change that identifies four main pathways to women's economic empowerment outcomes (see Figure 1).** These pathways outline how FinDev Canada's investments are expected to enhance outcomes for women. Evidence of gender impact was assessed at two levels: short-term outcomes defined as gender-smart business practices adopted by clients, and medium-term outcomes defined as tangible benefits for women employees, leaders, consumers, and entrepreneurs. To support comparability across investments, a tiered system was applied to classify each investment's gender-related performance on a scale from 1 to 5, with investments ranked in Tiers 1 and 2 showcasing the most advanced or transformative gender outcomes. A further element of the evaluation framework was the assessment of clients' intentionality towards driving gender impact, using behavioural science models of Capability, Opportunity, and Motivation (COM) to understand the factors enabling the adoption of gender-inclusive policies, practices and behaviours.

**Within this framework, the evaluation reviewed 30 investments made between 2018 and 2023, representing 60% of FinDev Canada's portfolio over that period.** These investments covered 15 Financial Institutions (FIs), 5 Corporates, and 10 Funds. The sample was selected to reflect geographic and sectoral diversity and included both 2X-aligned (77%) and non-2X-aligned investments (23%), broadly mirroring FinDev Canada's overall portfolio. At portfolio entry, most investments (87%) satisfied multiple 2X criteria, with Employment being the most frequently met (96%).

**The evaluation team undertook a mixed-methods approach, combining a desk review of internal and external documentation for all 30 investments with semi-structured interviews with 21 clients.** This enabled the team to validate findings from monitoring data and to tailor interviews to each client's context in order to explore barriers and enablers to gender equality impact and capture lessons learned. Five client case studies were also developed, covering clients from diverse regions, sectors, and 2X alignment status, to help illustrate the theory of change pathways in practice.

## Figure 1: Theory of change pathways



# Key findings and insights

**The evaluation was structured around four overarching evaluation questions, with the following section summarizing the main findings and insights for each question.**

## Figure 2: Evaluation questions

| How? | What? | Why? | So what? |
|---|---|---|---|
| **EQ1** | **EQ2** | **EQ3** | **EQ4** |
| How does FinDev Canada's 2X-aligned portfolio compare to non-2X transactions on gender equality and women's empowerment outcomes? | How have FinDev Canada's 2X-aligned investments (2018–2023) advanced outcomes for women employees, consumers, and entrepreneurs? | What factors explain the relative levels of achievement in gender equality and women's empowerment outcomes across investments? | What lessons can FinDev Canada and other investors draw from these findings? |

## How do 2X-aligned and non-2X-aligned investments perform on gender impact?

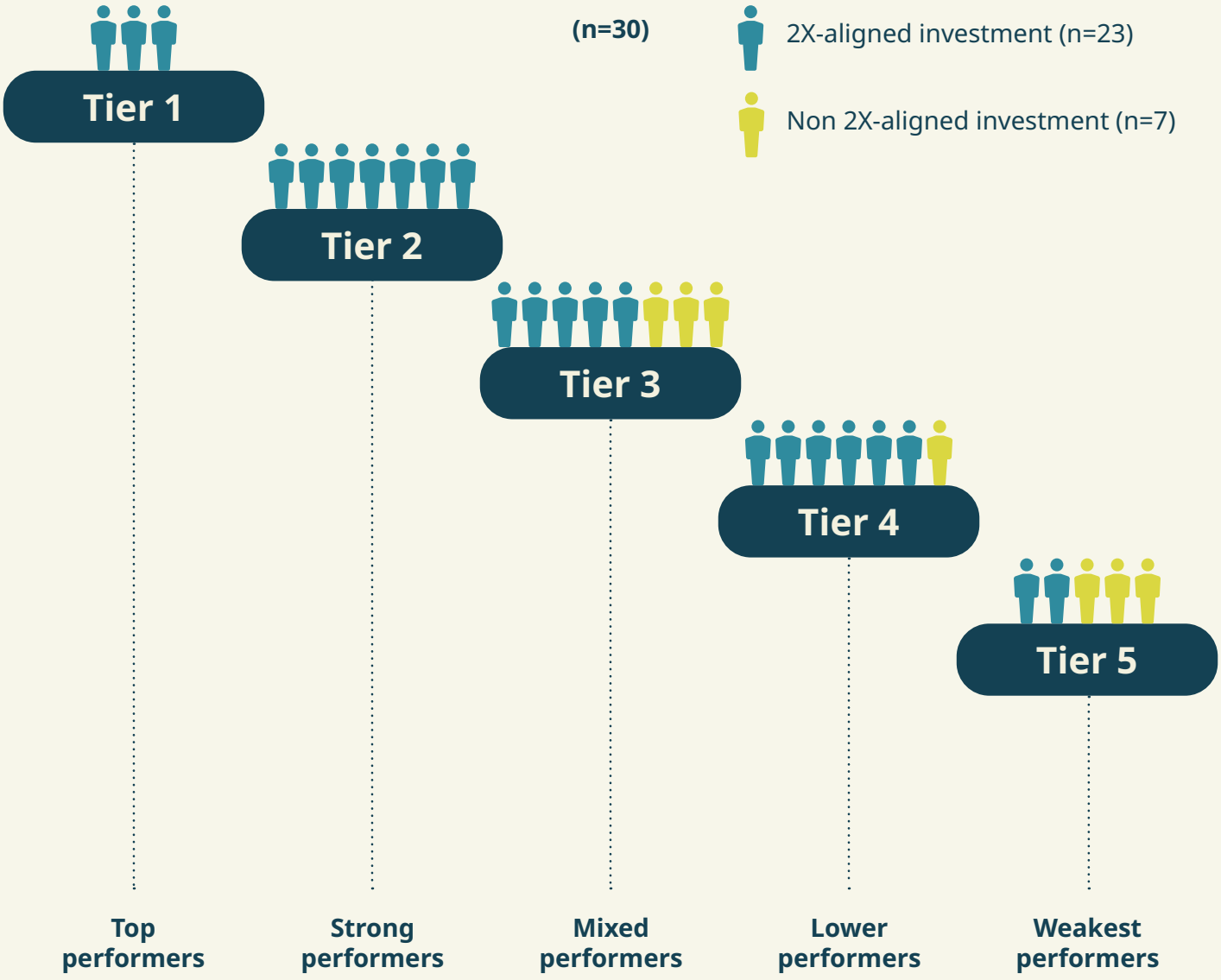
**Within FinDev Canada's portfolio, the most advanced and gender-transformative outcomes were achieved by 2X-aligned investments.** As shown in Figure 3, all investments ranked in Tiers 1 and 2 — meeting the highest standards for gender outcomes — were 2X-aligned. Overall, these investments were more likely than non-2X-aligned investments to adopt more gender-smart practices and demonstrate greater tangible outcomes for women.

**At the same time, the overall performance of the full sample was mixed.** About one-third of the 2X-aligned sub-sample was ranked in the bottom two tiers (Tiers 4 and 5), showing that opportunities for improvement remain even within 2X-aligned investments. These lower-performing investments often had fragmented or early-stage gender efforts, with limited or absent systems, leadership commitment, or accountability structures — key elements that tend to underpin stronger gender outcomes. Conversely, strong gender-smart practices were also found among some non-2X-aligned investments (e.g., three investments in Tier 3), reinforcing the value of engaging a broad client base to unlock their gender impact potential.

**These findings suggest that while the 2X Criteria provide a credible framework for screening and monitoring gender impact, they should be viewed as a floor, not a ceiling.** While the 2X Criteria provide a valuable baseline for screening and comparability, they do not always reflect the depth, quality, or institutionalization of gender-smart practices within a given investee. This nuanced assessment of where clients are on their gender journeys can help FinDev Canada more consistently identify opportunities to provide tailored support and engagement for both 2X-aligned and non-2X-aligned investments.

## Figure 3: Overall gender impact performance

*Overall gender impact performance of 2X-aligned versus non-2X-aligned investments in the sample*




**A secondary finding is that representation of women in leadership is likely a key driver of gender outcomes.** In total, 80% of investments in the highest tiers (Tier 1 and Tier 2) met and most often exceeded the 2X Leadership representation threshold of 20-30% women in senior management and/or on the Board of Directors or Investment Committee. Funds with gender-diverse leadership fared particularly well, with gender outcomes often reinforced by targeted support provided by FinDev Canada and their DFI peers to advance GLI in their teams and portfolios. These efforts included deploying catalytic capital vehicles (such as the 2X Canada blended finance facility) as well as the provision of gender-focused advisory and technical assistance (TA) to strengthen gender capacity and mainstream gender considerations in fund design, governance, and investment strategies. These findings are consistent with other recent DFI gender portfolio evaluations, adding to the growing evidence base that the presence of women in leadership roles can be both a marker of commitment and a driver of gender outcomes and impact.

## How are FinDev Canada's 2X-aligned investments supporting women's empowerment outcomes?

**The evaluation found that FinDev Canada's 2X-aligned portfolio is generating positive impact for women primarily through the Employment and Intermediated pathways.** These results were consistent with the portfolio's sector and client composition during the evaluation period, which covered financial services, agribusiness, and infrastructure sectors, where the most direct and scalable opportunities for gender equality impact arise from women's employment and access to finance.

**Nearly all 2X-aligned investments in the sample (96%) met the Employment criterion, with most significantly exceeding minimum thresholds for "quality employment."** The sample of 2X-aligned investments introduced policies and practices that actively addressed barriers to women's employment, including: gender-balanced recruitment, equal pay reviews, flexible work policies, parental leave above minimum legal requirements, and gender-based violence and harassment (GBVH) prevention and response measures. These efforts not only contributed to more inclusive and safer workplace cultures but also improved women's workforce participation. These findings validate the Employment criterion as a reliable marker for gender outcomes for women employees and underscore the centrality of the Employee pathway to FinDev Canada's gender impact thesis. The evaluation also highlights a key opportunity to support clients in going further by strengthening women's career advancement and leadership pipelines through structured promotion pathways, accountability mechanisms, and senior-level targets.

## **Box 1:** Best practices in employment from FinDev Canada's 2X-aligned investments

**2X-aligned investments in the sample demonstrated strong and practical approaches to improving outcomes for women employees.** These practices went beyond compliance to create safer, more equitable workplaces where women can participate and thrive. Examples included:

- **Gender-balanced recruitment:** ensuring shortlists and interview panels include women, revising job descriptions to be gender-neutral, and training staff to reduce unconscious bias.
- **Equal pay measures:** conducting regular pay gap analyses and adjusting compensation policies to ensure parity between men and women.
- **Family-friendly benefits:** providing extended parental leave for both women and men, offering flexible work arrangements, and, in some cases, onsite childcare.
- **Inclusive workplace culture:** establishing diversity and inclusion committees, creating gender working groups, and embedding accountability for progress on gender targets.
- **GBVH prevention and response:** conducting workplace safety audits, rolling out training on harassment and positive workplace behaviour, and introducing zero-tolerance GBVH policies.

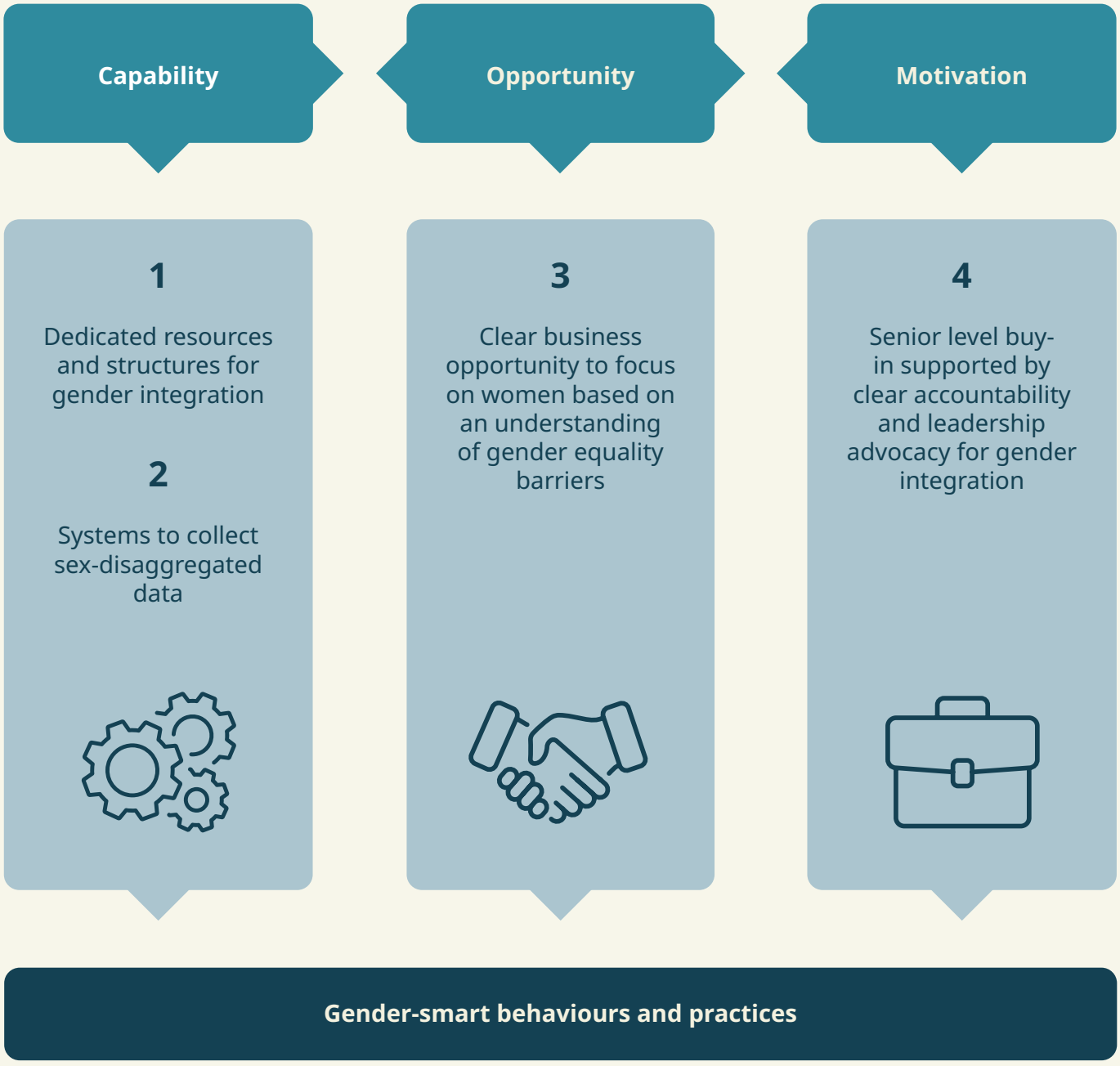
**Through funds and financial institutions, FinDev Canada's 2X-aligned intermediated investments effectively unlocked capital for women entrepreneurs, contributing to addressing the SME gender financing gap.** The evaluation showed how these investments had embedded gender considerations into their lending and investment practices and had delivered innovative tailored financial products for women-led businesses coupled with non-financial support such as training, mentorship, and business acceleration programs. However, most financial institutions and funds in the sample did not track longer-term outcomes for women borrowers beyond loan disbursement, such as business growth, income gains, or resilience. This represents an important field-building opportunity for FinDev Canada and its peers to strengthen outcome tracking and evidence on "what works."

**Finally, the Products and Services pathway was found to be a less commonly used avenue for gender impact in FinDev Canada's gender portfolio, reflecting the nature of its current sectors and investment types.** Similar to findings from other recent DFI evaluations, this pathway tends to be less leveraged across portfolios. However, should FinDev Canada expand into more consumer-facing sectors such as digital infrastructure and water, there would be a strategic opportunity to engage more intentionally with this pathway to deepen development outcomes for women as consumers.

# What drives gender impact? Key enablers shaping gender equality outcomes of FinDev Canada's portfolio

**The evaluation found that investments achieving the highest standards for gender-smart practices (Tiers 1 and 2) consistently demonstrated four enablers linked to clients' capability, motivation, and opportunity to implement gender-inclusive practices.** These enablers helped shift inclusion practices beyond compliance, creating the conditions for sustained and measurable impact for women (see Figure 4 and Box 2).

## Figure 4: Enablers most associated with strong gender impact



## Box 2: Enabling factors - examples from the evaluation sample

**Top-performing clients invested in resources and structures for gender integration.** For example, dedicated gender leads, teams and/or committees have been established by diverse clients, including fund managers, companies and banks, to ensure operationalization of gender initiatives and accountability to gender targets. Similarly, gender-responsive TA facilities have been set up by top-performing funds in the sample. These examples reflect intentionality in promoting gender equality both internally and externally.

**The best results were achieved by clients who invested in systems that track women's participation and outcomes, helping them to demonstrate impact and gain buy-in from commercial teams.** For instance, one company built internal dashboards tracking women's repayment rates and customer retention, generating insights that informed product design and strengthened the business case for serving women. Throughout client interviews, these top-performing interviewees noted that the availability of these data enables them to demonstrate concrete results as well as identify areas for improvement, such as gender imbalances in different areas of the business or women-owned businesses previously overlooked through existing financing processes.

**CEOs and senior executives were often able to use their influence to prioritize gender equality across their institutions.** In one bank, for example, the CEO personally championed a mentorship program for women employees and spoke publicly about gender equality as a strategic priority. At another bank, senior leadership signed the Africa Business Leaders' Gender Statement, committing to improve women's representation, ensure equal treatment, and collect and use sex-disaggregated data, among other priorities.

**Finally, the evaluation's highest performers on gender impact tended to link gender equality to commercial growth, identifying women as loyal customers, high-performing employees, or untapped markets.** One company, for example, found that women sales agents consistently achieved stronger results than male peers, prompting the company to actively recruit and train more women. Another fund manager recognized the untapped potential of women-led enterprises and was motivated by the opportunity to expand into new sectors and client segments, integrating gender considerations directly into its investment strategy.

**By contrast, investments ranked in lower tiers often did not showcase having the enabling leadership buy-in, data systems, or a clear business case, limiting their ability to scale gender impact.** Overall, these enablers are broadly consistent with the intent and substance of the new 2X Governance and Accountability requirements, reinforcing the importance of internal governance and accountability mechanisms as a foundation to enabling and sustaining gender impact.

**FinDev Canada's gender action advisory and TA have helped clients strengthen enablers to gender impact.** For example, gender TA has supported the engagement of gender experts and enhanced data systems, in turn encouraging senior leadership engagement and demonstrating the business case for inclusion. However, because gender action support is primarily driven by client demand, enablers were not consistently established across the evaluation sample. To maximize gender impact, FinDev Canada can adopt a more systematic approach to delivering support to clients to enhance their capability, data use, secure leadership buy-in, and reinforce the commercial case for gender-smart investments.

# Recommendations

**The evaluation generated a series of recommendations to enhance FinDev Canada's approach to gender impact.** These recommendations are primarily aimed at FinDev Canada, though recommendations 1, 2, 3, and 6 are also relevant to the wider development finance ecosystem.

## Investment process – impact infrastructure

1. **Keep using the 2X Criteria as a core investment tool** – Continue to use the 2X Criteria for screening and throughout the investment lifecycle to guide strategy, impact tracking, and improvement on gender outcomes.

2. **Make strategic use of the Leadership criterion** – Apply it more deliberately in due diligence and gender action support, given its strong link to comprehensive and broader gender outcomes across organizations and their customers.

3. **Integrate key enablers into screening** – Screen for and actively promote key enablers to gender impact, such as dedicated gender resources, sex-disaggregated data, senior leadership buy-in, and awareness of the business case for gender.

4. **Coordinate deployment of gender tools** – Deploy the 2X Criteria, Women's Empowerment Principles (WEPs) Gender Assessment Tool, advisory, and TA support strategically and at critical points in the investment cycle including during due diligence (to set expectations), onboarding (to build momentum and align actions), portfolio monitoring (to reinforce accountability and track outcomes), and renewal or exit (to incentivize institutionalization).

5. **Engage all clients, independently of their 2X alignment status, on gender equality** – Leverage user-friendly and pragmatic frameworks such as the WEPs survey as an accessible gender diagnostic tool for all clients.

## Client engagement

6. **Engage clients' senior leadership early** – Involve CEOs and senior executives from the outset to secure ownership, accountability, and enable advancement on gender impact.

7. **Promote women's career advancement** – Support clients to set stretch goals — ambitious, yet realistic — for women's representation in senior leadership, such as by including related targets in Gender Action Plans or linking them to accountability.

## TA and advisory

8 **Ensure equitable access to gender support through more systematic application of advisory and TA offerings** – For example, ensure that all transactions are assessed for potential gender TA and advisory, and that there are TA checkpoints in the investment and portfolio management process. Clarify and expand advisory offerings to address gaps identified by the evaluation, for example to support women's progression and representation in leadership roles.

9 **Monitor and track results of gender support over time** – Collect data on the long-term value and outcomes of gender advisory and TA, and reassess client 2X alignment after support has been provided.

10 **Coordinate gender TA and advisory support with co-investors** – Sequence and align gender TA and advisory efforts across DFIs to ensure continuity and complementarity.

## Market leadership

11 **Share lessons widely** – Disseminate evaluation findings and case studies to shape market practice, reinforce the impact case for GLI, support peer learning, and strengthen field-level impact.

# Acknowledgements

**Kore Global extends its sincere gratitude to the many individuals and organizations whose contributions made this evaluation possible.**

We would first like to thank the staff of FinDev Canada who generously gave their time to inform the evaluation, provide guidance, and review findings throughout the process. We are especially grateful to Anne-Marie Lévesque, Lorena Luján, Stéphanie Émond, Eugénie Viatchaninova, Stefano Pereira, Danie Laverdiere, Julia Graham and Alice Soga, whose steady support and thought partnership were invaluable at every stage. We also wish to acknowledge the investment officers from the Portfolio Management and Funds teams at FinDev Canada whose engagement and collaboration greatly enriched the analysis.

We are deeply grateful to the clients who participated in the evaluation and generously shared their experiences and insights. Your time and openness were essential to ensuring the report reflects on-the-ground realities and offers practical value for advancing gender-smart investing.

Finally, we wish to acknowledge the Kore Global team members who contributed to the analysis, writing, and editing of this report: Jenny Holden, Emily Boost, Kari Walton, Katie Turner, Rebecca Calder, Inyo Lian and Becky Zelikson.

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