

Note on additional key Performance and Monitoring Indicators – investment supporting gender equality

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Introduction

The [Methodology for InvestEU Key Performance and Monitoring Indicators](#) approved by the InvestEU Steering Board on 17 June 2022 establishes a methodology for the Key Performance and Monitoring Indicators (KPIs/KMIs) laid down in Annex III of the InvestEU Regulation¹.

InvestEU Guarantee Agreements signed with the Implementing Partners include a Key Performance and Monitoring Indicators (KPIs/KMIs) on investments supporting Gender equality that is not included in the Annex III of the InvestEU Regulation and for which the methodology is not defined.

The aim of this document is to guide the Implementing Partners how to report on these Indicators.

1. Investments supporting gender equality

The European Commission must track and report annually on funding supporting gender equality² following an agreed Commission methodology which is implemented for all EU programs. This indicator aims at tracking the operations and investments under InvestEU that contribute to gender equality in line with EU Commission methodology. The development of the Commission methodology has been informed by the OECD Development Assistant Committee (DAC) Gender Equality Policy Markers (“OECD DAC Gender Equality Policy Marker”).

The Implementing Partners shall report for direct and indirect products, on best effort basis, investments supporting gender equality based on the approach under this section, unless the methodology for tracking is specifically agreed in their respective Guarantee Agreement³.

The Commission methodology foresees several scores for of contribution to gender equality (adapted from OECD DAC guidelines): score 0, score 0*, score 1 and score 2:

- Operations whose **principal objective** is to improve gender equality (score 2). improving gender equality is the main objective of the intervention, without it the intervention would probably not be undertaken.
- Operations having gender equality as an important and deliberate/**significant objective** but that are not the main reason for the intervention (score 1).
- Not targeted interventions, which do not contribute significantly towards gender equality (score 0).
- Interventions, which can have an important impact on gender equality but where the actual impact is yet unclear, due to for example the absence of an assessment of the gender equality perspective in the design phase, or the absence of data allowing a more detailed assessment of the effects of the intervention (score 0*).

When reporting on operations supporting gender equality Implementing Partners shall report any results based on:

¹ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017.

² Apart from male/female split, gender equality emphasises the broader context of social norms, and should encompass different gender identities, gender expressions and sex characteristics.

³ Depending on the nature of the financial products, the Commission and the Implementing Partner may agree in the Guarantee Agreement, on specific reporting KPIs which are relevant for the monitoring of that specific Financial Product.

- (i) ex-ante assessment at the design phase of the operation (either direct or indirect) which shall consist in an analysis of the gender equality perspective of the intervention based on the described criteria. Findings from such an analysis of the gender equality perspective should inform the design of the intervention, and, if relevant, the gender equality aspects should be reflected in the adopted contractual documents of the operations concerned.
- (ii) ex-post assessment based on the implementation, which entails monitoring and relevant reporting from the financial institutions.

Proposed methodology under InvestEU

This section proposes possible criteria the IP could use based on criteria proposed by the [2x challenge global initiative](#)⁴. Implementing Partner can also use their own criteria or adjust 2x challenge criteria as long they are broadly aligned with OECD Gender Equality Policy Markers (“[OECD DAC Gender Equality Policy Marker](#)”) and this guidance. As a principle, implementing Partners can classify an operation as contributing to gender equality (Scores 1 and 2 above) where it can be sufficiently substantiated and justified that they demonstrate sufficient positive contributions towards gender equality.

1.A. For direct financing, this indicator concerns the number of operations and the volume of operations signed (KMI 1.1) that have a principle or significant objective to contribute to gender equality.

For example, Implementing Partner, can use the following criteria based on 2x challenge global initiative to mark the investments as "score 1"⁵:

1. Entrepreneurship: the operation supports either a business funded by women or where the share of women's ownership is 51% or above;
2. Leadership: the operation supports a business with at least 20-30% of female senior managers or Board members or Investment Committee members. The percentage is sector specific (see table below);
3. Employment: the operation supports a business that employs at least 30-50% women. The percentage is sector specific (see table below);
4. Consumption: the operations support a business whose product or service specifically or disproportionately benefits women (yes/no).

For example, Implementing Partner, can use the following criteria based on 2x challenge global initiative to mark the investments as "score 2":

1. Entrepreneurship: the operation supports either a business funded by women or where the share of women's ownership is 70% or above;
2. Leadership: the operation supports a business with at least 30%, 35% and 40% of female senior managers or Board members or Investment Committee members respectively in groups of low, mid and high sectors (see table below);
3. Employment: the operation supports a business that employs at least 40% and 50% women respectively in groups of low and mid sectors (see table below).

⁴ The proposed criteria refer to suggested minimums for classifying operations that contribute Significantly to gender equality objectives. Implementing Partners can use different and more stringent criteria in relation to “Principal objective” to gender equality. However separate reporting to the Commission on the significant and principal contribution to gender equality objectives is not required.

⁵ 2XCriteria are not sufficient for the investment to be marked as "Score 2" where the ambition should be higher. To mark any operations as “score 2” IPs should use more ambitious criteria based on their own rules and procedures.

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	40%
	– Heavy, Agribusiness & Food, Professional Services	
High	Healthcare, Education, Consumer Services, Manufacturing – Light ³	50%

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

21.B. For **indirect debt financing** this indicator concerns the number of operations and the volume of operations signed (KMI 1.1) that have a principle or significant objective to contribute to gender equality. The Implementing Partners can use the following criterion **based on 2X Criteria** to mark the investments as "score 1"⁶: at least 30% of loans of the companies in the portfolio supported by InvestEU need to meet one of the criteria described above (7.A) for direct financing.

For **indirect equity financing** the Implementing Partners can use the following criteria based on 2X Criteria, and the investment operations meet at least one of the following criteria to mark the investments as "score 1"⁷:

- a) Its management team is composed of at least one third of female partners⁸, or
- b) Its senior investment team provides for at least 40% of female representation, or
- c) At least 40 % of female representation is provided in its investment committee.

For **indirect equity financing** the Implementing Partners can use the following criteria based on 2X Criteria, and the investment operations meet at least one of the following criteria to mark the investments as "score 2"⁷:

- a) Its management team is composed of at least half of female partners or majority in case of odd number of partners, or
- b) Its senior investment team provides for at least 50% of female representation, or
- c) At least 51% of female representation is provided in its investment committee.

Unit of measurement:

The indicator has to be reported as 1) number of operations signed and 2) aggregate volume of operations signed (KMI 1.1) for operations supporting gender equality where the **principal** or **significant (scores 1 and 2 mentioned above)** objectives of the operations is to improve gender equality, or has to be reported based on product specific indicators if specifically agreed in the guarantee agreement as applicable.

⁶ 2XCriteria are not sufficient for the investment to be marked as "Score 2" where the ambition should be higher. To mark any operations as "score 2" IPs should use more ambitious criteria based on their own rules and procedures.

⁷ 2XCriteria are not sufficient for the investment to be marked as "Score 2" where the ambition should be higher. To mark any operations as "score 2" IPs should use more ambitious criteria based on their own rules and procedures.

⁸ i.e. one female partner when the management team is composed of up to 4 partners, else 2 female partners