

Global Gender Smart Fund (GGSF) – an OeEB Gender Lighthouse Project

Background

Gender equality is an international human right and essential for a sustainable, peaceful world. The [World Bank](#) estimates that gender equality could increase global per capita GDP by up to 20%. Nevertheless, the [Global Gender Gap Report 2024](#) assumes that it could take more than a century to achieve equality in terms of economic participation and opportunity: women worldwide have only two-thirds of the legal rights of men, over a billion have no access to financial resources, and women-led small businesses in developing countries face a financing gap of around USD 1.9 trillion.

The Global Gender-Smart Fund (GGSF)

To address these challenges, the Global Gender-Smart Fund S.A. (GGSF) was launched at the beginning of 2024. The fund emerged through the restructuring and reorganization of the Microfinance Enhancement Facility (MEF), which was founded in 2009. Building on MEF's 15 years of experience in providing liquidity to the microfinance sector in developing countries, the fund has been realigned according to gender criteria.

The new fund strategy aims to reduce the gender gap by providing responsible financial services to women and women-led micro, small, and medium enterprises in developing countries, where gender equality is often limited. The focus is on access to capital, workplace equality, and products and services that benefit women and girls. Transitioning to a gender-focused fund was a natural next step, as 86% of the end borrowers had already been women.

To achieve this goal, the GGSF works with partner institutions such as microfinance institutions, banks, and financial service providers, which channel the funds to the end borrowers. Investments by the GGSF are intended not only to improve the living conditions of the end clients but also to strengthen gender equality within partner institutions through more balanced leadership and better working conditions for women.

This dual approach is based on the 2X criteria, a global standard for gender financing. Furthermore, as one of the first funds to do so, GGSF has committed to supporting the next phase of the 2X Challenge. The 2X Challenge aims to mobilize funding for projects that empower women as entrepreneurs, leaders, employees, or consumers and promote their economic participation. The fund also seeks 2X certification for all its investment partners. This certification evaluates the organizations' gender efforts based on the 2X criteria and


Fund Manager: Inpact Fund Management
Portfolio Management: Incofin, responsAbility, Triple Jump
Technical Assistance Consortium: NIRAS A/S, Women's World Banking
Investment Portfolio as of 12/2024: USD 480 million with 114 partner institutions in 44 countries


is verified by independent experts. Since August 2024, the GGSF, as well as its three portfolio managers, has been a 2X member, fostering networking, knowledge exchange, and peer learning with like-minded organizations, thereby further strengthening the fund's gender approach.

Since the strategic realignment of the fund, gender and financial analyses of potential investees are considered together, and a Gender Action Plan is required for all financing agreements. Targeted technical assistance supports the implementation of the identified measures. To facilitate this, the fund has established a technical assistance facility.

OeEB's contribution to strengthening GGSF's gender impact

Through its participation in the GGSF, OeEB makes a significant contribution, both financially and developmentally, to the economic empowerment of women in developing and emerging countries:

Anchor Investor and Key Driver of the Fund's Gender Focus

Since 2009, OeEB has been an anchor investor in the Microfinance Enhancement Facility (MEF), supporting the fund's growth and adaptation to changing market conditions over the years. This position also allowed OeEB to take an active role in discussions on the fund's strategic realignment, contributing its expertise to the restructuring of MEF into the first globally oriented debt fund with a gender focus, as well as to the design of the investment guidelines, for example in the area of client protection. OeEB's original USD 30.5 million investment (shares) was increased by a further USD 20 million (notes) in March 2025, underscoring the bank's commitment to gender equality. OeEB's investment has also qualified for the 2X Challenge, contributing to its goal of mobilizing USD 20 billion by 2027.

Mobilizing Private Capital for Gender Financing

As the first investor to invest in the fund's sub-notes, OeEB closed an important gap that enabled the issuance of senior notes and the mobilization of private capital up to three times the size of OeEB's investment. This illustrates OeEB's financial additionality, providing funds on terms or at scales that private-sector partners would not have been able to achieve. For OeEB, GGSF is an important partner in implementing its strategic objectives, as the fund enables the provision of smaller loans (around USD 3–4 million per investment) as well as loans in local currency.

Strengthening Gender Impact through Technical Assistance

In addition, OeEB contributes EUR 200,000 from its own funds to the GGSF's Technical Assistance facility. This represents an important contribution to the fund's value-added impact and sustainably strengthens the developmental effectiveness of OeEB's investment in GGSF.

Through its financial participation, provision of technical assistance, and application of expertise in the fund's realignment and design, OeEB makes a significant contribution to promoting gender equality in its target countries. This project not only aligns with OeEB's strategic objectives of strengthening micro, small, and medium enterprises (MSMEs), increasing financial inclusion, and advancing gender equality, but also serves as an outstanding example of how OeEB actively contributes to the economic empowerment of women.