DCED Annual Meeting 2019
Main PSE/PSD Policy & Program Initiatives in 2018/19

A. “Growth that works for everyone” policy statement

B. Related Guidance notes:
   • Example: Draft WEE logic model and definition

C. Innovative Finance Program

D. Partnership for Gender Equality-Call for Proposal - The Equality Fund

E. Findev Canada (Canada’s DFI)

F. A quick word on “Development Learning Evaluation Framework” with IDRC
Revisiting the Sustainable Economic Growth Strategy:

- **Macro:** Building Economic Foundations
- **Meso:** Growing businesses
- **Micro:** Investing in People
The current GROWE Action Area

GROWE better reflects the new global context and dynamics of poverty

- Addresses inequality
- Promotes a Feminist Vision
- Seeks to support FCAS

Focus on the poorest, most vulnerable
Activist and transformational agenda
Innovation and Effectiveness
Ministerial mandate letter: Focus on the poorest and most vulnerable

Poverty line
Who do our interventions support?

- Wealthy
- Well-off
- Vulnerable
- Pauvreté modérée
- Extrême pauvreté
- Indigence

- Microcredit, micro-enterprise
- Graduation, cash transfer, work for food programs
- SME development
- Supply chain development
- Micro-savings, micro-insurance
- Subsistence projects, basic/life skills
Resilience is Key to Poverty Reduction

A Theory of Change with Three Pathways

1. Created by Luis Prado from Noun Project
2. Created by I Putu Kharismayadi from Noun Project
3. Created by Maxim Basinski from Noun Project
1) Overcoming barriers to women’s economic empowerment

- Domestic chores
- Care
- Collective and legal action
- Economic rights
- Leadership and role models
- GBA+ capacity
2) Building economies more inclusive of women

- Rural development
- Access to credit
- Mentorship & BDS
- Technical and vocational education training
- SME development
- Circular economy
3) Strengthening economic resilience

- Climate change adaptation
- Savings and transfers
- Disaster recovery
- Social protection and safety nets
- Financial inclusion
- Health insurance
Guidance note: Women’s Economic Empowerment

Low-income women have increased agency and power to make economic decisions that benefit their lives

Systemic barriers to women’s economic empowerment eliminated

More inclusive markets for women-led enterprises, and improved employment and entrepreneurship opportunities for women

Strengthened economic resilience for women

- Childcare
- Legal reforms
- Work with men and boys
- Support to women's groups
- Women’s labour unions
- Promoting women’s leadership
- Soft skills
- TVET
- Labour policies
- Entrepreneurship & BDS
- Access to productive assets
- Climate-smart agriculture
- Financial inclusion
- Social safety nets
- Asset transfers
Background to the Innovative Finance Programs (IAIP and SLP)

Programs Announced in Budget 2018

International Financial Assistance Act (IFAA)
December 2018

‘Open for Business’
Spring/Summer 2019

Program Related Regulations
Summer 2019

Overall Combined Programming Profile

SLP
This program will enable Canada to provide sovereign loans to eligible recipients with concessional terms, thereby enhancing their capacity to make important investments in poverty reduction and peace security, while recognizing their relative ability to pay for these investments.

IAIP
This program will give Global Affairs Canada greater flexibility for financing arrangements and partnerships, notably by enabling it to more effectively engage with, and mobilize the resources of the private sector.

Today

$1.59B
$657.7 M
$935.6 M
The Programs will build markets to benefit the underserved, by creating conditions for better investments in developing countries.

The Programs will do this by creating more opportunities to demonstrate that investing in support of the SDGs can yield both development and financial returns.

THE PROGRAMS WILL PLAY A MARKET BUILDING ROLE, THROUGH OUR TRANSACTIONS AND IN OUR INVESTMENT PROCESS.
What are we looking for in Investments?

**Development Impact** – Blended finance is only a means to an end

**Minimum Concessionality** – Using scarce ODA resources as effectively and efficiently as possible

**Additionality** – (Financial and Developmental) Generating results that would have otherwise not occurred without Canadian support

**Financial Sustainability** – Ensuring that initiatives are sound investments, and that we can exit markets in the long term

THESE CRITERIA ARE AT THE PROGRAM’S CORE, AND WILL BE A CONSTANT THREAD
The Pilot Nature of the Programs is Important

Centralization as a feature in the first instance, controlling risk and increasing accountability at first

How we work with other Programs and Missions will evolve as we learn through the pilot

Room for experimentation within the pilot overtime – e.g. decentralizing accountabilities in partnership with programs

WE ARE ALSO LEARNING BEST PRACTICE FROM OTHERS, BUT HAVE TO ADAPT THAT TO OUR UNIQUE CONTEXT AND VISION
What Will This Look Like in Practice?

<table>
<thead>
<tr>
<th>Country - Ethiopia</th>
<th>Sector - Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Ethiopia skyline" /></td>
<td><img src="image2.png" alt="Infrastructure workers" /></td>
</tr>
<tr>
<td>Country in a phase of growth and transition</td>
<td>Opportunity to inject gender analysis</td>
</tr>
<tr>
<td>New ways of engagement to build on current programming</td>
<td>Opportunity to work more closely within and outside GAC</td>
</tr>
<tr>
<td>Expanded toolkit gives us more flexibility</td>
<td>Expanded tool kit to work more strategically with IFIs</td>
</tr>
</tbody>
</table>
Looking Forward – Building an Ecosystem at GAC

GAC as a whole must internalize these new ways of working, by using tools from across the innovative financing spectrum, from pay-for-results, to debt, guarantees, equity, and sovereign loans.

MLD as a Centre of Excellence will be working with the whole department on the application of these new tools to maximize development impact and seed new models of engagement.

In the long term, innovative finance strategies should make their way into country and program investment plans, with an eye to how GAC can best build local ecosystems and markets with these tools.

THIS PILOT IS A WAY FOR US TO BUILD OUT OUR DEVELOPMENT PLATFORM TO ACHIEVE MORE
What Defines Gender-lens Investing?

Incorporating a gender analyses into the practice of investments and the systems of finance in how value is assigned, how relationships are structured, and in how processes work

An investing approach to promote social and/or economic empowerment of women, in addition to financial returns

Investing with the intent to address gender issues or promote gender equity and/or with the following approaches to inform investment decisions: a process that focuses on gender, from pre-investment activities to post-deal monitoring or a strategy that examines key elements of the investee enterprises
Partnership for Gender Equality

- Call for Proposal launched in April 2019 to establish an endowment to fund Women’s Rights Organizations in developing countries
- Involves establishing a partnership to leverage resources from public, private, philanthropic and civil society donors
- A $300M contribution from Global Affairs Canada aims to raise funds and mobilize capital for grant-making in perpetuity
# Invitation for Full Proposal – Partnership for Gender Equality – Technical Assessment Criteria

<table>
<thead>
<tr>
<th>Sub-themes</th>
<th>Overall Vision and Strategy</th>
<th>Design and Delivery model</th>
<th>Programming Strategy – Grant making, Capacity Development support and Non grant instruments</th>
<th>Resourcing &amp; Sustainability Strategy</th>
<th>Investment Management Plan</th>
<th>Resourcing and Sustainability Strategy Funds Mobilization</th>
<th>Governance</th>
<th>Operational plans</th>
<th>Gender Equality Capacity</th>
<th>Financial and fiduciary capacity</th>
<th>International development capacity</th>
<th>Programming Capacity (Grant-Making to WOs and Other)</th>
<th>Investment management capacity</th>
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<tbody>
<tr>
<td>Theory of change</td>
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<td>Expected results</td>
<td>Alignment with ambition &amp; objectives</td>
<td>Programming strategy aligned with Government vision</td>
<td>Realistic, coherent approach aligned with capacity</td>
<td>Overall investment strategy</td>
<td>Overall funds mobilization strategy</td>
<td>Feminist governance structure</td>
<td>Timelines, budget and funds flow, HR plan, legal structure, M&amp;E, risk mitigation, Canadian presence</td>
<td>Policy &amp; Programming experience</td>
<td>Partnerships &amp; Networks</td>
<td>Knowledge mg’t &amp; lessons learned</td>
<td>Financial viability</td>
</tr>
<tr>
<td>GLI experience</td>
<td>Demonstrated experience &amp; track record</td>
<td>Duration</td>
<td>New resources leveraged</td>
<td>Investment mg’t team</td>
<td>Returns</td>
<td>GLI experience</td>
<td>Metrics</td>
<td>TA to WOs</td>
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FINDEV CANADA: Canada’s DFI

Financial solutions for the private sector in developing markets

Launched in January 2016, FinDev Canada uses a range of financial instruments to achieve global development objectives and brings an innovative, collaborative approach, while building on the lessons learned and successes of other development financiers and impact investors.

We offer financial solutions to the private sector in developing countries to enhance women’s economic empowerment, develop local markets, and help with mitigation and adaptation to climate change.

**DEVELOPMENT IMPACT GOALS**

- Women’s Economic Empowerment
- Market Development
- Climate Mitigation and Adaptation

**PRIORITY SECTORS**

- Green growth
- Agribusiness value chain
- The Financial Industry

**PRIORITY GEOGRAPHIES**

**FINANCIAL SERVICES**

- Loans: Direct medium and long-term; at both fixed and variable interest rates, with a repayment grace period where needed
- Guarantees: To ensure access to international markets, we structure our guarantees to meet the specific needs of the borrower, the market and the targeted creditors
- Equity: Direct, indirect (wind-up or with partners), as an investment partner; we provide stable, long-term capital. We work with companies and fund managers to integrate sustainability into their core operations - building success for the long-term
FINDEV CANADA - Canada’s DFI

Eligibility Criteria for Businesses

- **Private sector** entity (i.e. not a government entity)
- Operations in **Latin America, The Caribbean or Sub-Saharan Africa**
- Generates or is projected to generate cash flow that is **sufficient in order to be able to repay debt or provide an adequate return on equity**
- Operation in a FinDev Canada priority sector, i.e. **green growth** (renewable energy, energy infrastructure, energy efficiency, water supply, water management, waste management, waste water management, bio-refinery products, green industrial production, etc.), **agribusiness value chain**, or **financial services**
- Ability to have an **impact on economic and social development in the host country through job creation, a contribution to women’s economic empowerment, climate change mitigation or adaptation**

Get in touch to explore how we can work together

www.findevcanada.ca  info@findevcanada.ca  FinDev Canada  @FinDev_Canada  FinDev Canada