



Global Affairs
Canada

Affaires mondiales
Canada



DCED Annual Meeting 2019

Canada

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

Focus on the poorest, most vulnerable

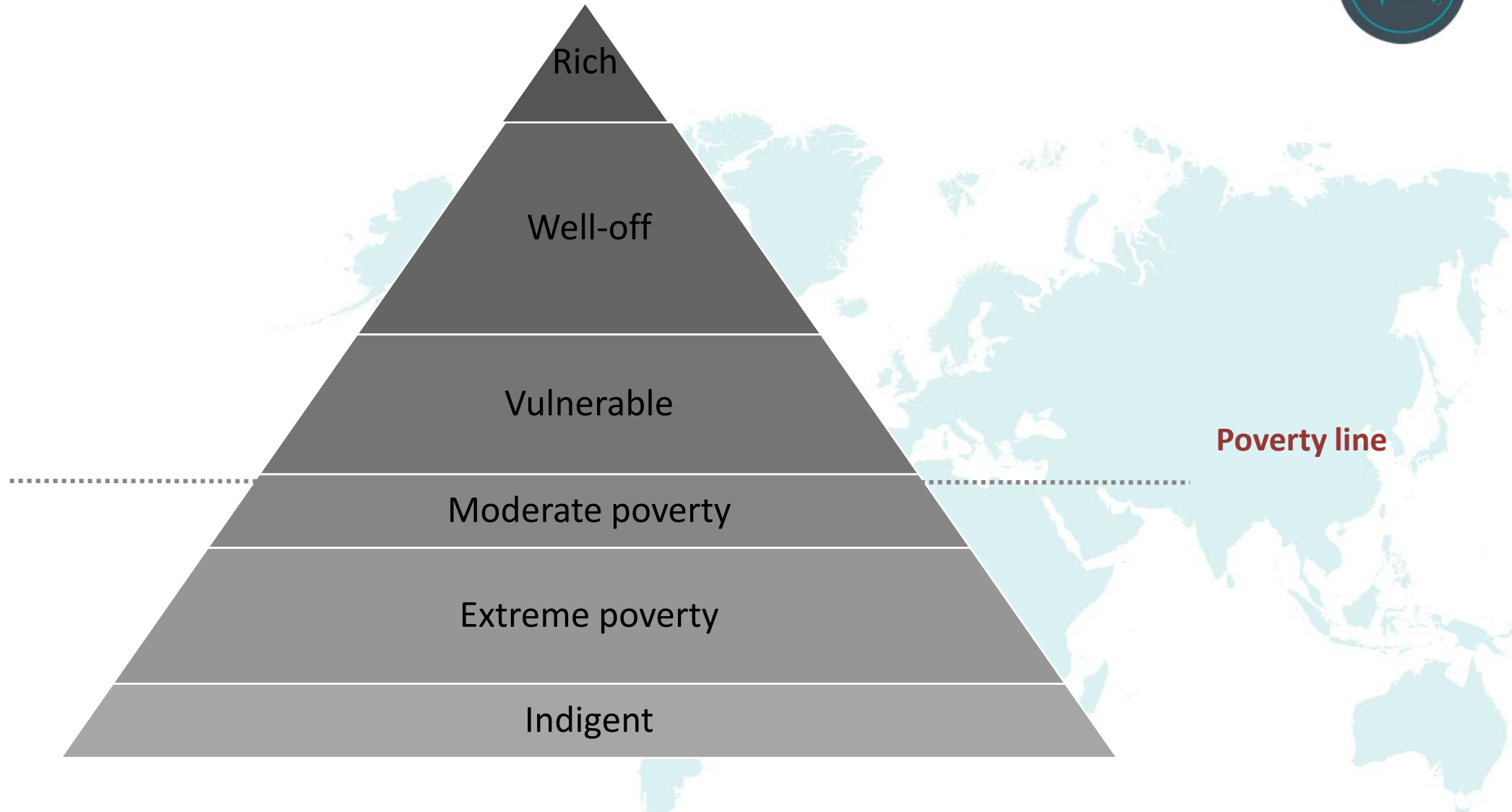
Promotes a
Feminist
Vision

Activist and transformational agenda

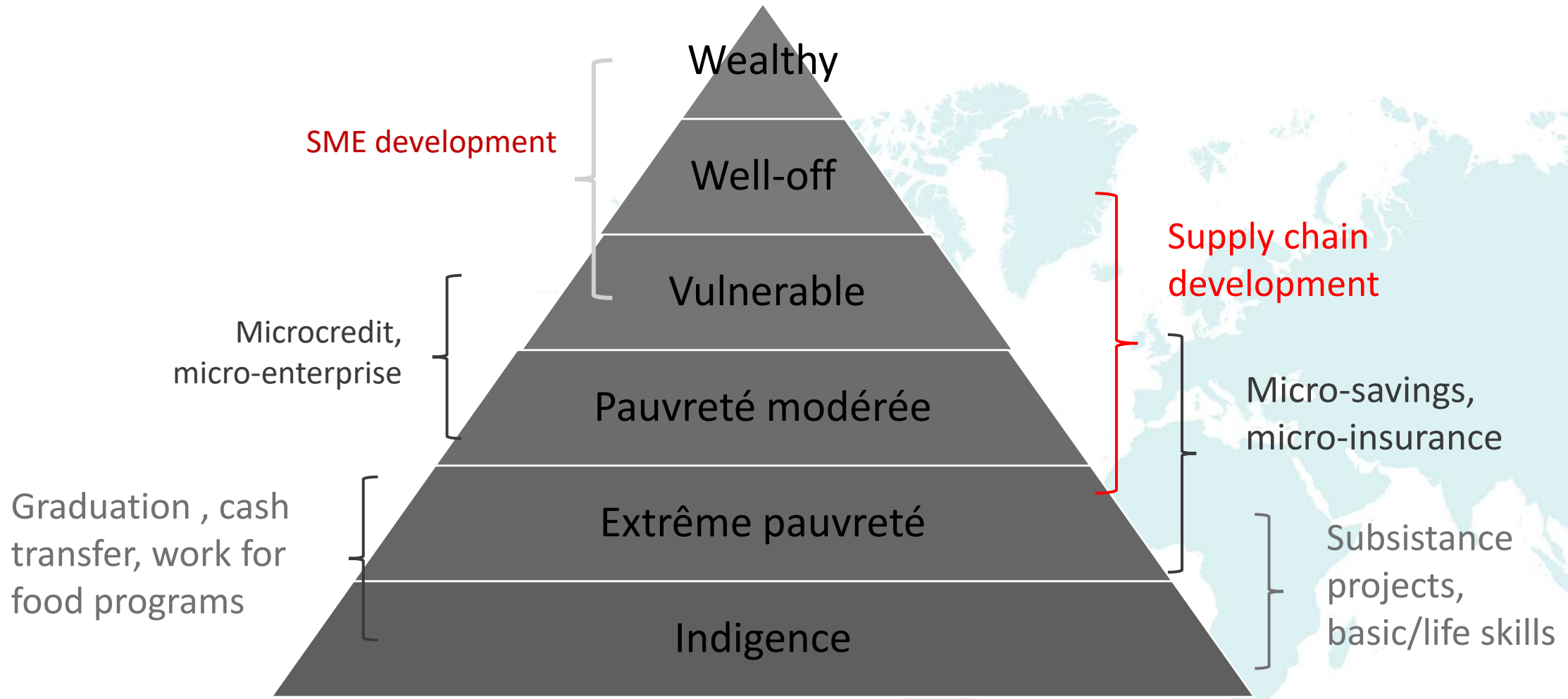
Seeks to
support
FCAS

Innovation and Effectiveness

Ministerial mandate letter: Focus on the poorest and most vulnerable



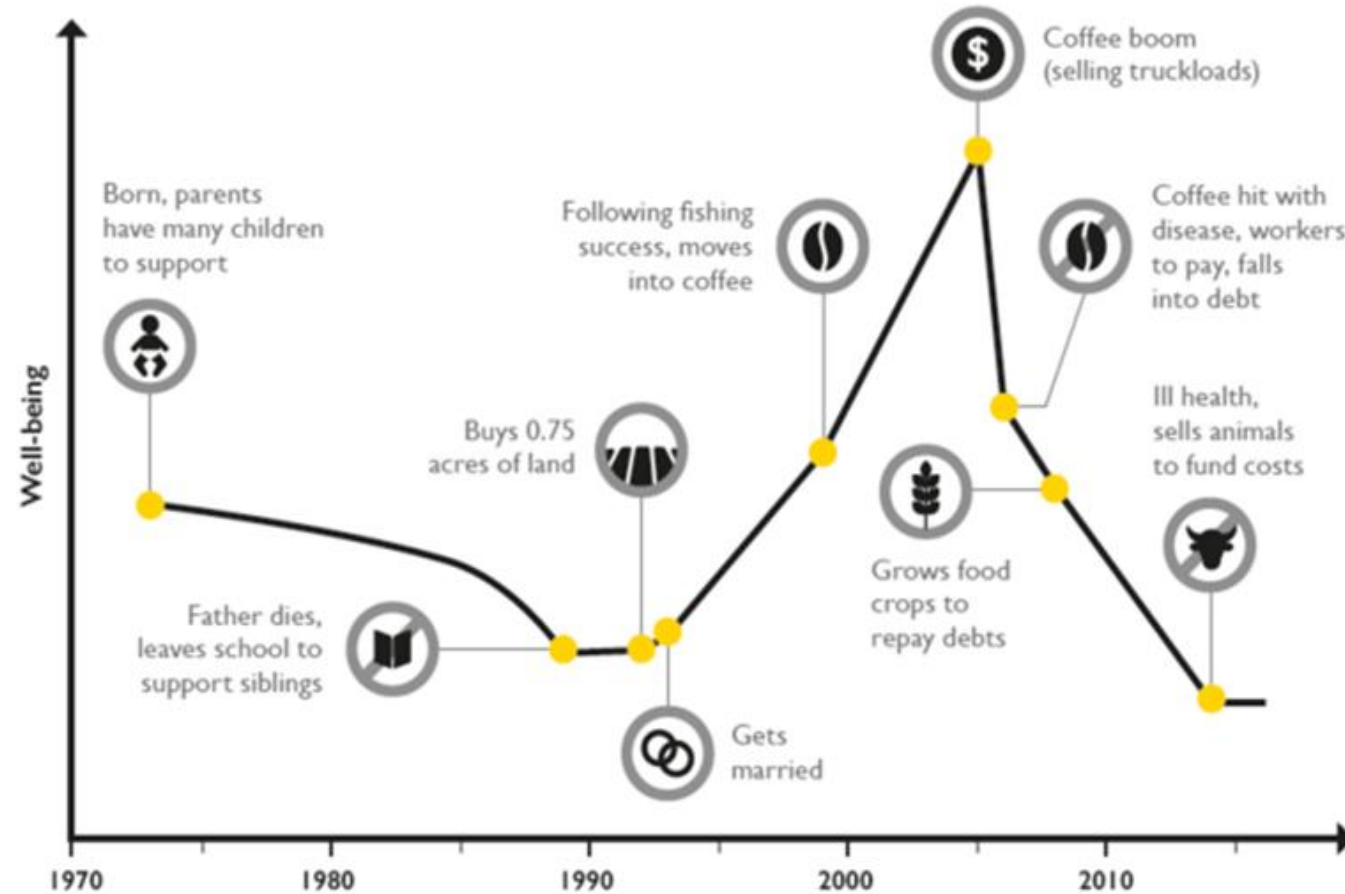
Who do our interventions support?



Resilience is Key to Poverty Reduction

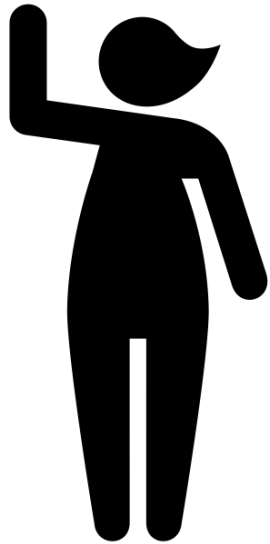



SSEBAGALA
Born 1973
Mawokota
South County,
Uganda



Source: ODI, Chronic Poverty Advisory Network, 2016.

A Theory of Change with Three Pathways



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1



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2



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3

1) Overcoming barriers to women's economic empowerment



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Domestic chores



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Care



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**Collective and legal
action**



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Economic rights



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**Leadership and role
models**

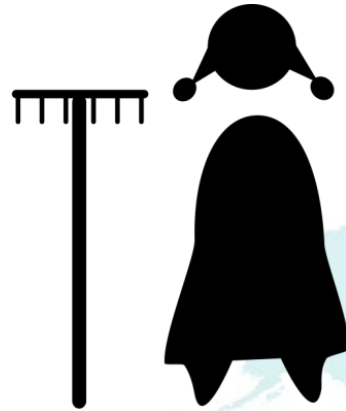


GBA+ capacity

2) Building economies more inclusive of women

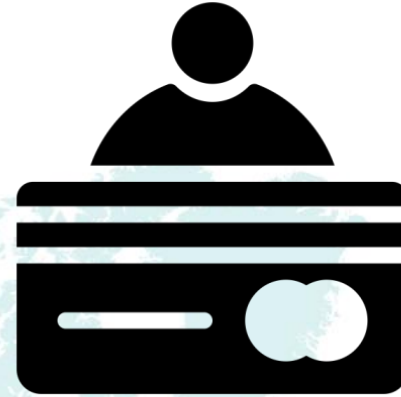


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Rural development



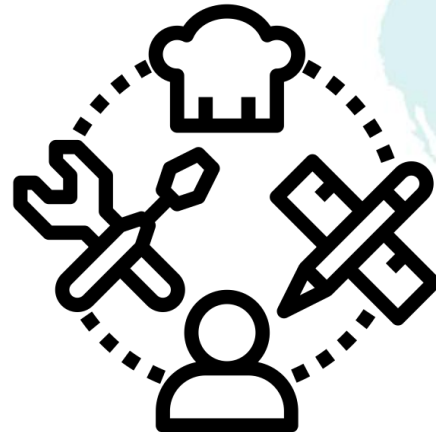
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Access to credit



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Mentorship & BDS



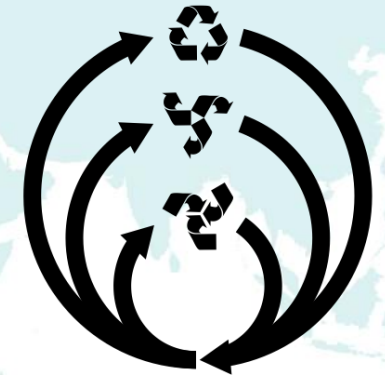
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Technical and vocational
education training



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SME development



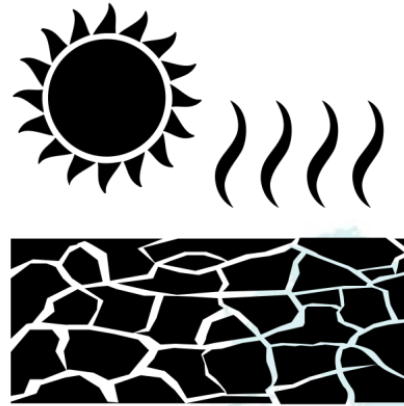
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Circular economy

3) Strengthening economic resilience



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Climate change adaptation



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Savings and transfers



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Disaster recovery



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**Social protection and
safety nets**



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Financial inclusion



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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

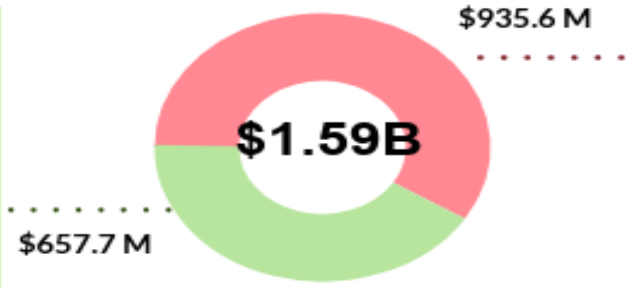
Background to the Innovative Finance Programs (IAIP and SLP)



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.

Overview of the Programs – \$1.59b over a 5 year Pilot



The Programs will build markets to benefit the underserved, by creating conditions for better investments in developing countries.

**SUSTAINABLE
DEVELOPMENT**  **GOALS**

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

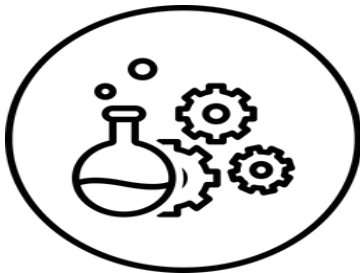
The Pilot Nature of the Programs is Important



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?



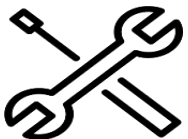
Country - Ethiopia



Country in a phase of growth and transition



New ways of engagement to build on current programming



Expanded toolkit gives us more flexibility

Sector - Infrastructure



Opportunity to inject gender analysis

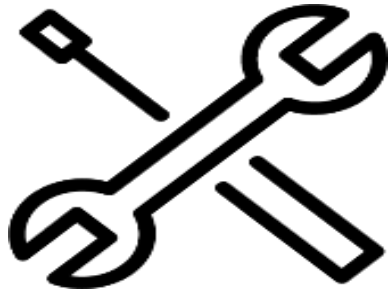


Opportunity to work more closely within and outside GAC



Expanded tool kit to work more strategically with IFIs

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?



CRITERION
INSTITUTE

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 \$C300M contribution from Global Affairs Canada aims to raise funds and mobilize capital for grant-making in perpetuity

[Partnership for gender equality web page](#)

Invitation for Full Proposal – Partnership for Gender Equality – Technical Assessment Criteria



	Overall Vision and Strategy	Design and Delivery model	Programming Strategy – Grant making, Capacity Development support and Non grant instruments	Resourcing & Sustainability Strategy Investment Management Plan	Resourcing and Sustainability Strategy Funds Mobilization	Governance	Operational plans	Gender Equality Capacity	Financial and fiduciary capacity	International development capacity	Programming Capacity (Grant-Making to WOs and Other)	Investment management capacity
Sub-themes	Theory of change Expected results	Alignment with ambition & objectives	Programming strategy aligned with Government vision Realistic, coherent approach aligned with capacity	Overall investment strategy Gender lens investing strategy	Overall funds mobilization strategy Detailed funds mobilization strategy	Feminist governance structure	Timelines, budget and funds flow, HR plan, legal structure, M&E, risk mitigation, Canadian presence	Policy & Programming experience Partnerships & Networks Knowledge mng't & lessons learned GBA+ expertise	Financial viability Financial absorptive capacity	Countries of operation Delivery mechanisms Gender integration	Years of experience Breadth & Depth of experience TA to WOs	Demonstrated experience & track record Duration New resources leveraged Investment mng't team Returns GLI experience Metrics

FINDEV CANADA: Canada's DFI



Financial solutions for the private sector in developing markets



Launched in January 2018, 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

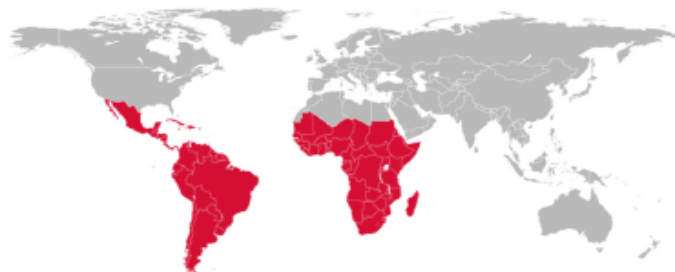


Agribusiness
value chain



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 (funds) or with partners. As an investment partner, we provide stable, long-term capital. We work with companies and fund managers to integrate sustainability in their core operations – building success for the long-term



FINDEV CANADA - Canada's DFI



ENVIRONMENTAL



SOCIAL



GOVERNANCE

FinDev Canada evaluates the human rights and environmental, social and governance (ESG) risks presented by the businesses it supports, outlines approaches to mitigate negative human rights and environmental and social risks, and helps improve these conditions in those businesses.

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



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