



Emerging Economies

The Role of Development Finance Institutions and the Canadian Development Context

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Purpose Capital

November 2014

With the support of the Department of Foreign Affairs, Trade and Development (DFATD), Aga Khan Foundation Canada (AKFC) hosted a half-day roundtable in Ottawa entitled “The Role of Development Finance Institutions and the Canadian Development Context” on November 19th, 2014. To watch a webcast of the opening session of the roundtable, please [click here](#).

The event was the first in a series on emerging economies convened by AKFC. It is part of the Foundation's wider efforts – in collaboration with global experts and institutional partners – to connect development professionals and support research, training and innovation to advance understanding of key development themes. The views expressed in this report do not represent the views or opinions of AKFC or DFATD.

Introduction

The roundtable convened experts, practitioners, academics, and investors across the public, private and social sectors to discuss the potential opportunity, role, structure and considerations for a Canadian development finance institution (DFI). With this diverse range of perspectives, the event provided a timely platform to explore and situate Canada's role in the development finance sector.

The objectives of the roundtable included:

- Educate the Canadian development community on how DFI investments can complement ODA
- Identify key and existing gaps in the global DFI landscape
- Discuss ways of aligning DFI opportunities investments with Canadian aid priorities
- Collaborate with other development actors to explore new, innovative development financing approaches

This document reports on the key issues and outcomes of the roundtable. It briefly describes the agenda and structure of the event; outlines the initial, context setting presentations made during the first part of the event; captures the key issues raised during the roundtable discussions during the second half of the event; and concludes with a summary of the overarching themes and recommendations that emerged during this event. The annexures to this document list the participants and provide bios for the presenters as well as provide additional background information and resources focused on development finance.

Teaching and Learning

The roundtable was divided into two sessions:

Session One

In the first half of the event, two speakers provided introductory remarks and set the context for the roundtable, followed by three presentations that reviewed the current international DFI landscape, addressed key concerns and challenges within the Canadian context, and outlined what a Canadian DFI would mean for current and future development priorities.

This portion of the roundtable was webcast, expanding the audience to include remote participants, who were additionally able to submit questions following the three presentations.

Session Two

To encourage frank exchange of ideas, the second half of the event was conducted off-line. These discussions focused on the following issues:

- *Roundtable Discussion #1*: The role of a Development Financial Institution, trends, challenges and the International landscape
- *Roundtable Discussion #2*: What would make a Canadian DFI unique and distinctive?

Overview of Presentations (Session One)

“Setting the Context”

– *Karim Harji, Co-Founder and Director, Purpose Capital*

Outlining the increasing need for a broader set of financial resources to be deployed towards international development, Harji provided a frame for the conversation moving forward. He recommended that the discussion should embrace a range of diverse perspectives and seek to identify complementary approaches to those employed by other actors in the international development and development finance sectors. He also highlighted the benefits that emerge from deploying a range of financial tools creatively to generate social impact.

“The Considerations of Creating a Canadian DFI”

– *Brett House, Senior Fellow, Jean Sauvé Foundation*

Brett House noted that the idea of creating a Canadian DFI had been discussed multiple times over the last few decades. As that idea never came to fruition, Canada is now in the unique position of being the only G7 country without a DFI. This provides Canada with an opportunity to create a DFI that builds upon the experience of existing DFIs, and to take an innovative approach to financing developmental outcomes. House’s presentation provided ten key considerations for a Canadian DFI, suggesting that it should:

1. Address clear market failures and occupy a position on the financial spectrum that is otherwise empty
2. Be catalytic, not comprehensive, and encourage private investment in international development
3. Be a structural institution that aligns with its developmental purpose
4. Go beyond the range of exclusively supporting Canadian content
5. Be appropriate in size, achieve a scale between \$350MM - \$500 MM annually
6. Supplement and complement Canada’s Official Development Assistance (ODA)

7. Be focused on specific low income geographies
8. Be budget neutral and leverage Canada's AAA credit rating
9. Be focused on a double or triple bottom line
10. Leverage public support to gain cross-party government support and attention

“Sarona’s Experience in Canada and Abroad”

– *Gerhard Pries, CEO and Managing Partner, Sarona Asset Management*

Gerhard Pries provided a personal reflection from his experience in initiating and scaling several funds that blended public sector and private sector capital to generate financial returns and social outcomes in emerging and frontier markets. Pries cited his frustration in previous engagement with public sector actors, emphasizing the need for clarity around the role of government investments. In his opinion, the role of the public sector is to close the gap between the financial needs of international development organizations and the willingness of the private sector to invest in emerging markets. The initial hesitation of the private sector could be mitigated by public sector mechanisms that would be able to provide a level of security, such as loan guarantees, to catalyze private sector investment. Once confidence and track record has been built, the public sector finance should withdraw, to allow private sector capital to engage more fully.

Pries concluded with a set of priorities for a Canadian DFI, noting that it should:

- Work through intermediary organizations to deliver financing and services as opposed to directly providing investment and technical assistance.
- Partner with Canadian business (but not exclusively), in delivering financing and related services; invest in Canadian organizations addressing development challenges abroad
- Be operationally efficient and light touch in core activities
- Take risks and be courageous in making investment decisions that other market actors may not be ready to make

“The Nexus of Investment and Development”

– *Linda Jones, Director of SME / Investment, Mennonite Economic Development Associates (MEDA)*

Jones focused on the need to measure impact through social outcome indicators, not just economic growth indicators. She described the importance of exploring the nuances in measuring economic and job growth by also examining the quality of the jobs and the diversity of employees, among other criteria. Jones’ presentation also outlined the importance of technical assistance through the recent investment made by the Canadian Government in MEDA and Sarona Asset Management, where 75% of funding provided went directly into the investment fund, and 25% of the funding went towards supporting technical assistance.

Jones articulated several key considerations for a Canadian DFI, noting that it should:

- Be catalytic through employing a range of financial instruments that encourage private investment
- Clearly define development outcomes and ensure that all decisions are made in consideration of meeting these development outcomes
- Be transparent in its core activities and have in place a strong governance structure that provides guidance in crucial decision-making

- Measure impact being created by its activities and relay impact back to key stakeholders via consistent reporting

Roundtable Discussions (Session Two)

Roundtable Discussion #1

The first topic of discussion was **the role of a Canadian DFI, trends, challenges, and the international landscape**. Guiding questions for this roundtable discussion were:

- What role do DFIs play in other G7 countries? (Identifying trends, successes, failures)
- How can we resolve the false dichotomy of private sector investment and ODA?
- Is there a need for a Canadian DFI?
- What value added will a DFI bring to Canada (NGO's, businesses, development)?
- What is the risk profile that a DFI should be guided by?

While participants shared a broad range of opinions, several notable themes emerged.

Defining the Mandate

There were varying opinions on clarifying the mandate and scope of a Canadian DFI. Some participants felt that a Canadian DFI may have the best possible opportunity for success with a relatively broad mandate. As one attendee noted, this opinion was supported by evidence from other prominent DFIs that have not been restricted in their investment strategies, either geographically or by sector, and have delivered compelling financial and social returns. The International Finance Corporation (IFC) was cited as an example of a DFI with a broad geographic and sector mandate that is able to provide above-market financial returns as well as examples of investments that deliver a range of social impact.

Alternatively, a narrow mandate could allow a Canadian DFI to coherently focus its efforts and intentionally deploy its resources to priority areas. As one participant explained, there is a difference between providing financing in a developing country and creating a development financial institution: only the latter has an intentional focus on creating development outcomes and results. However, in order to create development results, the participant further added that it was necessary to first clearly articulate a specific definition of development results in order to benchmark success.

Several participants suggested that a Canadian DFI must complement the existing official development assistance (ODA) programs, and provide finance to projects that are currently unable to be funded by ODA. One participant also suggested that the launch of a Canadian DFI should be co-initiated with a commitment to increase ODA, rather than substitute for it.

Addressing Market Failures

For many participants in the roundtable, the decision to create a Canadian DFI should be defined by the need to address specific existing market failures, rather than just setting up an institution for the sake of having one. Around the table, there was a range of perspectives on what market failures actually exist, as well as whether a DFI/DFM was the best vehicle to address them. One participant reminded the audience that Canada already contributes to global institutions involved in development finance such as the IFC, and that a Canadian DFI should be sufficiently differentiated from the existing activity, as the scale of the IFC would likely make it more efficient than a newly-formed entity.

For many participants, one of the direct sources of market failure was the substantial risk premium that private finance demanded for entering emerging markets. Participants felt that a lack of familiarity with these markets, higher perceived political risk, and an array of other factors contributed to a risk premium that may not always reflect the reality of the market. In this case, a potential role for a Canadian DFI would be to initially catalyze private investment and decrease the risk premium especially in new/emerging sectors or geographies. This line of thinking dovetailed with another discussion around the risk tolerance of a DFI, noting that it may need to be enabled to take risks in ways that other DFI institutions presently cannot.

A subset of discussion around the role of market failure discussed the experience from microfinance, in order to surface the potential challenges and opportunities. Even as a relatively mature sector in development finance, which has secured the participation of institutional investors and developed a robust global industry, the microfinance experience raises several issues, such as: the inability of investees (microfinance institutions) to deliver returns on the expected timeline of an investor; and the need for more patient and flexible capital. Another issue is the inability to adequately cover exchange rate fluctuations via existing facilities, which also contributed to the elevated cost of capital even for established MFIs. Although these examples indicate the potential roles that a DFI could play, they also reinforce the need for a clearer articulation of the market need for a DFI.

Unlocking Institutional Capital

Several participants commented on the necessity of unlocking institutional and private capital. It was noted, however, that the relative volume of capital sourced from DFIs is miniscule relative to other sources of capital: only 1% of total capital flowing from the OECD countries to emerging markets comes from DFIs, foundations and governments. Comparatively, 87% of capital comes from private markets and institutional investors, underscoring the importance of engaging institutional capital to achieve scale and impact. More broadly, the focus on DFI engagement must be placed within the broader understanding of the volume and nature of capital that can be leveraged or deployed from other sources.

To unlock significant private or institutional capital for emerging markets requires using language that is familiar to mainstream investors, with emphasis on a proven business case that will generate a compelling financial return, rather than a focus on the social impact. An enduring challenge is that profitability and impact are still largely considered to be inversely related, and that investors tend to favour approaches that enhance financial returns. That said, the social impact and mission remains a critical consideration in the establishment of a DFI, and the discussion elicited diverse opinions on the relative emphasis that should be placed on social impact versus financial return.

Roundtable Discussion #2

Building on the themes from the first discussion, the second concentrated on **what would make a Canadian DFI unique and distinctive**. Participants in the roundtable discussion considered the following questions:

- What would a Canadian DFI look like? (Structure, financial instruments, mandate, technical assistance, capitalization)
- How are NGOs and businesses currently operating in the absence of a DFI?
- Where can Canada make a difference? (Countries of focus, sector specific)
- How can a Canadian DFI Leverage partnerships?

As with the first session, the discussion centered on a few substantive issues.

Leveraging Partnerships

Building on the first roundtable discussion, participants identified partnerships as an important, potential strategy to access capital currently housed in private equity and capital markets. One participant noted that partnerships were necessary, as a Canadian DFI could not – and should not – be the only solution in addressing the challenges of emerging markets. Rather, it should be one solution along a spectrum that works cohesively with other organizations to ensure that capital is provided where it is needed and can be used productively. This was echoed by other participants, who cited successful experiences with development organizations that used intermediary partners strategically as distribution mechanisms for financing and the delivery of services.

Partnerships and the ability to broker relationships between individual actors was also discussed as a potentially unique factor of a Canadian DFI. As noted by participants, a Canadian DFI could play a convening role to foster longer-term relationships between supply side capital providers, emerging market intermediaries, and emerging market enterprises.

How a Canadian DFI can foster Innovation

A portion of the discussion focused on the role of the Canadian DFI in supporting the development of a social innovation “pipeline”, in order to design new approaches to addressing development challenges. Participants identified two possible (but not mutually exclusive) methods to support the innovation pipeline. The first option was to use the Canadian DFI as an enabling and catalytic financial platform to test or validate new innovative business models and products that meet the challenges of emerging markets. For example, a participant described a previous experience providing catalytic funding to a healthcare venture that resulted in both social and financial returns. The other option focused on building the innovation pipeline by providing capacity building services through technical assistance programs. Several participants believed that the Canadian DFI should provide technical assistance in emerging markets, in particular to support the investment and innovation pipeline. However, from ensuing discussion, it was not clear how this would be differentiated from traditional technical assistance provided via ODA.

Leveraging Canadian Assets

To serve as a unique financial mechanism, a Canadian DFI should seek to leverage Canadian assets and resources, particularly those where Canada has a comparative advantage. One of these assets is the large number of diaspora communities from developing and emerging economies that exist within Canada. One participant noted that Canadian diaspora communities could be leveraged both from a financial and knowledge perspective. Financially, the wealth that exists in diaspora communities in Canada could act as private investors alongside a Canadian DFI. Individuals in diaspora communities likely also possess a much more informed understanding of the level of risk in their countries of origin. A Canadian DFI could leverage this intellectual capital to present a more accurate assessment of potential for returns, risk and impact.

Participants also described the potential of a Canadian DFI to creatively engage with the domestic not-for-profit (NFP) sector. It was suggested that Canada’s strong NFP sector could contribute to the capacity development in other countries, and support civil society organizations to transition towards sustainable financing models. As an example, one participant explained that there is a tremendous opportunity to blend philanthropic and investment funds to build sustainable capital resources in emerging markets.

Summary of Key Themes

Throughout the roundtable, three major themes emerged across the presentations, questions and discussions:

The Catalytic Role of a Canadian DFI

The majority of presenters and participants emphasized that clarifying the mandate and scope of the Canadian DFI would be important, given the range of potential roles it could play, and that it is situated amongst a broader set of international and Canadian institutions. It was also strongly suggested that a Canadian DFI should be focused on catalyzing and “crowding in” private investment.

The catalytic role of the DFI was rationalized in several ways. Participants agreed that the risk premium being demanded by private finance was more than the actual risk of investment in emerging markets, and as such required intervention by a DFI. Participants also suggested that a Canadian DFI should catalyze, rather than replace, the work being done by intermediary organizations in local markets through technical assistance and investment.

Leveraging Canadian Assets

Participants agreed that in order to create a unique financial mechanism, a Canadian DFI should seek to leverage Canadian assets and resources, particularly those where Canada has a comparative advantage compared to other nations. Participants noted that these might include previous Canadian experience in international development finance, unique Canadian partnerships and networks with both the private and not for profit sector, as well as the intellectual capital available from a plethora of Canadian practitioners and academics.

Balancing Cost Neutrality and Risk Taking

Most participants agreed that a Canadian DFI should be a self-sustaining organization with an expressed desire to optimize costs and remain cost neutral. Further, several participants noted that the ability of the Canadian DFI to price and raise its own capital would be integral in striving towards cost neutrality. However, one point of contention emerged, based on the inherent contradiction in seeking both a cost neutral and risk taking institution. This is due to the fact that there is a higher cost associated with risk taking in emerging markets in comparison to safer investment decisions. It was noted that the desire of a cost neutral organization would inhibit the relatively higher risk profile needed of an organization that would play a catalytic role in market. Further, cost neutrality was also noted as a hindrance in addressing market gaps and failures, as cost neutral, risk averse organizations that provide near-market returns currently exist and are failing to meet the market needs identified in the first roundtable discussion.

In summary, the possibility of a cost neutral and innovative organization could still exist if both factors were considered along different timeframes. A Canadian DFI would be able to take risks to fill market gaps in the shorter term, while aiming for cost neutrality in the long-term.

Delivering on Impact Measurement

There was a general consensus that a Canadian DFI should define and measure development objectives and outcomes. Numerous participants indicated the need for clearly defined development objectives, as clarity on targets would not only provide a pathway to measurement, but also could shape the activities of the DFI itself.

Disparity in measurement approaches and outcome indicators was also discussed as a key challenge in aligning the objectives of the not-for-profit, financial and development sectors. Participants attested that

alignment in success indicators among the three types of actors would not only streamline communication, but would also encourage collaboration and partnerships between organizations.

Annex 1. Roundtable Participants

Participant Name	Organization
Ailish Campbell	Canadian Council of Chief Executives
Andrew D. Taylor	Grand Challenges Canada
Aniket Bhushan	Carleton University
Brett House	Centre for International Governance Innovation
Cam Vidler	Canadian Chamber of Commerce
Dave Donovan	DFATD
Dominic Schofield	GAIN
Erica Barbosa Vargas	McConnell Foundation
Erik Nielsen	DFATD
Etienne Grall	Export Development Canada
Fraser Reilly-King	CCIC
Frederick Kellett	Aga Khan Foundation – US
Gerhard Pries	Sarona Fund
Hany Assaad	Avanz Capital
Irfhan Rajani	Coleco Investments
Isabelle LeVert-Chiasson	WUSC
Jessie Green	Desjardins International Development
Jim Delaney	WUSC
Karim Harji	Purpose Capital
Kerry Max	MEDA
Linda Jones	MEDA
Marc Blanchette	DFATD
Mathu Jeyaloganathan	Purpose Capital
Nathan Bowers-Krishnan	Aga Khan Foundation Canada
Nicolas Drouin	DFATD
Rehana Nathoo	Rockefeller Foundation
Samantha Burton	Engineers without Borders
Sarah Bernier	On Purpose and DFATD
Serge Mayaka	World Wildlife Fund
Stephanie Emond	FINCA

Steve Mason	Aga Khan Foundation Canada
Tim Jackson	MaRS Centre for Impact Investing

Annex 2. Biographies of Presenters

Brett House, Senior Fellow with CIGI, is a Visiting Scholar at Massey College, University of Toronto and Lecturer in the Economics Department and a Senior Fellow at the Jeanne Sauvé Foundation at McGill University. His research looks at the effects of trade liberalization on growth, the rise of emerging markets, and options to improve sovereign debt restructuring. He is also an advisor to and partner in Tau+ Investment Management, a start-up impact fund.

Gerhard Pries, Managing Partner and Chief Executive Officer, is founder and CEO of Saroná Asset Management Inc., formerly MEDA Investments Inc. In over 20 years of frontier market investing, Mr. Pries has been a founder of a number of firms and funds, including Saroná, MicroVest Capital Management, MicroCap Capital, and the Latin America Challenge Investment Fund. He currently serves on the Investment Committee for Grand Challenges Canada and on the boards of MicroVest Holdings, ImpactAssets, and numerous companies in the Saroná portfolio.

Karim Harji is a Co-Founder and Director at Purpose Capital, an impact investment advisory firm that mobilizes all forms of capital — financial, physical, human and social — to accelerate social progress. He is the co-author of “Accelerating Impact: Achievements, Challenges and What’s Next in Building the Impact Investing Industry” (2012) and “Impact Investing in Canada: State of the Nation” (2014). He is the co-founder of SocialFinance.ca, a member of the Impact Measurement Working Group that informed the G8 Social Impact Investment Taskforce, and on the Boards of the Responsible Investment Association, Small Change Fund, and CanadaHelps.

Linda Jones is the Director of SME/Investment at MEDA (Mennonite Economic Development Associates) and an international expert in the field of inclusive private sector development including. Linda has extensive strategy and implementation experience across Asia and Africa through long-term positions and consulting assignments for implementing agencies, multi-lateral organisations and private sector entities. Following a successful career as a business executive, Linda was Senior Technical Advisor at the Aga Khan Foundation in Geneva, Technical Director at MEDA in Canada, and Director of the Centre for Women’s Leadership at the Coady International Institute. Linda was a Commonwealth Scholar and holds a Ph.D. in Anthropology from McMaster University and a diploma in Peace and Conflict Studies from Conrad Grebel College.

Annex 3. Background: The Global DFI Landscape

Across many OECD countries, austerity and frozen aid budgets have significantly impacted development programming in low and middle-income countries. Indeed the increasing development demands, have exposed a critical gap in development financing. Bilateral DFIs, from OPIC in the United States to Proparco in France, have asserted themselves as key development actors, catalyzing private capital to align with development objectives in nascent sectors and emerging markets. Despite espousing similar objectives and missions, the institutional structures, types of investments and financial tools that DFIs employ can vary considerably.

The CDC Group: Founded in 1948 and owned by the Department for International Development (DFID), CDC is the UK's DFI. Its mission is "to support the building of businesses throughout Africa and South Asia to create jobs and make a lasting difference to people's lives in some of the world's poorest places".

FMO: Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. the Dutch DFI, was founded in 1970, and is one of the largest bilateral DFIs. The Dutch government holds 51% of the shares, while Dutch commercial banks, employer's association, trade unions and individual investors hold the remaining 49%. Its mission is to empower entrepreneurs to build a better world, and has an explicit focus on social and environmental impact.

KfW: Kreditanstalt für Wiederaufbau, or the German Reconstruction Credit Institute, was established in 1948 as part of the Marshall Plan. The Federal Republic of Germany owns 80% of KfW with the remaining 20% divided up among the States of Germany. Its goal is to help partner countries fight poverty, maintain peace, protect both the environment and climate and shape globalization in an appropriate way.

OPIC: The Overseas Private Investment Corporation was established as an agency of the United States Government in 1971. It mobilizes private capital to help solve critical development challenges and in doing so, helps U.S. businesses gain footholds in emerging markets, catalyzing revenues, jobs and growth opportunities both at home and abroad.

Proparco: Société de Promotion et de Participation pour la Coopération Economique, is France's DFI and was created in 1977. It is managed through a private-public governance structure with French. Its mission is to boost private sector investment in developing countries to reach the Millennium Development Goals.

International Finance Corporation: Established by the World Bank in 1956, it is the largest development finance institution focused exclusively on the private sector in developing countries. IFC is owned by 184 member countries. IFC's vision is that people should have the opportunity to escape poverty and improve their lives.

The DFI Landscape at a Glance

The chart below outlines the current DFI landscape by breaking down five of the largest bilateral DFIs and the International Finance Corporation, by dissecting their diverging structures, the variance in investment tools, sectors they operate in, and geographies.

DFI	Investments	Sectors	Geography
CDC	<ul style="list-style-type: none"> - Equity - Loans 	<ul style="list-style-type: none"> - Communication - Education - Energy - Health - Infrastructure - Job creation 	<ul style="list-style-type: none"> - Africa (51%) - South Asia (21%) - Rest of the World (28%)
FMO	<ul style="list-style-type: none"> - Capital Market Transactions - Guarantees - Loans - Mezzanine financing - Private equity 	<ul style="list-style-type: none"> - Energy and Agri-business - Entrepreneurship - Food and Water 	<ul style="list-style-type: none"> - Africa - Central Asia - South Asia - Southeast Asia - Latin America (Excluding Brazil) - Caribbean - Caucasus - Eastern Europe - Middle East - Russia
KfW	<ul style="list-style-type: none"> - Loans - Equity - Promotional loans 	<ul style="list-style-type: none"> - Education - Environmental and Climate Protection - Financial Sector development - Health - Water sector 	<ul style="list-style-type: none"> - Africa - Asia - Latin America - Caucasus - Europe - Middle East
OPIC	<ul style="list-style-type: none"> - Direct Loans - Guarantees - Political Risk Insurance - Senior debt and hybrid funds 	<ul style="list-style-type: none"> - Agriculture - Clean, renewable energy - Critical Natural Resources - Education - Financial Services - Health - Housing for the poor 	<ul style="list-style-type: none"> - West Africa - Asia - Mexico - Brazil - Colombia - Peru - Bolivia - Middle East - United States
Proparco	<ul style="list-style-type: none"> - Equity - Guarantees - Medium and long-term loans 	<ul style="list-style-type: none"> - Access to long-term credit - Agro-business - Climate change - Infrastructure - Manufacturing & Services - Microfinance - SMEs 	<ul style="list-style-type: none"> - Africa - Caribbean - Europe

IFC	<ul style="list-style-type: none"> - Fund of funds - Equity Investments - Loans (Syndicated) - Bonds - Guarantees - Advisory Services 	<ul style="list-style-type: none"> - SMEs - Energy - Agri-business - Education - Health - Finance Institutions - Water and Sanitation - Social Infrastructure 	<ul style="list-style-type: none"> - Globally
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****"Impact Investing in Development Finance", Impact Investing Policy Collaborative, September 2014.*

Annex 4. Background: Existing Government Partnerships in Innovative Financing

The following profiles are included with this report as a point of reference and are drawn from publicly available information:

Sarona Asset Management, MEDA & the Department of Foreign Affairs, Trade and Development (DFATD)

In April of 2013, the Canadian Department of Foreign Affairs, Trade and Development provided a CAD\$ 15 million investment into a fund managed by Sarona Asset Management. The investment aimed to promote private sector-led growth by stimulating investment in small to mid-market companies in frontier and emerging markets. In addition to the investment in Sarona Asset Management, DFATD provided CAD \$5 million to the Mennonite Economic Development Associated (MEDA) to provide technical assistance to investee companies.



Grand Challenges Canada & the Department of Foreign Affairs, Trade and Development

Grand Challenges Canada (GCC) is dedicated to supporting Bold Ideas with Big Impact® in global health. GCC is funded by the Government of Canada and works closely with Canada's International Development Research Centre (IDRC), the Canadian Institutes of Health Research (CIHR) and the Department of Foreign Affairs, Trade and Development Canada to catalyze scale, sustainability and impact. To date, GCC has supported almost 700 projects totalling \$158 million implemented in more than 80 countries and have leveraged \$224 million in additional funding from outside the Government of Canada, including significant private sector investment



Annex 5. Selected Resources

Reports

Impact Investing Policy Collaborative Garmendia, Christina. *Impact Investing in Development Finance*. Rep. Impact Investing Policy Collaborative, Sept. 2014. Web. - <http://iipcollaborative.org/wp-content/uploads/sites/3/2014/10/Final-DFI-Self-Reporting-Paper.compressed.pdf>

World Economic Forum & Organisation for Economic Co-operation and Development. World Economic Forum and OECD Launch Development Finance Initiative. World Economic Forum and OECD Launch Development Finance Initiative. World Economic Forum, 7 May 2014. Web. 07 Jan. 2015. - <http://www.weforum.org/news/world-economic-forum-and-oecd-launch-development-finance-initiative>

Shah, Sonal. International Development Working Group Report. Rep. G8 Social Investment Taskforce, Sept. 2014. Web. <http://www.socialimpactinvestment.org/reports/International%20Development%20WG%20paper%20FINAL.pdf>

Guarnaschelli,, Serena, Sam Lampert, Ellie Marsh, and Lucy Johnson. *Innovative Financing for Development*. Rep. Dalberg Global Development, Citi Foundation, Sept. 2014. Web. http://www.citifoundation.com/citi/foundation/pdf/innovative_financing_for_development.pdf

General Resources

The CDC Group plc is a Development Finance Institution owned by the UK Government. The Department for International Development is responsible for CDC, with shareholder duties managed by the Shareholder Executive - <http://www.cdcgroup.com/>

PROPARCO, the subsidiary of *Agence Française de Développement* (AFD) devoted to private sector funding, has been performing a vital function for AFD Group: supporting the emergence of a strong, vibrant and innovative private sector with the aim of supporting growth and sustainability in Southern countries. Through its work, PROPARCO has a powerful impact on economic growth, job creation and government tax revenues, but also on access to essential goods and services for communities and, more broadly, on the reduction of poverty-http://www.proparco.fr/lang/en/Accueil_PROPARCO

FMO is the Dutch development bank. It offers capital and knowledge as to companies, projects and financial institutions in developing countries - <http://www.fmo.nl/>

The **KfW**, formerly KfW Bankengruppe (banking group), is a German government-owned development bank, based in Frankfurt. - <https://www.kfw-entwicklungsbank.de/International-financing/KfW-Entwicklungsbank/>

The **Overseas Private Investment Corporation (OPIC)** mobilizes private capital to help solve critical development challenges and in doing so, advances U.S. foreign policy - <http://www.opic.gov/>

FixTheGap, is a Canadian public awareness website created to support the development of a Canadian DFI - <http://fixthegap.ca/en/>

Department of Foreign Affairs, Trade and Development mandate is to Trade and manage Canada's diplomatic and consular relations, to encourage the country's international trade and to lead Canada's international development and humanitarian assistance. - <http://www.international.gc.ca/development-developpement/index.aspx?lang=eng>

About the Authors

Karim Harji is a Co-Founder and Director at Purpose Capital, an impact investment advisory firm that mobilizes all forms of capital — financial, physical, human and social — to accelerate social progress. He is the co-author of 'Accelerating Impact: Achievements, Challenges and What's Next in Building the Impact Investing Industry' (2012) and 'Impact Investing in Canada: State of the Nation' (2014). He is the co-founder of SocialFinance.ca, a member of the Impact Measurement Working Group that informed the G8 Social Impact Investment Taskforce, and on the Boards of the Responsible Investment Association, Small Change Fund, and CanadaHelps.

Mathu Jeyaloganathan is a Business Analyst with Purpose Capital where she works in the Investment Advisory and Applied Innovation practices. Mathu co-authored "Impact Investing in Canada: State of the Nation", the first comprehensive market scan, including challenges and successes, of the impact investing industry in Canada. Mathu holds a BA (Honours) in Business Administration from the Richard Ivey School of Business at the University of Western Ontario

*AKFC and the authors wish to extend a special thanks to **Linda Jones** for her support in the design and undertaking of this event.*

Aga Khan Foundation Canada

Aga Khan Foundation Canada (AKFC) is a non-profit international development agency, working in Asia and Africa to find sustainable solutions to the complex problems causing global poverty. Established in 1980, AKFC is a registered Canadian charity and an agency of the worldwide Aga Khan Development Network.

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Undertaken with the financial support of:



Foreign Affairs, Trade and
Development Canada

Affaires étrangères, Commerce
et Développement Canada

Canada

Funding for this report was provided through the Partnership for Advancing Human Development in Africa and Asia (PAHDAA), a five-year partnership between Aga Khan Foundation Canada (AKFC) and Canada's Department of Foreign Affairs, Trade and Development (DFATD). Under PAHDAA, AKFC is supporting school improvement programs in Kenya, Tanzania and Uganda through the Strengthening Education Systems in East Africa (SESEA) sub-project, an initiative designed to strengthen teacher education and support systems to improve and sustain learning outcomes for girls and boys in pre-primary and primary school levels. School improvement is a key component of SESEA, providing school communities with a participatory process that empowers them to analyze challenges and barriers to school effectiveness, identify workable solutions, prioritize problems and agree on roles and responsibilities to bring about change.