

September 2018



**→ Development  
Impact  
Framework:  
Stakeholder Engagement  
Executive Summary**

## INTRODUCTION

FinDev Canada’s Development Impact Framework was open for stakeholder comments in May and June 2018. In total we received more than 145 comments from over 30 different organizations and individuals.

For review and analysis, comments were categorized into two groups: 1) comments that directly relate to the content of the Development Impact Framework, and 2) comments that relate to other strategic or operational areas of FinDev Canada. Within these two groups, we then further classified the comments into eight common themes as seen in the table below. The table also summarizes stakeholders’ main interests and FinDev Canada responses; for a full discussion of the themes please refer to the full report “Development Impact Framework: Stakeholder Engagement Report” on the FinDev Canada website at <https://www.findevcanada.ca/>.

**TABLE 1. STAKEHOLDER COMMENT THEMES, INTERESTS AND RESPONSES**

Group 1 – Themes directly related to Framework content		
Theme	Main stakeholder interests	Key Responses
1. Stakeholder affirmation of the development impact approach	<ul style="list-style-type: none"> <li>• Praise for process inclusiveness</li> <li>• Supportive of focus on specific development priorities and goals</li> <li>• Validation of prioritization of women and SMEs to drive outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• FinDev Canada pleased that its approach is aligned with high level stakeholder expectations</li> </ul>
2. Gender equality and women’s economic empowerment (WEE) approaches	<ul style="list-style-type: none"> <li>• Suggested frameworks &amp; tools for gender equality &amp; WEE</li> <li>• Gender equality should be integrated into the overall approach</li> <li>• Potential underlying barriers to female economic participation</li> <li>• Should track KPIs at all levels to community and national impact</li> </ul>	<ul style="list-style-type: none"> <li>• FinDev Canada will review existing tools/frameworks for incorporation into our process</li> <li>• Description of gender baseline assessment added for all transactions, which should also help identify gender-based social, economic or cultural barriers</li> <li>• KPIs will focus on outputs/outcomes given our small level of activities vis-à-vis national economies</li> <li>• Description of forthcoming Gender Equality strategy (2019)</li> </ul>
3. Transaction impact screening criteria/processes	<ul style="list-style-type: none"> <li>• Measuring past activities vs. future contributions of clients</li> <li>• Ensuring comparability of results across sectors/countries</li> <li>• Defining locally-owned</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-screening accounts for both current and future client impact contributions</li> <li>• Need to select KPIs that are applicable to most business</li> </ul>

	<p>businesses, as a priority for development outcomes</p> <ul style="list-style-type: none"> <li>Accounting for the perspectives of the poor (or end-customers)</li> </ul>	<p>sectors, and control for variabilities caused by other economic events</p> <ul style="list-style-type: none"> <li>Definition of locally-owned business added to the Framework, where it is already mentioned as a core KPI</li> <li>Use assessments and surveys to gauge impact perceptions for these key groups</li> </ul>
<p>4. Data, impact measurement and targets</p>	<ul style="list-style-type: none"> <li>Suggested impact measurement tools and frameworks</li> <li>More detail on monitoring frequency and methods</li> <li>Suggestions of additional KPIs</li> <li>Suggestions of fewer KPIs for easier reporting</li> <li>Setting operational/corporate targets</li> <li>Adding additional SDGs to our focus</li> <li>How additionality is defined</li> </ul>	<ul style="list-style-type: none"> <li>FinDev Canada will align with existing harmonized standards and approaches whenever possible</li> <li>Table added to the Framework outlining our monitoring methods and frequency at each level of impact</li> <li>FinDev Canada will maintain a balance on KPI reporting, with opportunities to rescope this in future</li> <li>KPIs will be reported for each impact goal, while targets will be set once there is operational history in the portfolio</li> <li>FinDev Canada will select fewer SDGs for improved tracking capability</li> <li>Definition of additionality added to the Framework</li> </ul>
<p>5. Environmental, social and governance (ESG) policies and approaches</p>	<ul style="list-style-type: none"> <li>More detail on approaches to ESG and human rights risk assessment and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>More detail added on commitment to high performance in these areas</li> <li>Description of adherence to IFC Performance Standards, and links to standards</li> <li>More detail added about the FinDev Canada policy review process to update our policies and positions on ESG, human rights, and gender equality (2019)</li> </ul>

## Group 2 – Themes related to other strategic or operational areas

Theme	Stakeholder interests	Key Responses
6. Priority markets, sectors, client segments	<ul style="list-style-type: none"> <li>• More detail on priority countries</li> <li>• Detail on priority sectors, suggestions of additional sectors</li> <li>• How SMEs will be defined</li> <li>• Consider including microenterprises as a priority</li> <li>• Consider adding youth employment as a priority</li> </ul>	<ul style="list-style-type: none"> <li>• Priority countries will be defined during the corporate planning process</li> <li>• Priority sectors will remain as described in the corporate plan</li> <li>• Definition of SMEs (aligned with IFC) added to the Framework</li> <li>• Microenterprises may be indirectly impacted by FinDev Canada activities but not directly targeted</li> <li>• Monitor feasibility of tracking youth employed (in future)</li> </ul>
7. Policy coherence and coordination with other actors (incl. public sector)	<ul style="list-style-type: none"> <li>• How FinDev Canada fits into the wider development landscape in Canada</li> <li>• How to ensure commercial and non-commercial assistance are aligned</li> <li>• Need for technical assistance (TA) to target clients/companies</li> </ul>	<ul style="list-style-type: none"> <li>• FinDev Canada is a public policy instrument, and takes guidance from the Government of Canada</li> <li>• FinDev Canada is committed to coordinating with other investors/funders, including Global Affairs Canada</li> <li>• Detail added recognizing need for TA for clients and FinDev Canada interest in providing it</li> </ul>
8. Financial topics such as returns, risk, instruments and incentives	<ul style="list-style-type: none"> <li>• Important to maintain good cost structures (to keep pricing down)</li> <li>• Types of risk instruments that will be used</li> <li>• Support for financial incentives for impact performance</li> <li>• Targets and strategy for mobilizing capital</li> </ul>	<ul style="list-style-type: none"> <li>• FinDev Canada will establish cost-tracking systems</li> <li>• Investment strategy will define risk tools</li> <li>• Mobilization strategy will be part of the operational planning process</li> </ul>