

→ **Inclusive business
for a sustainable
future**

→ Who are we?

Our mission is to provide financial solutions to business in developing markets with the potential to positively impact market development, empower women and mitigate climate change.

Our vision is a more sustainable and inclusive world, where women contribute to, and benefit from economic opportunities.



What are we trying to achieve?

Additionality

Catalytic effect

Innovate / be a differentiator

Financial Sustainability

Development Impact

Development Finance Ecosystem

Multilateral agencies

IFC, EBRD, regional
Development Banks...

Bilateral DFIs

FinDev Canada, US OPIC,
15 Europeans, e.g. DEG,
FMO...

Developing countries development banks

DBSA, BNDES, ...

Governmental Development Agencies

Administer ODA. Wide range of
programs and beneficiaries,
primarily grants and concessional.

NGOs

increasingly targeting the
private sector in beneficiary
countries

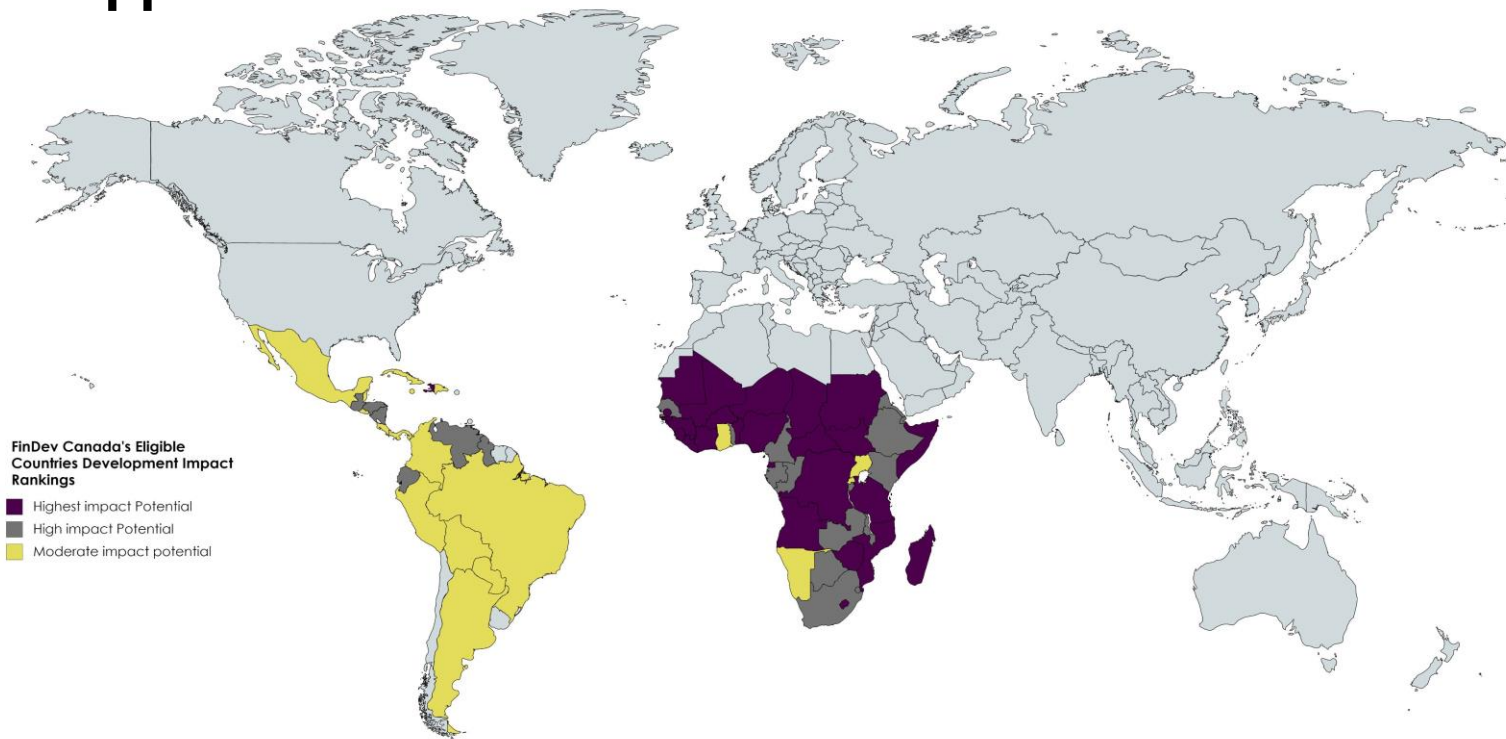
Private Sector

commercial banks, Private Equity
firms, institutional investors, impact
investors, foundations...

→ How do we
operate?

Les pays éligibles par les possibilités d'avoir les impacts développementaux

Eligible countries by highest impact needs



Priority sectors



AGRIBUSINESS VALUE CHAIN



Inputs
Seeds,
Animal feed,
Fertilizer



Primary production
Crops, Livestock,
Production, Fishing



Processing
Crushing,
Storage,
Packaging



Trade
Trading,
Exporting



Distribution
Logistics, to
Retail



GREEN GROWTH

Renewable energy, energy infrastructure,
energy efficiency, water supply, water
management, waste management, waste water
management, bio-refinery products, green
industrial production, and climate solutions
focused on mitigation or adaptation



Wind



Solar



Hydro



Off-grid
solutions



Resource
efficiency



THE FINANCIAL INDUSTRY

local financial institutions, as a
means to reach local small and
medium-sized enterprises



(universal/ SME)
banks



Microfinance



Leasing
companies



Insurance
companies



FinTech

Financial services



LOANS

To support a company's operations or expansion plans, to be used for activities such as purchasing equipment or facilities, or making acquisitions.



EQUITY

This extends flexible long-term private equity growth capital to high-potential companies. Direct and indirect investments.



GUARANTEES

an irrevocable guarantee to a company's bank for a loan to support the company's operations or expansion plans.

Our criteria

Selected criteria for companies, projects:

- Privately owned companies with track record > 3 years
- Contribution to sustainable development
- Loan amount USD 5-20mln
- FinDev can finance up to 25% of total assets / project cost
- Sponsors/owners contribution at least 30% of total assets / project cost

Eligibility Criteria for businesses

- Private sector entity (i.e. not a government entity)
- Operation 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 a 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), 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

Our investment process

clearance in principle

financial proposal

1 SOURCING

we steer our investments towards projects that foster a transition to a more inclusive and greener economy

2 SCREENING

If the financing opportunity meets our investment criteria, we continue to analyze potential risks and challenges

3 DUE DILIGENCE

To fully understand and map the risks and opportunities, we conduct thorough due diligence

6 MONITORING

Throughout the lifetime of the investment we monitor performance and progress

4 STAKEHOLDER ENGAGEMENT

Regular meetings, dialogue sessions, consulting key stakeholders

5 CONTRACTING

After internal approval, we sign an agreement with our clients

value creation

contract

(early) disclosure of investments

Our first transaction



M-KOPA SOLAR

FinDev
Canada

US\$ 10 million investment

Kenya-based 'pay-as-you-go' energy provider to off-grid homes.

They have connected 600,000 homes across Africa, providing 75 million hours of kerosene-free lighting each month.

The M-KOPA kits include:

- ➔ **Lighting systems**
- ➔ **Phone charger**
- ➔ **A solar-powered radio**

Our second transaction



US\$ 20 million investment

Innovative blended finance initiative which is helping fast track some 1,100MW of renewable energy.

- ➔ **CIO will build approximately 20 renewable energy projects, delivering an estimated 3,200 GWh of additional capacity.**
- ➔ **Approximately 70% of the fund's projects will be built in least developed countries (LDC) and lower-middle-income countries (LMIC.)**
- ➔ **Climate Fund Manager requires that all projects meet country specific environmental and social laws as well as international standards, including IFC Performance Standards.**

→ Development Impact

Elements of the Development Impact Framework



Strategy element: Theory of Change

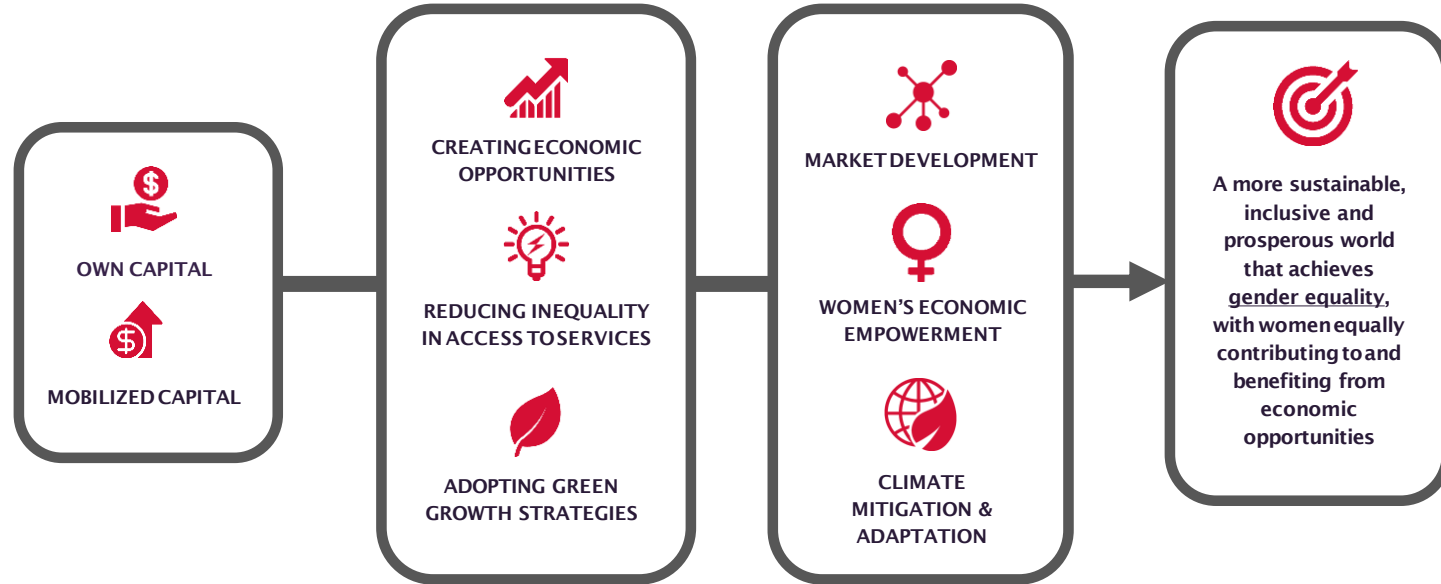


FinDev Canada offers financial solutions in developing countries...

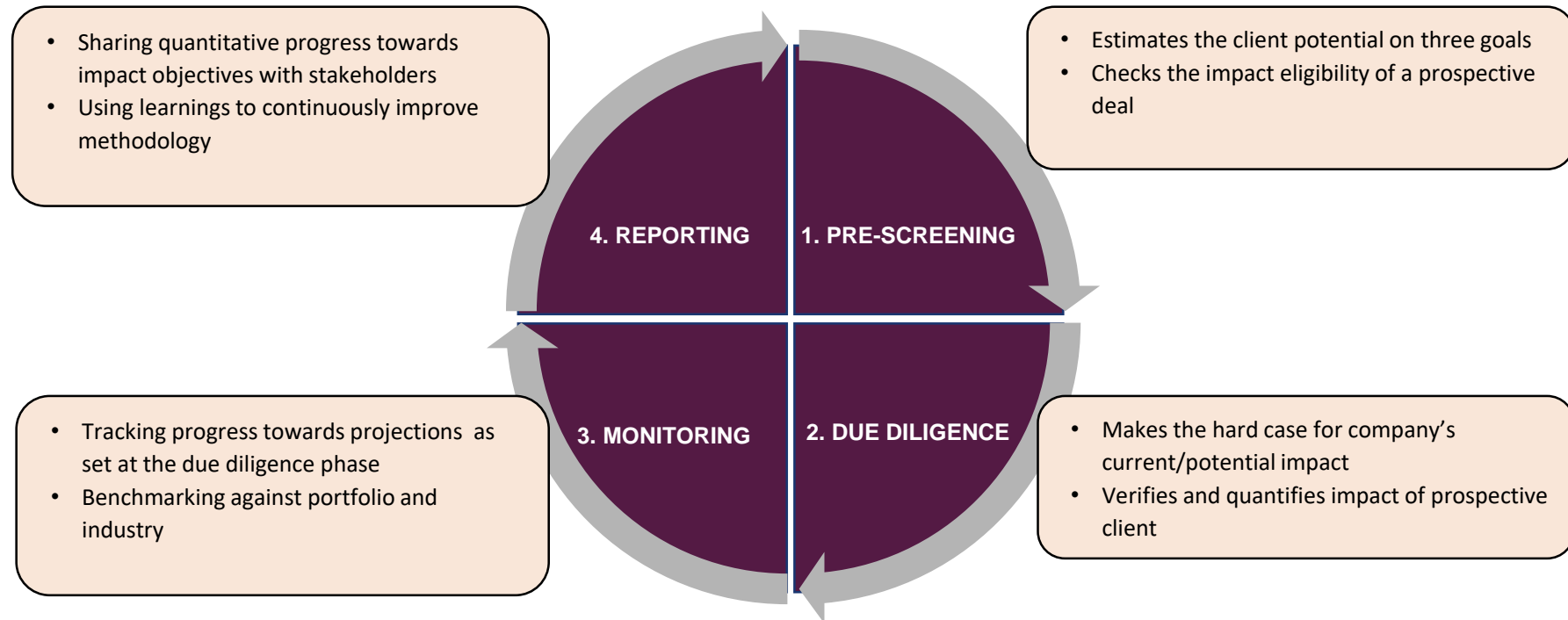
...to companies with high socioeconomic impact potential...

...to drive gender-inclusive, climate-smart economic growth...

...and contribute to GoC's international agenda & the SDGs.



Methodology: Impact in the deal process



Tools: A variety of measurement tools for each stage of process



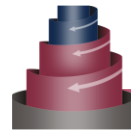
Ranking

- Use variety of datasets to estimate level of country challenges
- Create country rank for each impact goal



Benchmarking

- Collect current and projected company performance data
- Benchmark to industry / country average



Modelling

- Create input-output model for key sectors and countries
- Use to estimate indirect outcomes including jobs and economic value added



Assessments

- Post-investment impact assessments
- Can be used to draw causality conclusions and learn about qualitative impacts

➔ Investing in women



**MARKET
DEVELOPMENT**



**WOMEN'S ECONOMIC
EMPOWERMENT**



**CLIMATE MITIGATION
AND ADAPTATION**

The ability to
succeed and
advance
economically



The power to
make and act
on economic
decisions



**Women's economic
empowerment is:**



Good for development



Good for business



Good for the economy

Our approach

Integrate Women's Economic Empowerment throughout the investment process and operations – not a distinct topic or segment of the portfolio

- All potential investments are screened from a gender lens, assessing impact potential (current and expected) on women's economic empowerment
- Different types of investees:
 - Investees that *intentionally* and *actively* drive impact on women's economic empowerment (high impact)
 - Investees seeking to enhance their gender inclusion and diversity practices and drive greater impact on women's economic empowerment (transformation)

A woman in a blue shirt and yellow apron is harvesting tea leaves in a field. She is carrying a large woven basket on her back. In the background, another person is visible, also working in the field. The scene is set in a lush green tea plantation.

We will promote Women's Economic Empowerment by supporting:

- **Women's entrepreneurship**
- **Women in leadership positions**
- **Women's access to quality employment**
- **Women's access to economic empowerment tools and basic services**

2X Challenge Overview

At the 2018 G7 Summit, the DFIs of the G7 countries announced the 2X Challenge, which calls for the G7 DFIs to collectively mobilize USD \$3 billion by 2020 to invest in women.

www.2Xchallenge.org



→ Questions?

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