

FinDev Canada Response to Comments Received on the Independent Accountability Mechanism (IAM) Policy and Procedures Document

Sincere appreciation is extended to those who provided feedback. These suggestions are being considered for the final version of the Independent Accountability Mechanism (IAM) Policy and Procedures to be approved by the FinDev Canada Board of Directors.

Our summarized response to feedback provided by stakeholders is outlined below.

1. Impartiality and Independence

Selection of Leadership and Staffing

It was recommended to embed independence into the hiring process by including external stakeholder participation in the selection of IAM leadership candidates.

The Chief IAM Officer was appointed by the FinDev Canada Board and reports to them directly, thus ensuring independence from FinDev Canada Management. Given the size and maturity of FinDev Canada, it is not feasible at this time to involve external stakeholders in the hiring process for the Chief IAM Officer, but this can be considered in future iterations of the Policy.

Pre-and Post-Employment Restrictions

To ensure impartiality and independence, it was recommended to adopt pre- and post- employment limitations between FinDev Canada and the IAM.

While a pre- and post-employment ban preventing the hiring of IAM staff by FinDev Canada is important, given that Export Development Canada is the parent company of FinDev Canada and employer of the Chief IAM Officer, such restrictions would be difficult for FinDev Canada to formalize. IAM leadership and staff are employed by Export Development Canada and report to the FinDev Canada Board of Directors as part of the IAM function. This reporting line strengthens their impartiality and independence. The Chief IAM Officer and IAM team have never worked for FinDev Canada in any operational capacity.

Removal of Leadership

It was recommended that the IAM Policy and Procedures specify that the Board of Directors may remove and replace the Chief IAM Officer.

There is currently a section that discusses the roles and responsibilities of the Board of Directors in the IAM Policy and Procedures. This section will be expanded to note that the Board of Directors may also remove the Chief IAM Officer for cause, if required.

2. Accessibility

Eligibility Burdens

Reducing eligibility burdens on complainants by not requiring them to show proximate cause was recommended.

To ensure fairness and clarity in the IAM process, it is important for complainants to explain how they perceive a link between the harm caused and FinDev Canada actions. Language will be adjusted to lower the burden on complainants; however, we do still believe that it is important for complainants to explain how FinDev Canada may have contributed to the potential harm.

Client Disclosure of the IAM

It was recommended that FinDev Canada clients and sub-clients should be contractually required, and not just encouraged, to disclose the existence of the IAM.

FinDev Canada has explored whether contractually requiring clients to disclose the existence of the IAM is possible. This practice would not be feasible at this time but will be considered again as part of the next IAM Policy and Procedures review process, scheduled to occur three years after the approval date.

Accommodating Language

It was recommended that the IAM Policy and Procedures state that the IAM will work in multiple languages to improve accessibility.

In response, wording will be added to clarify how the IAM will work in multiple languages to improve accessibility.

Cost Concerns

To reduce cost concerns of complainants, it was recommended that the IAM bear costs to ensure meaningful participation.

As a result, consideration will be given to how the cost of engaging in a complaints process can be reduced.

Self-Initiated Compliance Review

It was recommended that the IAM Policy and Procedures allow for self-initiated compliance reviews.

Wording will therefore be added to clarify that either the Chief IAM Officer, the FinDev Canada Chief Executive Officer or the Board of Directors may trigger an investigation.

3. Complainant Interactions

Site Visits

It was recommended to include the possibility of site visits for preliminary reviews and monitoring of management action plans.

These suggested changes will be applied to the IAM Policy and Procedures.

Representatives and Advisors

Suggested changes regarding complainants' use of and changes to representatives and advisors will be adopted.

4. Bank and Client Engagement and Participation

Assessing Willingness to Engage

Clarifications regarding complainants' willingness to engage in compliance review or dispute resolution processes was recommended and will be adopted.

Board Response to IAM Findings

Changes were recommended to better describe the Board of Director's role to ensure it is given routine access to relevant documents, increase transparency and promote rights-based remedy.

In response, amendments will be made to better describe the role of the Board of Directors within the compliance review process, commensurate with the size and maturity of FinDev Canada and the IAM.

Access to Information

It was recommended to include language around the IAM having access to relevant client information. Changes will be made to reflect these suggestions.

5. Transparency

Consistency in the Disclosure of Monitoring Reports

It was recommended that the IAM Policy and Procedures should clarify that management action plan monitoring reports will be published.

As a result, language will be adopted to clarify that the IAM will review implementation reports as part of their compliance review monitoring procedures and publish on its register an annual assessment of progress achieved.

6. Continuous Improvement

Joining the IAM Network

It was recommended that the IAM should commit to joining the IAM Network to exchange best practices, strengthen relations with civil society organizations, and collaboration on co-financed projects.

FinDev Canada has already begun the membership process with the IAM Network; such membership is viewed as operational in nature and less appropriate to include in the Policy and Procedures.

Policy Review

It was recommended to amend language in the IAM Policy and Procedure to ensure that the IAM has the ability to draft IAM Policy and Procedure revisions for approval by the Board of Directors, independently from FinDev Canada management.

It was agreed that language will be added to indicate the IAM's role in policy formulation to reflect this recommendation.

Stakeholder Advisory Group

It was recommended for the IAM to assemble a stakeholder advisory group to help guide practices.

The establishment of such a group at present would not be appropriate given the size and maturity of FinDev Canada. Language will be added to incorporate consultations with civil society organizations and other stakeholders.