

→ Independent  
Accountability  
Mechanism Policy and  
Procedures

## AUTHORITY SIGNATURES

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## Control Sheet

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## 1. INTRODUCTION

In this document, the names of FinDev Canada teams and Policies are capitalized. Other capitalized terms are defined in Annex I.

### 1.1. Establishment

- 1.1.1. The environmental and social sustainability of FinDev Canada’s Transactions are important components in supporting positive impact and development outcomes. The FinDev Canada [Environmental and Social \(“E&S”\) Risk Policy](#) and the [Transparency and Disclosure Policy](#) aid in this effort by outlining the approach FinDev Canada takes to identify, mitigate, monitor and manage potential adverse environmental and social, including human rights, impacts, across its financing and investment activities.
- 1.1.2. To further support these efforts, an Independent Accountability Mechanism (“IAM”) was developed following a series of internal and external consultations. FinDev Canada’s Board of Directors formalized the IAM on September 29, 2021, with the appointment of the Chief Internal Auditor as the “**Chief IAM Officer**”. The IAM is an independent function, governed outside of FinDev Canada’s operations and Management, with the Chief IAM Officer reporting directly to the Board of Directors.
- 1.1.3. Accountability for the environmental and social sustainability of FinDev Canada’s Transactions is an institution-wide effort, incorporating multiple and interconnected roles and responsibilities, including those of the IAM, the Board of Directors, and FinDev Canada Management. The Chief IAM Officer leads the implementation of FinDev Canada’s IAM accountability role under this IAM Policy and Procedures.

### 1.2. Purpose and Objectives

- 1.2.1. The IAM shall provide an opportunity for an independent and impartial review of Complaints and enable Complainants to seek redress and remedy through this process.
- 1.2.2. This mechanism will enhance FinDev Canada’s effectiveness in fulfilling its mandate. FinDev Canada may also benefit from the independent advice that the IAM may provide.
- 1.2.3. Specifically, the IAM has the following objectives:
  - (a) Facilitate the resolution of Complaints in a manner that is fair, objective, and constructive;
  - (b) Mitigate the risks of potential negative environmental and social impacts of Transactions; and
  - (c) Foster public accountability and learning to enhance the environmental and social performance of FinDev Canada and reduce Harm to people and the environment.
- 1.2.4. FinDev Canada will disseminate information about the IAM and the Complaints process to FinDev Canada staff and Management, the Board of Directors, civil society organizations and Clients. This may be achieved through the following means:
  - (a) Publicly communicating the existence of the IAM in order to maximize its accessibility;
  - (b) Communicating the existence of the IAM to current Clients;
  - (c) Communicating information in writing about the IAM to potential Clients during the Transaction process; and

(d) Encouraging FinDev Canada Clients (including financial intermediaries) to disclose the existence of the IAM to Transaction-affected people or entities<sup>1</sup>

### **1.3. Guiding Core Principles**

1.3.1. The IAM incorporates recognized good practices and the United Nations *Guiding Principles on Business and Human Rights* in the following way:

#### **Impartiality and Independence**

Not being identified with specific interests and operating independently of Management; reporting directly to the Board of Directors; conducting work without undue influence and ensuring the fair and objective conduct of staff; and incorporating measures to avoid conflicts of interest.

#### **Accessibility**

Being known, accessible, and available to stakeholders; mitigating barriers of access and promoting safe access by implementing confidentiality and Retaliation risk provisions; providing a process that reflects gender sensitivity and differences in physical ability; and communicating effectively with stakeholders to enhance their understanding of the IAM and its operation. While the working languages of the IAM are English and French, it seeks to make reports and communication materials available in relevant local languages to promote accessibility. The IAM issues public information materials in additional languages where deemed necessary.

#### **Transparency**

Making every effort to keep Parties informed about processes and the progress of a Complaint; and subject to any privacy or confidentiality requirements, ensuring transparency and disclosure of IAM reports, including findings and outcomes.

#### **Cost Effectiveness**

Seeking to be cost-effective and expeditious in processing of Complaints, while bearing reasonable costs, as determined by the IAM Officer and within the available budget, associated to support meaningful participation of complainants, witnesses and stakeholders in dispute resolution, compliance review and monitoring.

#### **Complementarity**

Seeking to be complementary to other supervision, audit, quality control and evaluation systems of FinDev Canada and to complement and cooperate with IAMs of other international financial institutions.

#### **Anti-Retaliation**

Not tolerating Retaliation against Complainants or other stakeholders involved in an IAM Complaints process.

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<sup>1</sup> **Note on Client grievance mechanisms:** As detailed in FinDev Canada's [E&S Risk Policy](#), FinDev Canada applies the International Finance Corporation (IFC) Performance Standards as its principal E&S benchmark. As such, FinDev Canada assesses potential Clients' local grievance mechanisms for workers (IFC PS2) and communities (IFC PS1) during transactional due diligence to ensure they are proportional to the context, accessible and culturally appropriate. If gaps are identified, FinDev Canada seeks to develop a time-bound action plan with the Client to achieve progressive compliance.

## **1.4. Functions**

1.4.1. The IAM aims to enhance FinDev Canada's accountability by undertaking the following two functions:

### **Dispute Resolution**

This function seeks to facilitate a dialogue between FinDev Canada, the Transaction-affected people and/or Client(s) with a view to agreeing on actions to mitigate potential or actual Harm. If the dispute resolution is successful, the IAM will monitor implementation of the agreed upon actions. The IAM may also provide advice to Management and the Board of Directors resulting from its experience with dispute resolution activities.

### **Compliance Review**

This function is designed to investigate allegations made by Complainants that FinDev Canada has failed to comply with its obligations under its Policies. An investigation may also be triggered at the request of FinDev Canada 's Chief Executive Officer or the Chair of the Board based on a recommendation from the Chief IAM Officer, or where there are other reasonable grounds to do so. If the allegations are substantiated, Management will propose an Action Plan to remediate these impacts, which will be approved by the Board of Directors and reviewed and monitored by the IAM. The IAM may also provide advice to Management and the Board of Directors resulting from its experience with compliance review activities.

## 2. Steps in the Complaints Process

Refer to Annex II for an overview of the IAM process timeline and Annex III for a flowchart of the process.

### 2.1. Who May Submit a Complaint

2.1.1. The FinDev Canada IAM may accept Complaints for review from a Complainant(s) directly, or a Complaint may be submitted on behalf of a Complainant(s) by a Representative, duly authorized by the Complainant(s) to act in that capacity. Complainants may also engage an advisor(s) who should be duly authorized to act in that capacity. Complainants have the right to cancel or change their representation, and to have their Representative(s) and advisor(s), if any, participate throughout the complaints process.

### 2.2. Submitting a Complaint

2.2.1. Persons or entities seeking advice on how to prepare and submit a Complaint may contact the IAM, which will provide information and guidance, as appropriate. A Complaint can be submitted to the IAM through several means such as submission through an online Complaints form, mail, email, voice, or video recording. A Complaint may be submitted in any language the Complainant(s) uses. All Complaints will be translated into English and French, if not submitted in those languages. Avenues to submit a Complaint include:

**Form:** [\*Independent Accountability Mechanism Complaint Form | Development Finance Institute Canada\*](#)

**Email:** IAM@findevcanada.ca

**Mail:** FinDev Canada IAM Office  
150 Slater Street  
Ottawa, Ontario, Canada K1A 1K3

2.2.2. Complaints at a minimum should include the following information:

- (a) The Complainant's name(s), address(s), and other contact information;
- (b) If a Representative is acting on behalf of a Complainant(s), they should identify on whose behalf the Complaint is made. The Representative should also present evidence that they have been requested and authorized to present the Complaint on behalf of the Complainant(s);
- (c) Whether the Complainant(s) requests that the IAM keep their identity or any information communicated as part of the Complaint confidential;
- (d) Attest that the complaint is not fraudulent, frivolous or malicious in nature;
- (e) Confirm that a conflict of interest, motivated by an intention to gain competitive advantage, does not exist;
- (f) The identity and nature of the Transaction;
- (g) A detailed description of the alleged Harm, whether actual or potential, caused to the Complainant(s) and how, in their opinion, FinDev Canada may have contributed to that Harm; and
- (h) A description of either:

- i) Any good faith efforts the Complainant(s) has made with Management and/or the Client(s) to address the issues raised in the Complaint and a description of the results of those efforts; or
- ii) An explanation why such efforts were not undertaken.

- 2.2.3. A Complainant(s) may also include the following information in their Complaint, if available:
  - (a) A description of the outcomes that they are looking to achieve through the use of the IAM process; and
  - (b) Whether the Complainant(s) has an interest in exploring dispute resolution (described in section 3.1) or compliance review (described in section 3.2) to address the issues raised in the Complaint.
- 2.2.4. The Complainant(s) and Client(s) are encouraged to make good faith efforts to resolve concerns in the most effective and efficient manner, at the Transaction level, where possible. Within the scope of their respective mandates, the IAM and Management are committed to facilitating the early resolution of Complaints.
- 2.2.5. Within five (5) business days of receipt of a duly completed Complaint, the IAM Officer shall send a written communication to the Complainant(s) and FinDev Canada's Chief Executive Officer acknowledging its receipt. After acknowledgement is sent, the IAM shall undertake a preliminary review in accordance with section 2.3 to ascertain whether the Complaint meets the eligibility criteria as outlined in section 2.4.

### **2.3. Preliminary Review**

- 2.3.1. The acknowledgement of receipt of a Complaint by the IAM Officer will trigger a preliminary review to determine whether the Complaint is eligible for further processing. As part of the preliminary review, the IAM Officer shall:
  - (a) Develop a clear understanding of the issues raised in a Complaint which may include interviews, site visits, and documentation review;
  - (b) Discuss the dispute resolution and compliance review options (described in sections 3.1 and 3.2, respectively), and possible outcomes with the Complainants; and
  - (c) Assess the Complainants' willingness to engage in either option, as well as their preferences in connection thereto. If the Complainant's preference is dispute resolution, then the IAM shall assess whether all Parties are willing to engage in the voluntary process.
- 2.3.2. Within thirty (30) business days from the date of acknowledgment of receipt of the Complaint, the preliminary review will be completed and a decision regarding eligibility shall be made by the Chief IAM Officer. During this phase, the IAM may offer the Complainant an opportunity to provide additional information to meet the eligibility criteria.
- 2.3.3. The Chief IAM Officer will communicate to the Complainant(s) its determination on eligibility supported by the underlying analysis and rationale. If the Complaint is deemed eligible, it will be registered by the IAM and proceed to the Management Response stage (described in section 2.6). The IAM will promptly notify and transmit a notice of registration to the Complainant(s), the Client(s), Management, and the Board of Directors, together with a copy of the original Complaint, and any other relevant documentation. Regardless of the decision, and subject to any confidentiality and/or privacy requirements outlined in sections 2.8 and 5.1.5, the Complaint(s), determination, and reasons for such determination will be

communicated to FinDev Canada's Chief Executive Officer and posted on the Register within ten (10) business days of the determination.

## **2.4. Eligibility**

2.4.1. A Complaint will be deemed eligible if:

- (a) It relates to a potential or actual Harm;
- (b) The issue(s) raised in the Complaint pertain(s) to FinDev Canada's specific obligations under its Policies; and
- (c) The Complainant(s) is or may be negatively affected by the Harm raised in the Complaint.

2.4.2. An eligibility determination by the IAM is procedural in nature. It does not represent a judgment on the merits or the substance of the Complaint.

## **2.5. Exclusions**

2.5.1. The IAM shall not handle Complaints filed more than 24 months after the date that FinDev Canada ceases to have a financial interest in the Transaction as a result of full repayment, prepayment or otherwise, or more than 24 months from the date the Complainant becomes aware of the adverse impacts, whichever comes later.

2.5.2. A Complaint received by the IAM will not be eligible if it relates to any of the following exclusions:

- (a) A Complaint regarding a transaction that was not Financed by FinDev Canada;
- (b) Any procurement by FinDev Canada or its Clients from suppliers of goods, works and services, or from losing tenders for the supply of such goods and works and services, which shall be addressed under other existing Procedures and are handled by the Procurement unit of FinDev Canada;
- (c) Allegations of fraud or corruption as they are handled by another unit within FinDev Canada;
- (d) Complaints which the IAM Officer determines, in their reasonable discretion, are fraudulent, frivolous or malicious in nature;
- (e) Anonymous Complaints;
- (f) Complaints which the IAM Officer determines, in their reasonable discretion, are motivated by an intention to gain competitive advantage;
- (g) Complaints regarding matters over which the IAM has already reached a decision, unless justified by clear and compelling new evidence or circumstances not known at the time of considering the initial Complaint;
- (h) The adequacy or unsuitability of FinDev Canada policies (although this may be considered as part of a recommendation resulting from a compliance review process); and
- (i) A Complaint regarding matters relating to FinDev Canada's activities which are not tied to a FinDev Canada Transaction, such as general matters relating to administration and human resources.

## **2.6. Management Response**

2.6.1. Within forty (40) business days of being notified of the registration of a Complaint, Management shall provide the IAM with a Management response to address issues alleged in the Complaint including:

- (a) Whether or not Management believes it has complied with the relevant FinDev Canada Policies;
- (b) Where Management recognizes not having complied with the relevant Policies, a description of the steps Management has taken or intends to take to ensure compliance therewith;
- (c) A description of all efforts to date made by Management or its Client(s) to resolve the issues raised in the Complaint; and
- (d) Any additional information on the Transaction or the Client(s) which may prove useful to complaints processing.

## **2.7. Effects of Registering a Complaint**

- 2.7.1. Notwithstanding any other provision in this IAM Policy and Procedures, the filing, preliminary review, registration or processing of a Complaint, or the carrying out of a compliance review or dispute resolution exercise, shall not have the effect of suspending the processing of, or disbursement(s) in respect of the relevant Transaction. However, if at any time during the processing of a Complaint, the Chief IAM Officer is of the opinion that serious, irreparable harm shall be caused by the continued processing or implementation by FinDev Canada of the Transaction, an interim recommendation to the Chair of the Board of Directors after informing the Chief Executive Officer (CEO), to suspend further work or disbursement relating to the Transaction, will be made. Such recommendation, and any decision made in respect of such recommendation, shall be made with consideration of any existing FinDev Canada contractual obligation(s), relevant Policies, and subject to section 5.1.5 Disclosure of Information.

## **2.8. Retaliation and Confidentiality**

- 2.8.1. The IAM shall make all reasonable efforts to maintain confidentiality of a Complainant(s) if so requested. The IAM acknowledges that Complainant(s), witness(es), and other Parties associated with a Complaint being processed by the IAM may face risks of Retaliation. The IAM shall endeavor to minimize the risk of Retaliation in relation to implementation of its functions while recognizing that there are limits to its ability to protect those who face risks of Retaliation. The IAM does not claim to replace national or international judicial bodies, protective services, and/or law enforcement agencies whose functions include protecting the public in such situations.
- 2.8.2. The IAM shall, together with Management, undertake the following:
  - (a) Use its reasonable best efforts to resolve disputes in a manner that promote the dignity of people and respect the rights of all;
  - (b) Safeguard individual identities where requested, including by keeping information confidential that could directly or indirectly reveal such identities;
  - (c) Obtain the informed consent of a Complainant or concerned individual before taking action in relation to possible Retaliation, and any such action should be developed in a participatory manner; and
  - (d) Act with the intent that people not be adversely affected as a result of cooperating in an IAM process or activities.
- 2.8.3. To address concerns and risks arising from possible Retaliation related to its processes or activities, the IAM will:
  - (a) Regularly assess the risk context of any Complaint throughout an IAM process;

- (b) If requested by any person(s) who raises Retaliation concerns, work closely with the concerned person(s) to conduct a risk analysis to identify and monitor potential Retaliation risks and plan and adopt preventive measures to address and reduce these risks as appropriate; and
- (c) Take all possible steps within its means and mandate to protect the Complainant(s), witnesses and other stakeholders from Retaliation associated with a Complaint processed by the IAM.

2.8.4. If in the opinion of the Chief IAM Officer, and after consultation with the Complainant, a dispute resolution or compliance review process cannot proceed with the requested confidentiality maintained, the process may be terminated by the Chief IAM Officer.

2.8.5. The IAM will indicate publicly when it has restricted disclosure of identity, either where an individual associated with a Complaint has requested confidential treatment or where they have not consented to the disclosure of their identity.

### **3. FinDev Canada IAM Functions**

#### **3.1. Dispute Resolution**

- 3.1.1. The purpose of the FinDev Canada IAM dispute resolution function is to help resolve a Complaint through a neutral, collaborative, approach and to contribute to improved outcomes at a community level.
- 3.1.2. Engaging in a dispute resolution process is a voluntary decision and requires agreement between the Complainant(s) and the Client(s), at a minimum. As a non-judicial, non-adversarial, neutral forum, the IAM's dispute resolution approach provides a process through which Parties may find mutually satisfactory solutions to the issues raised in the Complaint and any other significant issues identified during the preliminary review. The IAM will conduct the process in a manner acceptable to the Parties and treat all participants fairly and equitably.
- 3.1.3. The IAM will work with the Parties in establishing a reasonable timetable for the process, not to exceed one year, and will endeavor to work efficiently and expeditiously in assisting the Parties in identifying means to adequately address the concerns raised. The timetable for the process may be extended beyond one year by agreement of the Parties and the Chief IAM Officer.
- 3.1.4. The IAM will determine the knowledge and skills required in each case and engage a mediator who: (a) possesses the appropriate expertise; (b) has the ability to understand the cultural context; and (c) is considered acceptable as independent and impartial by the Parties. The IAM will include specific confidentiality requirements in mediator contracts in addition to the confidentiality provisions mentioned elsewhere in this Policy, as required.
- 3.1.5. Where the Chief IAM Officer decides that progress is no longer possible or where dispute resolution is no longer the appropriate approach, the Chief IAM Officer may terminate the process after providing written notification to the Parties. The IAM shall consult the Parties in reaching such a decision.
- 3.1.6. The methods or approaches that may be applied by the IAM when conducting dispute resolution include:
  - (a) Consultative dialogue;
  - (b) Information sharing between the Parties;
  - (c) Joint fact-finding; and/or
  - (d) Conciliation or mediation by a neutral third party appointed by the IAM.
- 3.1.7. The outcome of successful dispute resolution will be reflected in a written agreement or a series of written agreements as appropriate between some or all the Parties. The Parties to the agreement will be responsible for implementing the agreed actions, as appropriate. Within seven (7) business days from the entering into effect of the agreement, or series of agreements, the Chief IAM Officer will inform the Board of Directors of the outcome of the dispute resolution process and submit to it a copy of the resulting agreement(s).
- 3.1.8. The terms of agreements reached through dispute resolution will be recorded by the IAM on the IAM Register. Implementation of such agreements will be monitored as per section 3.3.
- 3.1.9. The IAM will terminate the dispute resolution process if:
  - (a) One or more of the Parties wishes to exit at any point in the process;
  - (b) The Parties fail to reach an agreement;

- (c) The Parties fail to implement the terms of an agreement; or
- (d) The Parties reach a partial agreement but are unable to reach an agreement on other Complaint issues.

3.1.10. Throughout the dispute resolution process, the IAM may identify opportunities to provide advice to the Board of Directors and Management. This advice will be communicated through a memorandum.

## **3.2. Compliance Review**

- 3.2.1. The purpose of the FinDev Canada IAM compliance review process is to carry out assessments of FinDev Canada's compliance with its Policies, including assessing whether any actual or potential Harm has or could result from non-compliance with such Policies, and recommend remedial action(s) where appropriate. The compliance review process follows a three-step approach:
  - (a) Eligibility assessment, which determines whether a Complaint is eligible for a compliance review;
  - (a) If deemed eligible, a compliance investigation; and
  - (b) Compliance monitoring of agreed Management Action Plans to remedy the Harm(s) or potential Harm(s) identified in the compliance investigation.
- 3.2.2. The compliance review process will start with the Chief IAM Officer conducting a compliance review assessment to determine eligibility of the Complaint for a compliance review. Eligibility for a compliance review will be determined by establishing whether there is *prima facie* evidence that the Complainant(s) has/have been Harmed or threatened with Harm by a Transaction. This will be documented in a Compliance Review Eligibility Assessment Note ("Note"), completed after receipt of Management response (as per section 2.6), and within forty (40) business days of the decision to undertake a compliance review. The Note will be issued to the Board of Directors, Complainant(s) and the Client. The Note will, subject to any confidentiality and/or privacy requirements, also be made available on the Register.
- 3.2.3. If the Note recommends a compliance investigation, such investigation shall be initiated within twenty (20) business days after circulation of the Note pursuant to 3.2.2. The Note shall also set out the scope of the compliance investigation. As part of its compliance investigation, the IAM will gather information, as appropriate, from all stakeholders concerned, including the Complainant(s), Management, and the Client(s).
- 3.2.4. A compliance investigation may include document review, meetings, discussions, site visits, evidence gathering, and obtaining expert opinions, as appropriate. Following a compliance investigation, the IAM will prepare a draft Compliance Review Report which shall ordinarily include the following:
  - (a) A summary of the Complaint and the issues raised;
  - (b) A summary of the Management Response;
  - (c) A summary and evaluation of the relevant evidence;
  - (d) The findings of the IAM on issues raised in the Complaint;
  - (e) Recommendations on remedial actions as appropriate; and
  - (f) Lessons learned and recommendations as appropriate.

- 3.2.5. A compliance investigation should ordinarily be completed within ninety (90) days of the publication of the Note in the Register, however the timing may vary depending on the nature, complexity, and scope of the Transaction and the alleged Harm.
- 3.2.6. The draft Compliance Review Report will be completed within thirty (30) business days from the completion of the compliance investigation and will be provided to the Complainant(s), the Client(s), and Management for their comments, if any, to be provided within twenty (20) business days of the receipt of the draft Compliance Review Report. The purpose of this opportunity to comment is to enable the Complainant(s), Management, and the Client(s) to provide feedback on factual findings and on the recommendations in the draft Compliance Review Report. The IAM shall take the comments received into consideration and shall submit a final Compliance Review Report with findings and recommendations, if any, for consideration by the Board of Directors within twenty (20) business days of receipt of comments.
- 3.2.7. If the IAM finds FinDev Canada to be non-compliant with its Policies, Management shall:
  - (a) Prepare a draft Management Action Plan to address the recommendations of the compliance review within sixty (60) business days of submission of the final Compliance Review Report.
  - (b) Include in the Management Action Plan clear time-bound actions for returning FinDev Canada to compliance and achieving remedy in relation to the Complaint, including any action required to be taken by the Client pursuant to the terms of existing agreements, where applicable, or through good faith negotiations with the Client.
  - (c) Identify any changes to FinDev Canada practices, Policies, guidance, or systems to bring it into compliance and/or avoid recurrence of similar situations.
  - (d) Consult the IAM, Complainant(s) and the Client(s) before finalization of the proposed Management Action Plan by providing a draft copy of the plan.
  - (e) Submit the final Management response and Action Plan, and any comments from the IAM, Complainants and Client on the Management Action Plan to the Board of Directors and the IAM within twenty (20) business days after receipt of such comments.
- 3.2.8. The Board of Directors shall consider the final Compliance Review Report, the IAM's recommendations, and the Management Action Plan, including input provided by the Complainant(s) during consultation for the Management Action Plan, and may take such decisions as it deems appropriate. Within twenty (20) business days from the day the Board of Directors takes a decision, a copy of the final Compliance Review Report and Management Action Plan shall be made available to the Complainant(s) and Client(s), and, subject to any privacy and/or confidentiality requirements, be published in the Register. FinDev Canada shall implement the Management Action Plan and take reasonable steps to require that the Client(s) implement relevant actions specified within the Management Action Plan that are within its control.
- 3.2.9. Throughout the compliance review process, the IAM may identify opportunities to provide advice to the Board of Directors and Management. This advice will be communicated through a memorandum.

### **3.3. Monitoring Dispute Resolution and Compliance Review Implementation**

- 3.3.1. The IAM will undertake annual monitoring of the implementation of any agreements reached by the Parties through dispute resolution or a Management Action Plan following a compliance review.
- 3.3.2. Dispute resolution agreements will be considered implemented if they fulfil the following criteria:
  - (a) The commitments made by the Parties in such agreements are being effectively carried out; and

(b) Implementation timetables are being met.

Monitoring reports will be submitted to the Board of Directors and be made available to the Complainant(s), Management, and the Client(s), and subject to privacy and confidentiality requirements, be published in the Register. Monitored cases will be closed once the IAM determines that full implementation of the relevant dispute resolution agreement has been achieved. Such determination may be made on the bases of document review, consultation, and/or site visits.

3.3.3. For compliance reviews, the IAM will review implementation reports and publish on its Register an annual assessment of the progress achieved based on a desk review of relevant documents, consultations with the Complainant(s), Management, and Client(s), and/or findings of site visits. The IAM will share the findings with Management and the Complainant(s) for clarification of issues before submitting its report to the Board of Directors for consideration. Annual monitoring will continue until the Management Action Plan is completed. The final monitoring report will conclude the compliance review process.

## 4. Roles and Responsibilities

### 4.1. Governing Roles

#### 4.1.1. Policy Approver

The Board of Directors is the Policy Approver and, as such, is responsible for approving this IAM Policy and Procedures.

#### 4.1.2. Policy Owner

The Chief IAM Officer is the Policy Owner and, as such, is responsible for the development, implementation, review, and maintenance of this IAM Policy and Procedures. The Chief IAM Officer is also accountable for its execution and effectiveness.

#### 4.1.3. Internal Audit

Internal Audit provides Independent Assurance to senior Management and the Board of Directors that FinDev Canada is effectively managing and controlling risks. Where Internal Audit is not independent of a business function, such as in this case, Independent Assurance will be provided by an external independent party.

### 4.2. Operating Roles

#### 4.2.1. Board of Directors

The Board of Directors is responsible for the IAM being adequately resourced and staffed in order to fulfill its purpose and objectives. The Board of Directors is responsible for appointing the Chief IAM Officer and may remove the Chief IAM Officer for cause, if required. They are also responsible for approving an annual budget and any additional funds requested from the Chief IAM Officer required to respond to unanticipated increased Complaint activity, commensurate with FinDev Canada's available budget. The Board of Directors will ensure that the Chief IAM Officer has full access to FinDev Canada staff and files, including electronic files, relevant to Complaints received and processed by the IAM, and will ensure that FinDev Canada personnel fully cooperate with the IAM.

#### 4.2.2. Chief IAM Officer

The Chief IAM Officer reports to the Board of Directors and is accountable and responsible for the effective and efficient operations of the IAM. They are responsible for: establishing administrative Procedures and guidelines necessary for the proper functioning of the IAM; undertaking preliminary reviews of Complaints and deciding on registration; sending out notices of registered Complaints to all interested persons; and noting the progress of each Complaint on the Register. They are also responsible for ensuring administrative and technical support to IAM staff and consultants. The Chief IAM Officer may seek external legal advice on IAM matters and consult FinDev Canada legal services as necessary.

The Chief IAM Officer, the staff within the IAM team, and subject matter experts engaged by the IAM team are expected to act impartially and independently. If an actual or potential conflict of interest in respect of a Complaint arises with staff or a subject matter expert, they will be required to inform the Chief IAM Officer and immediately withdraw from the Complaint. If the Chief IAM Officer has a conflict of interest in relation to a Complaint, they will immediately inform the Chair of the Board of Directors, withdraw from the Complaint, and assign another IAM staff to perform their duties in relation to that Complaint.

#### 4.2.3. IAM Team

The IAM team is made up of a Director, Advisor, Coordinator and a roster of subject matter experts. They support the Chief IAM Officer in executing their responsibilities as per the IAM Policy and Procedures.

4.2.4. FinDev Canada CEO and Management

The FinDev Canada CEO and Management are responsible for cooperating to the fullest extent with the Chief IAM Officer and IAM team. They are responsible for complying with requirements and deadlines outlined in the IAM Policy and Procedures.

## 5. General Provisions

### 5.1.1. Periodic Reporting to the Board of Directors

The IAM shall submit reports twice a year to the Board of Directors on the status of Complaints, including on the implementation status of Management Action Plans and dispute resolution agreements in response to Complaints.

### 5.1.2. Online Register

The IAM shall maintain a transparent and comprehensive online Register. The information posted on the Register shall include requests received (deemed both eligible and ineligible), pending, completed and closed cases, and all relevant documentation relating to Complaints processing.

### 5.1.3. Extension of Time Periods

Any time period referred to in this document may be extended, provided there are circumstances beyond IAM and Management control. In consultation with the Management and the Board of Directors, the Chief IAM Officer will decide on new dates. Any such extension shall be promptly notified to the Complainant(s), the Client(s), and posted on the Register.

### 5.1.4. Access to Information

When conducting any IAM function (dispute resolution, compliance review and learning and advisory services), the IAM Director, staff and experts shall have full access to FinDev Canada staff and files that the IAM deems relevant, including client information, electronic files, cabinets and other storage facilities, and FinDev Canada staff and consultants shall be required to cooperate fully with the IAM.

### 5.1.5. Disclosure of Information

Disclosure of any information gathered by the Chief IAM Officer and the IAM team while executing any of the IAM functions shall be subject to FinDev Canada's Transparency and Disclosure Policy, as well as any agreement to protect any personal or sensitive commercial information. Except as otherwise provided for in the IAM Policy and Procedures, and subject to the requirements of applicable law, the IAM shall not disclose publicly the identities of individuals associated with the Complaint, including but not limited to the Complainant(s), witness(es) and Client(s), unless compelling grounds exist to justify such disclosure.

### 5.1.6. Outreach

The IAM shall increase awareness of the IAM Policy and Procedures with Clients and other stakeholders by sharing information regarding the IAM on its website. The IAM may also collaborate with IAMs of other development finance and international financial institutions, and civil society organizations to capture and share lessons learned.

### 5.1.7. Review of the IAM Policy and Procedures

The IAM Policy and Procedures will be reviewed with approval from the Board of Directors every five years or sooner if: there have been sufficient complaints received to warrant a review; or material changes have been made to the business model; or specifically requested by the Chief IAM Officer or the Board of Directors. The Chief IAM Officer will report to the Board of Directors an IAM Policy and Procedure review status update at least every five years.

### 5.1.8. Cooperation with Other IAMs

If the IAM receives a Complaint that has also been submitted to another IAM, effort will be made to cooperate with such other IAM, while respecting the scope and mandate of each IAM, including with respect to requirements of confidentiality and disclosure of information. These cooperation principles will be included in a memorandum of understanding to be signed by each IAM. If a Complaint is submitted to

an IAM of another financial institution but it relates to a Client and the IAM is made aware of such Complaint, the IAM will brief Management and the Board of Directors as publicly available information on such cases becomes available.

## Annex I: Definitions

In the IAM Policy and Procedures, the names of FinDev Canada teams and Policies are capitalized. Other capitalized terms are defined below.

Terminology	Definition
Action Plan(s)	Prepared by Management in response to a Compliance Review Report. It is to include clear time-bound actions for returning FinDev Canada to compliance and achieving remedy for affected populations. It will also identify any proposed changes to FinDev Canada practices, Policies, guidance, or systems to bring it into compliance and/or avoid recurrence of similar situations.
Board of Directors	FinDev Canada's Board of Directors is a recognized group of people who jointly oversee the activities of FinDev Canada.
Client(s)	An entity that is the direct beneficiary of a Transaction, including a FinDev Canada borrower or investee.
Complaint(s)	Issues of actual or potential Harm resulting from alleged non-compliance by FinDev Canada with its Policies and Procedures submitted to the IAM.
Complainant(s)	An individual, group of individuals with a common interest, or an entity who allege that actual or potential Harm has arisen or may arise from a failure by FinDev Canada to follow its own Policies relating to a Transaction.
Compliance Review Eligibility Assessment Note or Note	Report prepared by the IAM to evaluate eligibility of a Complaint for compliance review.
Compliance Review Report	Report resulting from a compliance review investigation of a Complaint.
Financed	Financial support advanced or to be advanced by FinDev Canada pursuant to a legally binding obligation.
Harm	Any material adverse environmental and/or social effect on people or the environment resulting directly or indirectly from a Transaction. Harm may be actual or reasonably likely to occur in the future.
Independent Assurance	The process for assuring the Board and senior Management that the Policy and its related guidelines (or standards), Procedures and frameworks are functioning as intended.
Management	FinDev Canada's Management team.
Parties	The Complainant(s), Management, and/or the Client(s).
Policy(ies)	A document which sets out the principles or protocols to guide decisions and achieve expected outcomes. Policies are derived from FinDev Canada's mandate, mission, strategic objectives, and risk appetite.

	Policies pertinent to the IAM Policy and Procedures are: <a href="#">Environmental and Social (“E&amp;S”) Risk Policy</a> ; and <a href="#">Transparency and Disclosure Policy</a> .
Policy Approver	The authority responsible for approving the Policy (i.e. Board of Directors).
Policy Owner	The senior executive responsible for the matters addressed by the Policy. This includes responsibility for the Policy’s development, implementation, maintenance and accountability for execution and effectiveness of the Policy.
Procedure	Step-by-step instructions (including process maps where available, and job aids) to complete a task to implement Policies (and guidelines or standards). These documents should describe a series of actions on how to perform an activity to achieve expected outcomes.
Register	A web-based tool to record details of Complaints received by the IAM and tracks the Complaints handling process.
Representative(s)	An individual or organization who has been retained and authorized by a Complainant(s) to represent their interests and make decisions on their behalf with their consent.
Retaliation	Any adverse act taken against someone because they made a Complaint disclosure or participated in a Complaint investigation. Retaliation can come in many forms and may not always be obvious.
Transaction	Activity Financed by FinDev Canada which may include: (i) direct lending to private sector companies (including corporate and project finance); (ii) lending to various types of financial intermediaries (FIs), including banks, funds and facilities; (iii) guarantees; and (iv) minority equity stakes in companies, including FIs.

## Annex II: IAM Timelines

Stage	Section	Description	Timeline Benchmark (in business days)
Complaint	2.1.1 – 2.2.4	Complaint submitted to IAM.	Day 0.
Acknowledgement of receipt	2.2.5	IAM provides acknowledgement of receipt, and explanation of process.	Within 5 days of receiving completed Complaint.
Preliminary review	2.3.1 – 2.3.2	IAM conducts a preliminary review for determination of eligibility.	Within 30 days from the date of acknowledgement of receipt.
Determination of eligibility – Complaint not eligible	2.3.3	If the Complaint is not eligible, this decision, supported by analysis and rationale, will be communicated to the Complainant(s). This will also be added to the IAM Register.	10 days after eligibility determination.
Notice of registration – Complaint eligible	2.3.3	If the Complaint is eligible, notice of registration will be communicated to Complainant(s), Client(s), Management, and the Board of Directors. This will also be added to the IAM Register.	10 days after eligibility determination.
Management Response	2.6.1	If Complaint is eligible, Management shall provide a response to the IAM.	Within 40 days of the notice of registration.
Dispute resolution	3.1.1 – 3.1.5	If agreed to by Parties, the IAM carries out dispute resolution activities to reach an agreed upon resolution.	A reasonable timeframe will be established, not to exceed 1 year <sup>2</sup> from the decision to pursue the dispute resolution option.
Dispute resolution conclusion	3.1.6 – 3.1.8	The Board of Directors will be provided with the decision and agreement from the IAM. The IAM Register is also updated.	7 days from the completion of the dispute resolution agreement.
Compliance review assessment	3.2.1 – 3.2.2	The IAM determines eligibility of the Complaint for compliance review. The decision will be documented in a Note which is provided to the Client(s), Complainant(s), and the Board of Directors. It will also be made available on the Register.	Completed within 40 days of receiving Management's response.
Compliance investigation	3.2.3 – 3.2.5	To be carried out by the IAM if recommended in the Note. This entails an assessments of FinDev Canada's compliance with its Policies, including assessing whether any actual or potential	Compliance investigation to start within 20 days of the circulation of the Note and should ordinarily be completed within 90 days, however

<sup>2</sup> The timetable for the process may be extended by agreement of the Parties and the IAM.

		Harm has or could result from non-compliance with such Policies.	this will depend on the nature, complexity, and scope of the investigation.
Draft Compliance Review Report	3.2.6	Draft Compliance Review Report completed at the end of an investigation by the IAM.	Within 30 days of completion of the investigation.
Comments on Draft Compliance Review Report	3.2.6	Management, Complainant(s), and Client(s) to provide comments on the draft Compliance Review Report.	Comments are to be provided within 20 days of receiving the draft Compliance Review Report.
Final Compliance Review Report	3.2.6	Compliance Review Report to be finalized by the IAM for Board of Directors consideration.	Within 20 days after receipt of comments on draft Compliance Review Report.
Draft Management Action Plan	3.2.7	Management to prepare a response and Action Plan in cases of non-compliance.	60 days after final Compliance Review Report submission.
Final Management Action Plan	3.2.7	Management to finalize the response and Action Plan, and include any comments from Complainants(s), Client(s) and the IAM. This is to be provided to the Board of Directors and the IAM.	Within 20 days after receipt of comments on the draft Management Action Plan from the Complainant(s), Client(s) and IAM.
Communication of Final Compliance Review Report and Management Action Plan	3.2.8	The Compliance Review Report will be made available to Complainant(s) and Client(s), and posted on the Register.	Within 20 days from Board of Directors decision on Final Compliance Review Report and Management Action Plan.
Monitoring	3.3.1 – 3.3.3	The IAM will conduct monitoring on implementation of any agreements reached through dispute resolution or Management Action Plans as a result of a compliance review. A monitoring report will be published on the Register.	Annually until the IAM determines that full implementation of agreements have been achieved or action plans have been completed.

## Annex III: Flowchart of IAM Process

