

Press Release

A major Report confirms Canadian Global Impact Investing assets under management reached \$3.5 billion in 2021

Toronto/Montreal, December 1, 2021 – A major Report released by the Canada Forum for Impact Investment and Development (CAFIID) highlights the critical importance of impact investing as a tool to leverage entrepreneurial resilience and build back better post-pandemic in emerging markets and developing economies.

CAFIID’s 2021 Report confirms an overall positive trend for Canadian impact investors with a 70 percent increase since 2019 in assets under management to \$3.5 billion despite the pandemic. As in CAFIID’s inaugural 2019 Report, Sub-Saharan Africa, Latin America, and the Caribbean remain the top regions for Canadian impact investments.

CAFIID’s research substantiates some of the areas in which Canada is leading the way internationally. In particular, Canada is a world leader in gender-lens investing, which is investing that focuses on women as owners, clients and/or employees of the businesses receiving investment. Three-quarters of survey respondents noted that they employ a gender lens when making their investment decisions.

The Government of Canada continues to play an important and catalytic role in funding impact investing. Canada is also advocating for greater leveraging of public funds to attract private investment into developing economies. Public and philanthropic capital can be deployed to reduce risk, making them more attractive to private and institutional investors.

One area of particular interest outlined in the Report is the role of impact measurement and progress in defining disclosure linked to new requirements for environmental and social reporting. While the Report notes growing alignment with common external frameworks, especially the Sustainable Development Goals, over half of respondents continue to use customized metrics as well. “With growing interest in responsible and impact investing, some respondents noted concern regarding impact washing. We hope that ongoing advocacy for transparency in impact measurement and reporting will continue to strengthen the integrity of impact investing going forward” noted CAFIID’s Advisory Board Co-Chairs Lindsay Wallace and Paul Lamontagne.

This second foundational Report marks a crucial step forward for CAFIID and for the impact investing sector in Canada. However, while there has been progress, the Report does highlight the urgency of encouraging greater investment as part of the post-covid build back and the need to address the challenges of climate change and making progress towards the Sustainable Development Goals.

Finally, Canada’s two leading impact investing umbrella organizations recently collaborated to reignite a National Advisory Board on Impact Investing for Canada. Thanks to the work of CAFIID and the Table of Impact Investment Practitioners (TIIP), and others across the country including the MaRS Discovery District, which formerly convened the National Advisory Board (NAB), impact investing is on the move in Canada. According to Stephanie Emond, CAFIID’s Chairperson, “building on the growing diversity and vitality of the sector, the re-launched National Advisory Board will collaborate to advance the Sustainable

Development Goals in alignment with the UN Declaration on the Rights of Indigenous Peoples. The NAB will also enhance the presence of Canadian impact investing internationally, through its participation in the Global Steering Group for Impact Investment.”

The State of the Sector Report 2021 is available at the following link: www.cafiid.ca/stateofthesector.

ABOUT CAFIID:

As the catalyst for this emerging sector since 2014, the Canada Forum for Impact Investment and Development (CAFIID) is a community of individuals, organizations, and investors who treat positive social and environmental impact and financial return as co-existing priorities. CAFIID members combine many years of collaboration and engagement with a history of innovation in structuring impact investment products, delivering technical assistance, and promoting sustainable investment ecosystems in emerging markets and developing economies around the world.

For more information on CAFIID’s Report, contact Lindsay Wallace, Director, lwallace@cafiid.ca.