

**Speech on innovative financing deliver by Chile in its capacity as Chair of the Leading Group on Innovative Financing**

**Informal Substantive sessions in preparation of the III Conference for Financing for Development, Addis-Ababa, Ethiopia (July 2015)**

**United Nations, New York, 10-13 November 2014**

- Chile and France, respectively Chair and Permanent Secretariat of the Leading group on innovative financing, are in favor of the promotion and implementation of innovative financing sources and mechanisms as means of diversifying the financial toolbox for development.
- The work of the Leading Group on Innovative Financing for Development is consistent with the advancement of multilateralism and in line with the efforts of the International Community and of the United Nations to seek more and new types of resources by innovative financing - including its mechanism - to complement ODA and its centrality on achieving SDG's and our development agenda.
- The distinction between innovative sources and innovative mechanisms of financing is essential. Innovative sources intend to raise new funds for development from contributions from economic sectors that benefited from globalization. Innovative mechanisms allow optimizing and channeling public and/or private existing resources towards investments for sustainable development.
- We welcome the proposed working document on international public finance that highlights this distinction.
- We also appreciate the reference to the air ticket levy which proved in various countries including as Chile and France its efficiency to ring-fence financial resources for development while increasing their stability, and
- Welcome the report by the intergovernmental committee of experts on sustainable development financing which constitutes an excellent basis for discussions. The report acknowledges the work carried out by the Leading group and mentions the role of solidarity taxes.
- Innovative financing covers a wide range of instruments that have proven their effectiveness and value in specific national contexts and illustrates the necessary evolution of financing for development in order to adapt to our changing world and complement traditional public sources.
- Based on different types of innovation (solidarity taxes, multi-donor mechanisms, micro-donations, impact investing), innovative financing intends to make more effective the financial flows that contribute to sustainable development and seeks to ensure a fairer distribution of the wealth created by globalized economic exchanges.

- Innovative financing also relies on the idea of a greater ownership of development financing tools by recipient countries.
- The Leading Group on Innovative Financing will focus in the coming months on working constructive with all stake-holders on highlighting the contributions that innovative financing can provide to meet the SDGs, as well as scaling up the existing successful instruments that had already made a substantive and positive impact (e.i.:UNITAID and others initiatives already implemented), and to be a source of additional financial contribution to the post-2015 agenda.