

Preparatory Process for the Third International Conference on Financing for Development – Wednesday, January 28, 2015

Domestic and International private finance – Statement by Canada

- While Official Development Assistance has helped produce significant development gains, meeting the post-2015 objectives will require more resources than Governments can provide.
- According to the World Bank, developing countries' needs translate into over \$1 trillion in annual shortfalls and financing gaps in critical sectors, such as infrastructure, energy, and agriculture.
- Innovative financing approaches, including public-private blended finance, represent an essential part of the solution to the Financing for Development gaps.
- Blended finance will not only allow us to mobilize additional capital for development by mitigating risk, it will combine the skillsets, knowledge and resources of public and private investors, and increase the range of development-related investments in frontier and emerging markets.
- To foster more use of blended finance, Canada is playing a leadership role in the Re-Designing Development Finance Initiative (RDFI), in partnership with the World Economic Forum and OECD. Canada's Minister of International Development, Christian Paradis, chairs its Steering Group.
- We see the Initiative as potentially an important contribution to Financing for Development efforts. It provides a focal point to bring together all of the development finance players – from development finance institutions, to providers of official development assistance, to foundations and private sector investors, to identify, test and scale up more public-private blended finance models in a systematic way.
- Concretely, the Redesigning Development Finance Initiative is working on two things which are relevant to the Third International Conference on Financing for Development: a portfolio of innovative finance models; and new blended finance partnerships that will lead to concrete projects and real development results.
- We would welcome broad participation in the Initiative, and a serious discussion in this Preparatory Conference of how we can use public resources to leverage private financing to improve development outcomes.