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Preparatory Process for the third International Conference on Financing for Development

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Substantive informal session on private and blended finance

**Statement by Peter Versegi
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The sessions today have highlighted the imperative of focussing the financing conversation on how to maximise financial flows and ensure they have the greatest development impacts. This is particularly important for international public finance, including ODA.

The question is how do we generate predictable, long-term investment and financing towards sustainable development outcomes?

What is evident from the Experts Committee report and discussions this week is that the private sector has a key role to play.

Enabling environments – economic, legal and regulatory – are crucial to attracting private sector finance, whether it is international or domestic finance. Countries able to attract the greatest share of finance are those with the most developed and effective policy and legal frameworks and higher capacity institutions. And no amount of finance (public or private, concessional or otherwise) can have sustainable development impact without the right country-level policy frameworks and institutions in place. Therefore we need to unpack what we mean by enabling environments and zero in on its most critical elements.

On the private sector, it is much more useful to think about the spectrum of actors, industries and investors, at both the domestic and global level. We

need a more nuanced understanding of the role and function of different kinds of private sector flows – including foreign direct investment,