



With over 800 registered participants, the **International Business Forum** held in conjunction with the Third International Conference on Financing for Development was celebrated as the largest ever global gathering of high-level business leaders in the development context.



Engaged participation from unprecedented numbers of world leaders and senior business executives alike is testament to the historic shift that is happening in international development and business cooperation. The International Business Forum was history-in-the-making as discussions were anchored in a 21<sup>st</sup> century model of development cooperation that moves away from traditional forms of aid toward ground-breaking models of public-private investment and action that deliver sustainable, scalable development solutions.

As the international community lays out an ambitious agenda in 2015 to steer the world on a pathway of inclusive, sustainable growth for the coming decades, the spotlight now is squarely on the role of public-private cooperation and the need to catalyse broader resources for development.



**Prime Minister Hailemariam Desalegn of the Federal Democratic Republic of Ethiopia** opened the Business Forum emphasizing the critical role of business in sustainable development, noting diverse commercial opportunities across emerging markets, and highlighting that governments – including the Government of Ethiopia - are actively seeking to improve how they engage the private sector including promoting reforms that enable business to operate more efficiently and seize the vast, high-impact opportunities in emerging markets.

*"The most significant business paradigm shift of our time is the realization that we must do well and do good at the same time; the simultaneous pursuit of both financial and social returns is imperative if the world is going to address the plight of the poor and the challenges of the environment. Citi's \$100 billion commitment to our Environmental Investment Initiative is a great example of this new paradigm."*

*- Jay Collins, Vice Chairman, Corporate and Investment Banking, Citi*

Also addressing the opening plenary, **World Bank Group President Dr. Jim Yong Kim** re-iterated the Bank's "commitment to boosting shared prosperity by aligning profit with purpose and ultimately moving development finance flows from billions to trillions."



Opening remarks were also made by H.E. Sam Kahamba Kutesa, President of the United Nations General Assembly; and NBA Hall of Fame basketball star Dikembe Mutombo, Chairman and President of the Dikembe Mutombo Foundation, Inc. based in the Democratic Republic of the Congo.

Together with the Business Forum, **United Nations Secretary General Ban Ki-moon** hosted an intimate lunch for over 60 business leaders and public figures such as **Prime Minister Stefan Löfven of Sweden**.

Richard Samans, Managing Director, World Economic Forum, delivered the closing statement alongside public figures, H.E. Ahmed Abetew, Minister of Industry, Ethiopia; Jin-Yong Cai, CEO, International Finance Corporation; Angel Gurría, Secretary-General, OECD; H.E. Wu Hongbo, Under-Secretary General for Economic and Social Affairs, United Nations; and Manuel Sager, Director-General, Swiss Agency for Development and Cooperation.



Secretary Lew and Commissioner Mimica during the Special Announcement

*"Today represented a change in the business model of development cooperation, what we've been doing here is a true process of engagement on how we combine resources in sectors to get things moving."*

*- Richard Samans, Managing Director, World Economic Forum*

Also during the closing plenary a Special Announcement was made by **Jack Lew, Secretary of the Treasury, United States**, and **Neven Mimica, European Commissioner for International Cooperation and Development**. The US and the EU signed a Memorandum of Understanding to enhance coordination between the EU and Power Africa that will deepen their ongoing long-term engagement with partner countries and the private sector to assist developing countries increase access to electricity for over 600M people in Sub-Saharan Africa.



Business representatives to FfD: Amadou Hott, CEO, Senegal Sovereign Wealth Fund  
Caroline Anstey, Global Head, UBS &

The International Business Forum transcended its name as key Business Forum representatives also intervened during the official program at the Third Annual Financing for Development Conference. Integrating the business sector into the policy discussions laid the groundwork for a policy architecture and financing framework to include innovative forms of public-private partnerships in a bold and ambitious new era for development.

In particular, **Blended Finance**, inspired by the World Economic Forum and OECD initiative on **ReDesigning Development Finance** gained significant traction throughout the Business Forum and Conference as a promising path to achieving the Sustainable Development Goals. As a result of a series of successful policy discussions and negotiations, Blended Finance was spotlighted repeatedly in the final outcome document.

*Extractions from the official FfD Conference outcome document, the **Addis Ababa Action Agenda** highlighting **Blended Finance**, a term inspired by the World Economic Forum*

Paragraph 43 - We also recognize the potential of new investment vehicles, such as development-oriented venture capital funds, potentially with public partners, **blended finance**, risk mitigation instruments, and innovative debt funding structures with appropriate risk management and regulatory frameworks. We will also enhance capacity-building in these areas

Paragraph 48 - We recognize that both public and private investment have key roles to play in infrastructure financing, including through development banks, development finance institutions and tools and mechanisms such as public-private partnerships, **blended finance**, which combines concessional public finance with non-concessional private finance and expertise from the public and private sector, special-purpose vehicles, non-recourse project financing, risk mitigation instruments and pooled funding structures. **Blended finance** instruments including public-private partnerships serve to lower investment-specific risks and incentivize additional private sector finance across key development sectors led by regional, national and subnational government policies and priorities for sustainable development. For harnessing the potential of **blended finance** instruments for sustainable development, careful consideration should be given to the appropriate structure and use of blended finance instruments. Projects involving **blended finance**, including public-private partnerships, should share risks and reward fairly, include clear accountability mechanisms and meet social and environmental standards. We will therefore build capacity to enter into public-private partnerships, including with regard to planning, contract negotiation, management, accounting and budgeting for contingent liabilities. We also commit to holding inclusive, open and transparent discussion when developing and adopting guidelines and documentation for the use of public-private partnerships, and to build a knowledge base and share lessons learned through regional and global forums.

Paragraph 54 - An important use of international public finance, including ODA, is to catalyse additional resource mobilization from other sources, public and private. It can support improved tax collection and help to strengthen domestic enabling environments and build essential public services. It can also be used to unlock additional finance through **blended or pooled financing** and risk mitigation, notably for infrastructure and other investments that support private sector development.

Underscoring the many ways the private sector can play a role in global growth and development, dialogue spanned diverse topics. Key themes included the need for an enabling environment and capacity building, innovative models to address gaps in the financing chain, supporting SMEs, best practices for responsible investment, market innovation, solutions for unlocking capital to finance energy and infrastructure, reporting on performance to increase transparency, among others.



*Panel on Market Innovation: Allan Pamba, Vice President, GSK (Moderator); H.E. Christian Paradis, Minister for International Cooperation and La Francophonie, Canada; James Mwangi, Managing Director and CEO, Equity Bank; Atsuko Hirooka, Associate Officer, General Manager, Vector Control Division, Sumitomo Chemical; Walt M. Macnee, Executive Vice Chairman, MasterCard; Elaine Weidman, Vice President Sustainability and Corporate Responsibility, Ericsson; Walter van Kuijen, Senior Vice President, Global Government and Public Affairs, Royal Philips*

Looking forward, select key takeaways from the International Business Forum offer insights into how the new model for development cooperation is taking shape:

- **Creating an enabling environment for business is an essential step forward.** The private sector requires a competitive business environment including reduced barriers to market entry and cross-border trade and a sound regulatory framework.

- **Leveraging the power of the private sector means mitigating risks and managing returns.** Harnessing the private sector for good and increasing trade and investment in emerging markets requires understanding the private sector's operating model and need to deliver risk-adjusted returns. Striking the right balance requires deliberate partnership, and risk sharing, such as in blended finance.
- **Companies and investors are seeking to increase the quality of their returns through responsible, sustainable opportunities.** Corporations and investors increasingly recognize that long-term, sustainable investments in social, economic and environmental solutions are the way to stay competitive, profitable, credible and relevant going forward.
- **Businesses can bring innovation and technology to accelerate progress.** The diversity of the private sector brings creativity, expertise and innovation to bear toward complex development challenges that can turbo-charge development, while also offering promising commercial opportunities.



*Panel on The Financing Chain: Caroline Anstey, Global Head, UBS and Society (Moderator); Amadou Hott, CEO, Senegal Sovereign Wealth Fund; Sarah McPhee, Senior Advisor for Sustainability to Group CEO, Storebrand; Gavin Wilson, CEO, IFC Asset Management Company; Elizabeth Littlefield, President and CEO Overseas Private Investment Corporation; Mohan Vivekanandan, Group Executive, Strategy, DBSA*

Delivering on the ambitious post-2015 development framework will require a scaling up of these efforts and new partnerships that effectively enable the private sector to drive economic growth, create jobs and reduce poverty. The International Business Forum provided a multi-stakeholder discussion where participants from the development and business communities were empowered to reach across traditional sectoral boundaries and embraced the urgent need for deeper cooperation, strategic dialogue and concrete action to accelerate capital flows and capacity for sustainable development. This historic day offered promise and insight into how to achieve the Sustainable Development Goals.



The International Business Forum was organized by the FfD Business Steering Group led by the International Chamber of Commerce in collaboration with the International Finance Corporation, UN Foundation, UN Global Compact, and the World Economic Forum; hosted by the Government of Ethiopia; and sponsored by the Government of Switzerland.



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