

## Second Session of the Preparatory Committee for the Fourth International Conference on Financing for Development (FfD4) - New York, December 3-6, 2024

### Interactive Discussion 3: International Development Cooperation

#### Remarks delivered by the Inter-American Development Bank (IDB)

Good morning chair and delegates.

At the Inter-American Development Bank, we welcome the *Elements paper* and stand ready to contribute to an ambitious and actionable FfD4. Thank you for this opportunity.

We are already implementing transformational reforms in our institution, called *Impact+*, to better address national, regional, and global challenges.

We are also *working as a system* with other MDBs in an unprecedented way. We issued a joint *Viewpoint Note* with concrete deliverables to increase our impact and scale.

To maximize synergies toward Seville, it would be important to align efforts with the *Viewpoint Note* and the *G20 MDB Roadmap* recommendations and calls to actions.

We have three comments, focusing on innovative financial instruments with potential to increase public and private investments to close the SDG financing gap.

1. First, Seville can be a landmark for channeling SDRs to MDBs, to fight hunger and poverty, among other. We developed a solid proposal with the African Development Bank, and with your support, we can implement this powerful tool that allows leverage by MDBs of up to seven, eight times.
2. Second, on blended finance, MDBs are developing instruments to encourage private investment by mitigating currency risk. We should advance in three complementary solutions: improve the scale and cost of foreign exchange hedging; enhance local currency lending; and foster long-term domestic market development. A leading case to replicate is *EcoInvest* in Brazil, supported by IDB and the World Bank.
3. And third, we propose to scale and expand *results-based instruments* that incentivize measurable SDG investments. We can share the experience of our pioneering program *IDB Clima*, which rewards nature and climate outcomes and will operate soon in ten countries.

Before closing, let me underscore the relevance of enhancing development effectiveness. FfD4 can catalyze progress on how development partners work with countries *on the ground* to be more impactful and agile, including by supporting country-led platforms.

Thank you.

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