Stimulating Sustainable Economic Growth (SEG) has been a Canadian priority since 2010.

Further guidance is being developed in six SEG thematic areas:
- fiscal and economic management
- business development
- skills for employment
- women’s economic empowerment
- financial sector
- extractive sector

In 2014, the OECD and WEF set up the ReDesigning Development Finance Initiative.

As chair of the steering group, Canada’s Development Minister is working with global partners to expand the pool of foreign and domestic capital to help accelerate social and economic progress. The aim is to identify, test and scale up public-private blended finance models in a systematic way.
DFATD financing for development tools

- **Canadian Development Finance Initiative**: Housed within Export Development Canada, the Canadian DFI will provide financing to private firms and foundations for commercial projects in low- and middle-income countries that have development outcomes, but cannot find private sector financing.

- Canada is also actively promoting **blended finance** that uses public and philanthropic funds to unlock massive amounts of private capital for development. It offers a new approach to reducing the financial risk for investors in order to increase private investments in sectors such as health, finance or infrastructure.

- Canada, in partnership with the World Economic Forum, Dalberg and a number of other players, recently announced the **Global Finance Exchange for Social Advancement**. GFX will be an online marketplace, knowledge broker and accelerator for innovative development finance models. The private sector will also benefit from new investment opportunities in developing nations.
Matching challenges with solutions

Developing countries face a number of challenges...

- Weak economic management that limits public sector effectiveness in responding to economic challenges and citizen needs
- Poor market access, due to policy or physical constraints, that restrains private initiative, trade and investment
- Limited capacity to manage and maximize the poverty reduction gains from resource development, particularly extractive resources
- A lack of economic diversification, especially micro, small and medium-sized firms, and export industries
- Insufficient access to capital to finance private sector growth
- Strong demand for skilled workers, but insufficient supply despite an abundant labour pool

...and with our strategy...

- Building Economic Foundations
- Growing Businesses
- Investing in People

...DFATD can provide targeted solutions:

- Fiscal and Economic Management
- Trade and Investment including Infrastructure
- Extractive Sector
- Business Development
- Financial Sector
- Skills for Employment

Sustainability:
- Economic disparities and the relative distribution of growth in the poorest parts of the economy
- Risks posed by corruption, conflict, gender inequality, environmental vulnerability, and changing climate

Women’s Economic Empowerment

Crosscutting Themes:
- Gender Equality
- Governance
- Environmental sustainability

matched with the right partners...
DFATD and the private sector

• DFATD Dev has a long experience in private sector development
• DFATD’s current work focuses primarily on building up the local private sector in developing countries
  – Driven by its Sustainable Economic Growth and Food Security Strategies
  – Informed by the private sector engagement approach on the DFATD website
• Increased interest in deeper collaboration with the private sector and in growing the private sector itself
  “By stimulating the economy in these countries and helping them create an environment conducive to investment, we are contributing to the well-being of people living in poverty. When a company opens up to the developing world, it is presented with a host of business opportunities and potential markets. Canada works directly with developing countries to build the stable and predictable economic environments needed to attract investment and stimulate growth.”
  – Minister of International Development Christian Paradis (December 2013)

• Shift in thinking over the past few years:

Private sector development is one sector of activity (2003)
Private sector is a driver of growth (2010)
Private sector is a driver and a partner in achieving results (2013 and 2014)