contexts considered conflict affected
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. The contexts are often considered too risky in terms of
instability and limited institutional capacity or too expensive in terms of transaction costs.
Blended finance has a potential, especially for some peacebuilding contexts which are also least
developed countries that have huge and urgent investment needs. But we need to better
understand under which conditions blended finance can be effective in these contexts and how
we judiciously leverage scarce ODA to bring in private investments, especially to support
economies in the context of Covid-19.

Examples of blended finance have already been brought to the attention of the Commission,
including its application in support of small-and medium-sized enterprises (SMEs).

For instance, the Central Africa SME Fund, launched by the fund manager XSML in 2010,
provides private equity, long-term debt and technical assistance to SMEs in the Democratic
Republic of the Congo and the Central African Republic, two markets in sub-Saharan Africa
considered particularly risk for private investors. The USD 19 million fund leveraged technical
assistance grants to support SMEs pre- and post-investment while also returning capital to its
investors.

This and other similar examples point to exciting prospects. However, they also beg more
questions about blended finance in peacebuilding contexts. How can blended finance be best
adapted to peacebuilding contexts to create impact? What are the potential risks and
opportunities? How do we leverage national development plans, domestic investors and
domestic finance to support these initiatives? How do we bring these examples to scale?

These are all questions that I hope we can explore today.

In conclusion, moving forward, I will continue to use my role as PBC chair to facilitate member
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out by the Secretary-General in his 2018 Report in order to ensure predictability and
sustainability of peacebuilding funding, with a view to generate action oriented inputs to the
General Assembly meeting.

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 https://www.oecd-ilibrary.org/docserver/f5e557b2-