

resources based on their individual poverty reduction strategies.

Canada has been very active in the development and financing of multilateral debt relief through the Multilateral Debt Relief Initiative (MDRI), which frees up resources for recipient countries for redirection to poverty reduction initiatives. Canada has committed to provide the IMF, World Bank, and African Development Fund (ADF) with \$2.5 billion in order to cover Canada's share of the costs over the life of MDRI, which extends until 2054.

In 2009, with the passage of Bill C-59 (*The Economic Recovery Act*), the Government of Canada modified and strengthened the payment mechanism for our annual MDRI payments. The modification places Canada's MDRI payments under statutory authority and provides further reassurance to the IMF, World Bank, and ADF that Canada is fully able to honour its \$2.5-billion commitment. This new legislation enabled the Government of Canada to sign new MDRI instruments of commitment with the ADF and IDA in February 2011.

More information is available on The Multilateral Debt Relief Initiative¹⁴ website.

AgRESULTS: \$10,000,000

Innovation is critical to achieving agriculture productivity gains required to meet growing global demand. At the 2012 G20 Los Cabos Summit, Canada announced \$40 million over five years for AgResults. AgResults uses pull mechanisms such as advance market commitments that pay out only once results are achieved, to leverage private-sector investment and innovation toward addressing global agriculture challenges, with a focus on smallholder farmers and their communities.

Canada's contribution to AgResults, along with other donor contributions totalling \$100 million, will serve to develop and fund pilot projects intended to incentivize the adoption and/or development of technologies with significant societal benefits, but where market failures have undermined this potential. Pilot structures will encourage social innovation to achieve extension consistent with consumer preferences and constraints. Finally, funds also support a rigorous evaluation agenda to test this new approach to development finance.

Since the Los Cabos launch, significant progress has been made in setting up AgResults' financial and administrative

structure, with evaluation and secretariat functions awarded through competitive processes. Furthermore, initial pilot projects are being developed to target improved harvest management and nutritional fortification of staple crops in Sub-Saharan Africa. In 2012–2013, the Department of Finance provided \$10 million in grant support to the IBRD, which manages the financial intermediary fund through which donors make their contributions, as part of Canada's \$40 million commitment.

NON-ODA INTERNATIONAL ASSISTANCE

International Finance Corporation Catalyst Fund

In the context of the Copenhagen Accord, Canada agreed to provide \$1.2 billion in short-term ("fast-start") climate financing to help developing countries respond to climate change. As part of this commitment, Canada provided \$75 million to the World Bank Group's International Finance Corporation (IFC) Catalyst Fund. The Fund will invest in venture and equity capital in developing countries on a commercial basis, with a focus on sectors where there are opportunities to promote efficient use of resources as a way to mitigate and adapt to climate change. These sectors include renewable energy, energy efficiency, water, agriculture and forestry.

Given that Canada's investment in the Fund is on commercial terms, it does not meet the ODAAA's concessionality criteria and as such, Canada has not included this investment within its ODA figures for 2012–2013. However, the IFC's social and environmental safeguards apply to all investments made through the Fund, and its investment objectives broadly respect the spirit of the Act regarding poverty reduction, perspectives of the poor, and human rights.

SUMMARY OF REPRESENTATIONS MADE BY CANADA AT THE BRETTON WOODS INSTITUTIONS

The timing of the release of the *Report on Operations under the Bretton Woods and Related Agreements Act* has been adjusted such that it now corresponds with the release of the present report. In accordance with the Act, full information regarding Canada's engagement with the Bretton Woods institution is now available through the web site of the Department of Finance¹⁵.

¹⁴ <http://imf.org/external/np/exr/facts/mdri.htm>

¹⁵ <http://www.fin.gc.ca>