

**Preparatory Process for the  
Third International Conference on Financing for Development**

**Second drafting session, 13-17 April 2015**

**Statement by H.E. Mr. Einar Gunnarsson  
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- I would like to thank the facilitators for the zero draft of the Addis Ababa Accord, which is a useful starting point for member states to build on. It is fairly comprehensive, covering the main issues of the development agenda.
- Our expectation is that over this week we will focus at section level with the aim of allowing the facilitators to produce an amended draft in the coming weeks. We believe this is the only practical way to achieve a draft everyone can support in the time available.
- As regards the inter-linkages of the Post-2015 and FfD Agendas, I would like to reiterate our view that we should address the Post-2015 means of implementation within the FfD process and refrain from discussing the same issues twice.
- We welcome the strong focus on domestic resource mobilization and effective use of domestic public funds in the Zero Draft. We agree that domestic resource mobilization is the crux of sustainable development. And the draft outlines fairly well the complex inter-linkages between good governance, democratic institutions and sound economic policies to bring about optimal mobilization. We have seen that domestic resources form the very foundation for poverty reduction and sustainable development.
- We strongly believe that the economic benefits of sustainable utilization of natural resources could be better covered in the draft. For example, fisheries can effectively contribute to sustainable economic growth and better nutrition, enhanced economic opportunities for women and poverty reduction. Improving economic performance in the fisheries sector can lead to high returns for developing countries. Hence, we expect to see fisheries further integrated into the draft, including in paragraphs on food-security. Also, we miss a reference to UNCLOS in paragraphs addressing the oceans.

- Furthermore, where reference is made to improving agriculture and food security, there should be a reference to the concomitant need to address land degradation and desertification, the aim being a land degradation neutral world. In this context, we would like to mention that the UN Convention to Combat Desertification (UNCCD) should have a place in the draft along with the two other Rio conventions.
- On international public finance, it is clear that ODA is not being used to optimal effect. The importance of targeting ODA to LDCs should be emphasized more strongly. It will also be increasingly important to use ODA in catalytic ways to leverage funds, both public and private. We need “smarter ODA”. However, while scaling up development support, and catalyzing more flows for sustainable development, we must also remain mindful of debt sustainability. Although debt financing can provide new avenues, lending must continue to be guided by the IMF/World Bank debt sustainability framework, to minimize the risk of renewed debt crises.
- Also we believe that some parts of the Zero Draft need strengthening, such as on Illicit Financial Flows - where we certainly need more ambition. Perhaps we can strive towards a measurable time-bound goal in this regard, recognizing that responding to this issue is vital.
- Finally, if the Post-2015 Agenda shall really be transformative as is stressed again and again, the most necessary transformation would be to achieve gender equality. We therefore welcome the good integration of gender throughout the Addis Ababa Accord Zero Draft and thank the co-facilitators for their efforts. As always, good work can be improved and Iceland will align with a statement later this week with suggestions on where the draft can be improved with regards gender equality.
- At the end of the day we will need deliverables in Addis. Nevertheless we must avoid the temptation to establish a plethora of new mechanisms and initiatives – and instead build on those we currently have.