



**First drafting session of the preparatory process for the
Third International Conference on Financing for Development
Segment on International Public Finance**

Statement by Ms. Palina Bjork Matthiasdottir

Co-facilitators, Excellencies

As it is the first time Iceland takes the floor, allow me to thank the co-facilitators for a very useful elements paper that provides a firm basis for our work towards an Addis outcome. Although it is my intention to focus on international public finance, I will allow myself to briefly touch on other important issues outlined in the elements paper.

Iceland views the FfD process as an integral part of the Post-2015 agenda. As an instrument to ensure the success of new sustainable development goals, the outcome of Addis Ababa should incorporate sustainability as a cross-cutting theme.

It is clear that ODA is a vital element of the MOIs, although as has been said by many it has become dwarfed by other sources of finance. To a number of countries, in particular the least developed countries, small island developing states, land locked developing countries, and fragile states, ODA still plays a crucial role. Accordingly, the declining trend of ODA to LDCs in recent years is certainly worrying. It is important to ensure a substantial share of ODA to LDC's and other countries in special situations. In this regard Iceland dedicates around 65% of its ODA to LDCs.

ODA can also play a catalytic role in leveraging additional public and private resources. Transformative investments are especially needed to address infrastructure gaps, policy and institutional constraints and to enhance human and physical capital. To take one example, it can be difficult for LDCs to attract investment for hydro or geothermal development without non-private sources of finance to offset the costs and risk in the preparatory stages - and help pave the way for scale up by the private sector.

It should not be forgotten that the international legal framework is also key to allowing states to harness their own resources. The international trade environment has already been mentioned. We need to do more in the appropriate forums to facilitate trade, particularly with the LDCs. Iceland would also like to support the comments of the SIDS on the damaging effects of fisheries subsidies.

For all countries to remain committed to our shared responsibilities, donor countries will need to ensure public support for ODA. This is easier to sustain if it can be clearly demonstrated that ODA is spent effectively and in a transparent way. Hence, ODA must be accompanied by sustainable policies, transparency and accountability.

Finally, let me reiterate the words of a number of delegates on the importance of gender equality. Investing in women has a multiplier effect on productivity, efficiency and sustained economic growth. Therefore, focus should be placed on increasing women's access to economic opportunities and resources, including jobs, financial services, property and other productive assets, as well as market information. Iceland aligns itself in advance with the statement on this issue to be made by Switzerland.