

National Plenary Statement FfD4 Prep-Com 1 – New Zealand

I thank the Co-Chairs, Host and organisers for this excellent event.

In 2015 New Zealand welcomed the Addis Ababa Action Agenda. Now, we have the opportunity to review the progress we have made and the gaps in the Agenda's implementation.

Allow me to highlight two areas which demonstrate collective progress towards achieving the Agenda:

- First, Official Development Assistance (ODA) and climate finance for developing countries have reached record highs. ODA has increased by 34% over the past five years, reaching US\$223.7 billion in 2023. Climate finance from official multilateral and bilateral sources reached US\$115.9 billion in 2022.
- Second, the proportion of people living in extreme poverty has reduced from 10.8% to 9% in 2022.

However, as we take-stock we must acknowledge the gaps in implementation. COVID-19 caused global inequality to rise for the first time in a generation. It is now expected that approximately 7% of the world's population will still be living in extreme poverty in 2030. Even without taking increasing conflicts into account, climate change threatens to push a further 132 million people to this point.

ODA is fundamental in addressing these crises. We must focus on ensuring the *effectiveness* of ODA. For example, a large portion of New Zealand's development cooperation is with smaller capacity constrained partners. In these contexts, we have found the use of higher order modalities and policy dialogue to be mutually reinforcing and **valuable for development effectiveness**. Higher order modalities such as direct budget support have

opened space for policy dialogue and increased coordination between development partners and government.

New Zealand is also committed to building inclusive partnerships to increase our development effectiveness. For example, noting the importance of technology and trade alongside financing, we are partnering with the African Union Development Agency NEPAD to establish an Agribusiness Accelerator which supports small to medium agribusiness, many of which are primarily women-led, to acquire the skills required to leverage the Africa Continental Free Trade Agreement.

New Zealand supports efforts by Small Island Developing States (SIDS) to have their unique vulnerabilities to shocks appropriately addressed by international development and climate finance systems. The data produced by the Multidimensional Vulnerability Index should be helpful in this respect. New Zealand is committed to implementing the Antigua and Barbuda Agenda for SIDS – which will need to be incorporated into FfD4 to support their mutual delivery.

As we work to build trust and common ground at FfD4, we will have the opportunity to recommit ourselves to eradicating poverty. The preparation for this work must begin now. We must agree to work in effective, transparent and impactful partnerships to improve shared prosperity around the globe.

Thank you.