**Statement**

Thank you Mr./Madam Chair

I am pleased to deliver this statement on behalf of Iceland.

We appreciate the language in this important section on international development cooperation and ODA. There is no replacement for ODA and grant financing, and there is no financial innovation that can create grants.

In this light, the emphasis on ODA/GNI targets of 0,7% overall with at least 0,2% to LDCs remains important. In para 38, we would like to suggest a reference to gender equality, both in the context of stepping up efforts to address critical socio-economic priorities, as well as funding levels. An ambitious target for ODA dedicated to gender equality would be constructive as OECD DAC data indicates that gender equality-focused ODA has decreased in recent years.

We would like to underscore the recognition made that MDBs have indeed significantly scaled up lending capacity in recent years, including replenishments and balance sheet optimization measures. We encourage a continuation of these efforts.

Regarding para 38 j), while we are positive to the use of complementary measures of progress that go beyond GDP, we must also be mindful that the use of such measures do not diminish our focus on supporting the LDCs.

We appreciate the language on MDBs and the system of public development banks. However, we would like to see an even greater emphasis on MDB coordination and cooperation. There is scope for the MDBs to work more and better together, and the text should encourage developments to that end. In order to achieve the impact and scale necessary to address multi-faceted development challenges, it is necessary that the MDB’s work together as a system.

In relation 38 h) to the rechanneling of special drawing rights (SDRs), we question having this paragraph timebound by the end of 2025. Moreover, we also question determining an exact minimum number of countries to contribute to the SDR-based hybrid capital channeling solutions by AfDB and IDB.

On para 40, We welcome the section on development effectiveness and note the well justified concern about growing fragmentation and increasing transaction and compliance costs. It is imperative that we work against fragmentation in development cooperation, and the emphasis on strengthening national systems is well-taken. We would suggest to also mention the importance of strengthening government systems on sub-national and municipal level in this regard. In part 40 b) We also appreciate that the importance of core contributions to multilateral institutions is well reflected in text. We would suggest an additional reference to the UN Funding Compact in that context.

Thank you.