**Draft Inputs for LDCs for Chapter on International Development Cooperation**

**at FfD4 Prepcom3**

Thank you, Co-Chairs.

I am delivering this intervention on behalf of the Least Developed Countries (LDCs).

We are happy to see the elaborated Section II.C on International Development Cooperation in the zero draft, which recognizes the critical role of development assistance in supporting LDCs' efforts to achieve the SDGs. However, it fails to recognize the unmet commitment and the pressures those unment commitments create on developing countries, in particular LDCs. We suggest referring the responsibility of meeting the set targets.

We would like to have this opportunity to highly appreciate the developed countries for providing development assistance. It significantly contributes to advancing the SDGs in LDCs as well as supplementing their limited domestic resources. We appreciate the inclusion of a number of key priorities for developing countries and LDCs. We also underline that certain areas in the text need to be further strengthened.

The reaffirmation of the 0.7% ODA/GNI target for developed countries and the 0.2% sub-target for LDCs (para 38a) is critical. We strongly support retaining these benchmarks, which align with the Doha Programme of Action (DPoA). We propose a binding deadline for developed countries to submit concrete plans to meet these targets. However, we strongly suggest that the action must refer to developed countries for the fulfillment of these target in a timely and predictable manner.

Commitment to increase the share of budget support in ODA is vitally important. LDCs would like to see this outcome document emphasizes channeling a more substantial share of ODA toward budget support to enhance alignment with national development strategies, improve service delivery, and build resilience. We note a significant portion of ODA growth has been driven by humanitarian aid and in donor refugee costs. These costs should be additional to long-term development initiatives. We call for doubling the share of budget support in total ODA by 2030.

The outcome document should call for an increase in the grant element, including in ODA channeled through multilateral agencies. It is concerning that the share of grants to LDCs has declined from peaks seen in the 2000s. As recommended by the 1978 DAC Recommendation on Terms and OECD Legal Instruments Conditions of Aid, at least 90% of ODA to LDCs should have a grant element. While not all DAC members comply to this recommendation, it is important that ODA to LDCs should be essentially in the form of grants. We propose to use language urging increase in grant assistance to the LDCs.

Significant increase in highly concessional finance is necessary for sustainable development in LDCs. We urge for target-based channeling more concessional finance to LDCs from MDBs.

We also appreciate the reference ‘to considering using complementary measures of progress that go beyond GDP, including the multidimensional vulnerability index, which is vitally important.

We call on developed countries to commit to rechanneling at least $100 billion Special Drawing Rights allocation for LDCs at concessional terms.

We strongly urge for climate finance to be new and additional. We are disappointed at the minimal climate finance channeled to LDCs so far. Therefore, the recognition of adaptation finance gaps (para 39d) and calls to simplify access to climate funds (para 39e) are essential. Retaining language on the Loss and Damage Fund operationalization (para 39c) remains a priority for LDCs facing existential climate threats.

The emphasis on country ownership, reduced fragmentation, and alignment with national strategies (para 40) mirrors LDCs' demands under DPoA.

Commitments to implement the G20 Capital Adequacy Framework reforms and expand local currency lending (para 38i) are positive steps.

We support the call to enhance the impact and quality of south-south and triangular cooperation. However, we want to see that South-South cooperation will tailor its support to LDCs.

We propose strong reflection on Human Capacity Development through scholarships and training programmes to promote STEM education in LDCs.

The accountability framework needs to be further strengthened. We are happy to see the draft proposal of strengthened Development Cooperation Framework, under ECOSOC, annualized to regularly monitor ODA and other commitments in the area of partnerships. We strongly support to mainstream the dialogue and discussion on development cooperation through DCF for enhancing monitoring and accountability parameters and guidelines.

The current draft provides a strong foundation for negotiations. The recommendations that we put forward would operationalize our collective vision of a reinvigorated partnership.

We stand ready to engage constructively to strengthen this section.

Thank you, Co-Chairs.