

## Third Preparatory Committee Session for the Fourth International Conference on Financing for Development

10-14 February 2025

### MINISTERIAL SCENE SETTER – INTERACTIVE DISCUSSION CANADIAN INTERVENTION

Excellencies, distinguished delegates, ladies and gentlemen, it is a pleasure to be with you today.

Let me begin by thanking the co-facilitators for the timely release of the zero draft. We believe this version meaningfully builds on the elements paper and presents a solid basis for negotiations.

We are all aware of the significance of the upcoming FFD4 Conference, and the window of opportunity it creates for action and to demonstrate our commitment to change.

One of the areas of work identified by Canada under its G7 Presidency this year is financing for development, including private capital mobilization with a focus on infrastructure. I understand South Africa's G20 presidency is also focusing on FFD. 2025 is a year of convergence for this issue.

I would like to make three points with respect to Canada's perspectives on the outcome document.

First, we are of the view that the Addis Ababa Action Agenda remains a relevant and comprehensive framework for aligning financing flows with the SDGs and should continue to be the foundation for our work going forward.

To this end, **the FFD4 outcome document should provide a clear, action-oriented vision** of how we can accelerate the implementation of the Addis Agenda, with a greater focus on addressing present challenges and navigating the current development landscape.

The zero draft is a step in the right direction but could benefit from a strengthened narrative that links Addis to the present moment and outlines concrete, realistic proposals to mobilize all sources of financing in support of the SDGs.

Second, beyond generating more financing, **the outcome document must take a holistic approach to enable longer-term policy actions that foster good governance, strong institutions and robust fiscal systems.**

In this regard, we are pleased to see the emphasis on high-quality data and statistics, which enable evidence-based policy decisions and enhance accountability and transparency, fostering public trust and international cooperation.

But we would like to see the outcome document be more concrete about the kind of actions to be taken at the national and international levels to create an enabling environment, including for private sector investment.

Troisièmement, il ne fait aucun doute que le renforcement de la coopération entre les institutions publiques et entre les secteurs public et privé est la clé du succès de nos actions.

Par conséquent, **il est essentiel d'harmoniser les initiatives et d'optimiser les mécanismes existants afin d'éviter les dédoublements coûteux et davantage de fragmentation**, qui entravent nos efforts pour obtenir le plus grand impact possible en développement.

Nous pensons que la prochaine version du document final doit reconnaître les progrès déjà réalisés dans d'autres forums, ainsi que leurs mandats et rôles respectifs.

Nous sommes enthousiastes de travailler avec vous tous au cours de cette troisième séance préparatoire afin de mieux cibler nos efforts et assurer le succès de la conférence à Séville.

Merci

## PLENARY SESSION INTERVENTIONS

### CANADIAN COMMENTS ON THE ZERO DRAFT

*The comments outlined below reflect only the oral interventions delivered by Canada at the Third Preparatory Committee Session for FFD4, in the order in which they were delivered. They do not represent the full scope of Canada's input towards the FFD4 Outcome Document.*

#### I. A global financing framework

##### *Paragraphs 1-4:*

Canada is of the view that the AAAA remains a relevant and comprehensive framework to align financing flows to the SDGs and understood that there is strong preference to maintain it as the fundamental element for FFD4. We wonder whether the framing of a “renewed global financing framework” in the Zero Draft suggests an approach which is contrary to this. We propose that the Outcome Document instead be grounded in a **renewed commitment** to upholding the goals and ambitions outlined in Addis.

To this end, our initial view is that the Outcome Document could usefully take the form of an action strategy or plan to complement the AAAA. We could also envision a declaration that confirms the continued relevance of the AAAA and lists agreed actions to support and advance its implementation.

FFD4 presents an opportunity to break out of old ways of thinking, however, the Outcome Document's proposals must still be realistic and actionable. If Addis already outlines the “what we need to do”, FFD4 should be the moment for us to determine “how we're going to get there”.

##### *Paragraphs 5-11:*

Throughout the FFD4 process, Canada has expressed an interest in the Outcome Document including actionable ideas and applying a holistic and coherent approach.

In this regard, we are pleased that this section underscores both the needed reforms and improvements to international institutions, including IFIs, and global governance structures, as well as the importance of fostering effective, accountable and transparent institutions and policy actions at the national and sub-national levels.

We value the emphasis on multilateral cooperation and multistakeholder partnerships, which offer our best hope for implementing the actions needed to achieve the SDGs. We also take good note of the emphasis placed on country-led platforms and actions, including INFFs to articulate development priorities and financing needs.

We also acknowledge the diversity of financing needs and the importance of tailoring our efforts. In this regard, we would propose that the connection between fragility and the FFD agenda could be enhanced, including with respect to strengthening collaboration and optimizing investments to maximize impact across the humanitarian-development-peace nexus.

One concrete proposal is that references to “countries in conflict and post conflict situations”, be replaced by “fragile and conflict affected settings” as this encompasses a broader concept that

includes places with weak institutions and social structures that are vulnerable to conflict – while “conflict and post conflict situations” specifically focuses on areas actively experiencing armed conflict or the aftermath of a major conflict. We believe that applying this terminology better reflects the spirit and ambition of a solutions-oriented, inclusive, and impactful FFD4.

*Paragraphs 12-27:*

As it relates to this section, Canada emphasizes the importance of ensuring social protection systems are gender-responsive **[paragraph 15]**. In this context, without a gender-responsive approach, social protection systems risk reinforcing existing inequalities, rather than reducing them.

Canada welcomes efforts to address funding shortfalls in health but note that the AAAA includes a paragraph focusing on global health that is not fully reflected in the Zero Draft. Canada believes it’s important to maintain a focus on health in the Outcome Document, including in a way that reflects the current realities of a post-pandemic context. Strong health systems and workforces, universal health coverage (UHC), and early warning systems are integral to sustainable development. The world is off track to meet many of the SDG targets, including UHC. We need to maintain our commitment to improve health for all.

We also propose that commitments to health financing include “sexual and reproductive health and rights” **[paragraph 18]**. According to UNFPA, addressing women’s health gaps will boost the global economy by US\$1 trillion, by 2040. Efforts to close these gaps must be integrated into global financial architecture reforms to ensure it is responsive to the unique needs of women and girls and aligned with existing commitments.

Canada welcomes the text in **paragraph 20** but suggests the inclusion of Indigenous Peoples and Indigenous-owned businesses.

Additionally, this section of the zero draft acknowledges only two of the three pillars of the global climate response under the Paris Agreement – adaption/resilience and finance/support, making no mention of the critical role of mitigation **[paragraph 22]**. In this vein, the Outcome Document should include commitments that better address the interlinkages of climate and development more comprehensively and holistically.

Canada is not supportive of references to *additionality* in this forum as there is no common understanding of “new and additional” and we are wary of language that may be interpreted as being on top of other agreements, such as the New Collective Quantified Goal (NCQG). We stress that any agreements around the transfer of technology must be on *voluntary and mutually agreed terms*.

Lastly Canada welcomes the framing of data and statistics in **paragraph 27** and appreciates the efforts of the co-facilitators in integrating our comments on this from the second preparatory session.

## II. A. Domestic Public Resources

### *Paragraphs 28-29:*

Canada supports the desire of countries to move in the direction of more progressive, equitable, gender responsive tax systems, and welcomes the text in **29** and **29(a)**.

We are also generally supportive of the text in **29(b)**, particularly as we recognize the need for independent and well-governed Supreme Audit Institutions (SAIs) and other oversight bodies, to oversee efficiency and effectiveness of public resources. However, we feel it could be useful for the co-facilitators to clarify expectations, specifically with regards to funding for capacity-building activities, and what is meant by “tax expenditure management and minimum standards”.

Canada is pleased to see the link between digitalization, digital public expenditure, and revenue mobilization outlined in **29(d)**.

We are generally supportive of the text in **29(e)** but suggest that “progressivity and efficiency across fiscal systems” be replaced with “progressivity and efficiency of domestic tax systems” which more accurately reflects principles recognized in international taxation.

Canada proposes a slight alteration to the text in **29(f)** to expand “gender responsive budgeting” to include *tracking*, and to remove the caveats that follow. This proposed edit serves to update the text to better reflect the AAAA and CSW68 Agreed Conclusions, both of which use the term “gender responsive budgeting and tracking”, without caveats.

We feel this is important because it emphasizes not only the gender responsive allocation of resources, but also the monitoring and evaluation of how those resources are spent and their impact. Furthermore, the AAAA makes this commitment clear and without caveats – including a caveat now, 10 years later, weakens the text and would represent a rollback in language.

We are fully supportive of the text in **29(g)** and would like to see it retained in the Outcome Document.

Canada has reservations on the text in **29(h)** but are supportive of phasing out and rationalizing inefficient fossil fuel subsidies over the medium-term, in principle.

### *Paragraphs 30-32:*

Canada is not supportive of the proposals in **30(e)** to simplify reciprocity under automatic exchange of tax information (AEOTI). Canada values reciprocity under AEOTI for sharing information, but the simplification of certain standards and conditions could negatively impact confidentiality standards which would be problematic in most cases. We also recognize the role of the OECD’s Global Forum on Transparency and Exchange of Information for Tax Purposes in standards setting and wonder if this proposal would be duplicative.

Additionally, Canada is not in a position to make country-by-country reports public as they exist to assist tax administration in risk assessment for transfer pricing, nor do we see the benefit in creating country-by-country reports for high-net worth individuals.

With regards to **30(f)**, Canada is supportive of enhancing beneficial ownership (BO) transparency but feel the establishment of a global BO registry may be problematic. Besides being technically

complex, the scope is too widely defined to be considered a “transparency standard”, and it presupposes capacities at the national and sub-national levels which may not fully reflect the realities. It is also duplicative of efforts currently undertaken by the OECD.

Canada proposes the deletion of **30(h)** as we are not supportive of earmarked global levies and have outstanding questions on the desirability of using dedicated tax instruments to finance global initiatives.

### III. B. Domestic and International Private Business and Finance

Canada requests that reference to “active participation” in **33** be replaced with “full, equal and meaningful”. This is in keeping with previously agreed language to describe the standards for women’s and girls’ participation in institutions, processes, and decision-making in addition to education and employment.

It is critical that women have an equal seat and voice in all fora. It is a necessary precursor for women’s and girls’ equitable access to, and control over, the resources and benefits of development as well as the promotion and protection of their human rights.

Canada welcomes the inclusion of “anti-corruption measures” in **34(b)**, as tackling corruption must engage both the public and private sectors.

We are supportive of the text in **34(c)** but propose the addition of gender bonds. Gender bonds – which present both corporate and sovereign issuers the opportunity to channel resources towards gender equality objectives – have emerged as a promising instrument for financing initiatives aimed at advancing gender equality and the empowerment of women and girls.

Canada welcomes the text in **34(f)**.

We’re also supportive of **34(g)** noting the inclusion of financial literacy but suggest the addition of “improved financial products and services”. As outlined in the text, access is not the only roadblock for the inclusion of underserved populations in financial systems. The financial products and services offered also need to be designed for these groups and their needs.

We are supportive of the text in **35(d)** but suggest reframing “leverage” as an essential component of mobilization. The purpose of private capital mobilization *is* to leverage additional resources for greater impact – not “rather than” or “either/or”.

We are supportive of **35(f)** but would propose strengthening the text by replacing “supporting efforts” with “promote”. We also recognize the efforts of the Hamburg Sustainability Platform in this regard.

Canada welcomes the inclusion of MSMEs in **35(g)**.

We propose altering the language in both **35(h)** and **35(i)**, for example with “explore establishing” or “work towards establishing”. We also request additional information on **35(i)** from the co-facilitators to better understand what this commitment would entail, and how it would be applied in practice.

Canada welcomes the text in **35(j)**, particularly as we have already undertaken efforts in this space.

Lastly, Canada suggests clarifying the language **35(k)** with regards to “re-evaluating credit rating methodologies”. This is not something that stakeholders can control as credit ratings are provided by external agencies. We would propose the reference to rating methodologies be removed, if it’s indeed a reference to credit rating agencies.

We are supportive of the text in **36(f)**, but proposes a slight alteration, for example, by replacing “will adopt” with “we will work towards”.

Canada welcomes the text in **36(g)** encouraging sustainable finance and the interoperability of sustainable finance standards.

## II. C. International Development Cooperation

In **38(c)**, Canada proposes removing the reference to “increasing the share of budget support”. Also, while we welcome the invitation for the DAC to develop an indicator to measure commitments in this text, this may be challenging as the DAC does not typically set targets.

We propose the addition of language as **38(e)bis** regarding a commitment to strengthen focus and impact of ODA targeting gender equality and the empowerment of women and girls.

We request additional information on the pilot project that is referred to in **38(f)** and propose adding a reference to TOSSD as a reporting avenue in this text. Canada welcomes commitments that encourage more provision and transparency from South-South flows. We will continue to encourage non-traditional contributing countries to do so, particularly in climate and biodiversity finance spaces.

In **38(g)**, Canada does not support a broad call for further capital increases, which should be considered on a case-by-case basis in alignment with the needs of each MDB. We are also wary of commitments related to concessional window replenishments in this text.

We welcome the text in **38(h)**, but request clarity on the intention of **38(i)**.

For the reasons expressed in our previous comments on paragraph 22, Canada is concerned with references to “additionality” in **39**. We also request clarity on what is meant by “safeguard resources to address persistent and socio-economic challenges”. We suggest removing this sentence from the text or instead recognizing the opportunities to find synergies in addressing climate and socio-economic challenges.

In **39(e)**, we are supportive of a focus on minimizing new funds by using existing initiatives but suggest the Outcome Document avoid being prescriptive in directing donor contributions.

In **40**, Canada proposes including a reference to the Busan principles of effective development cooperation.

We wonder if **40(a)** may unintentionally risk reopening the principles of effective development cooperation. While we recognize the importance of policy coherence, it is not a principle in and of itself. We also believe it to be sufficiently covered in 40(c).

We feel the text in **40(b)** could benefit from including commitments from partner countries, namely on continued strengthening of national systems and capacities, and on inclusive, transparent, and accountable design of national development plans or INFFs.

In **40(c)(ii)**, we propose including a reference to “long-term, core, direct, sustainable, accessible and flexible funding for local women’s rights organizations”.

With regards to **41(b)**, Canada supports leveraging the convening power of the UN to improve dialogue on development cooperation and increase coherence, but we have concerns that creating a monitoring body would be duplicative of existing bodies and increase reporting burden for all.

There remains a lack of clarity on the proposed role the DCF would play and how it may overlap with or be duplicative of roles and responsibilities of fora like the OECD-DAC, the GPEDC, and TOSSD.

On references to monitoring effectiveness in **41(c)**, we would emphasize that the GPEDC is by nature an open, multi-stakeholder forum to discuss the effectiveness of development cooperation. This body is already co-hosted within the UNDP, and we are wary of recreating another monitoring mechanism for effectiveness at the UN. Canada would encourage all stakeholders of development cooperation to engage in the GPEDC.

TOSSD is equally an important tool to inclusively capture data on support for sustainable development in all its forms from a range of providers and institutions.

The TOSSD governance is composed of a representative and *balanced* mixture of traditional donors, non-traditional providers, recipient countries, multilateral organizations and civil society. It operates independently and as such has been effective in creating and evolving the TOSSD standard. In the current formulation of the paragraph, it is not clear what unique role the DCF would play in this space.

As such, joint collaboration between DAC, GPEDC, TOSSD and the UN through open dialogue would be beneficial to all while respecting the current mandates, strength and capacity of the respective organizations.

## II. D. International Trade as an Engine for Development

On **43**, Canada suggests the deletion of the statement on RTAs. This paragraph refers to the Multilateral Trading System and not RTAs or bilateral investment. We are also not supportive of the reference to “unilateral trade-related environmental measures” here. Furthermore, we’re wary of the use of “universal” throughout this section, as it is not a term used in the context of the WTO, as a membership organization.

In **43(b)**, we feel the word “implement” is a misnomer in this context as the IFD Agreement and the Agreement on Fisheries Subsidies have not yet entered into force.

Canada echo’s Japan’s comments with regards to these two points.



Canada welcomes the text in **43(c)** and considers it important to have a fully and well-functioning dispute settlement system.

We would welcome additional information on what “net importers of food products” refers to in **43(d)**. Furthermore, we are not supportive of commitments to a review of the rules of origin in this context. Instead, we suggest adding a reference to the work already being undertaken at the WTO Committee on Rules of Origin.

With regards to **43(e)**, as the WTO is a member-driven organization, Canada is not supportive of elements related to convening an independent expert group to make recommendations on WTO reform. The WTO is the most appropriate place to discuss issues affecting its members.

Canada proposes altering the text in **43(h)** to acknowledge the role of UNCITRAL Working Group III on investor-state dispute settlement reform and the establishment of the Advisory Centre on International Investment Dispute Resolution.

We also suggest altering the text in **43(i)** to emphasize the importance of a balanced approach and enhancing transparency and accountability.

Canada is not supportive of **43(j)**.

We propose altering **43(l)** to include language on reducing global levels of trade-distorting subsidies and addressing market distortions and continuing the reform of global agriculture trade.

We wonder if language on export subsidies in **44(a)** may require adjusting in light of the implementation of the Nairobi Decision on Export Competition.

In **45(a)**, we do not support the call to “strengthen preferential market access for LDCs”. Canada fully meets its commitments to provide duty-free, quota-free market access to products from LDCs, including with transparent and simple rules of origin, as per the 2005 Hong Kong Ministerial Decision.

Furthermore, Canada supports elements of the text related to the importance of special and differential treatment (SDT) members of the WTO and LDCs accession to the WTO. However, we emphasize the need for effective, accountable, and inclusive institutions, sound policies and good governance for WTO rules and SDT to produce positive impact.

We propose a slight amendment to the text in **45(d)** to recognize the importance of supporting economic transformation in addressing the need for broad aid for trade support.

## II. E. Debt and Debt Sustainability

Canada is wary of the text in **48(c)** as the creation of a new debt data registry would seem to duplicate work already undertaken by the IMF and World Bank.

We suggest explicitly referencing climate-resilient debt clauses (CRDCs) in **48(d)** as it represents an important tool for countries facing climate challenges. Canada reaffirms its call on all creditors to explore embedding CRDCs in all new sovereign lending.

On the outset, Canada is not supportive of the text in **48(f)** with regards to “fully utilizing UNCAC and exploring a UNCAC protocol that makes such contracts unenforceable.” It is not clear to us how this could be integrated into the UNCAC framework, but we would welcome additional information to clarify the intentions of this commitment.

With regards to the text in **50** and **50(e)**, at this stage, Canada does not support going beyond the proposed review of the sovereign debt architecture outlined in the Pact for the Future and our focus remains on strengthening and improving existing mechanisms, particularly the G20 Common Framework. We echo Japan’s comments in this regard.

## II. F. Addressing Systemic Issues

With regards to **53(a)**, Canada proposes a recognition of vulnerability in the first part of the text. Vulnerable countries deserve to have their quota shares protected as much as the poorest countries and we feel this should be reflected in the Outcome Document. Canada is not supportive of the language in the latter part of this paragraph.

We are not supportive of the proposals in **53(b)**. Canada advocates for an approach to the shareholding review focused on the need to advance equitable representation for smaller and lower-income countries that is not solely focused on their voting power at the institution.

We appreciate the ambition of the text in **54** but wonder if it may be too bold when expanding the coverage of insurance schemes.

Canada requests clarity on **54(c)** and would appreciate an IMF analysis on the consequences of changing RST requirements ahead of supporting commitments.

## II. G. Science, Technology, Innovation and Capacity-Building

With regards to **59(c)**, we recognize that this language appears to draw inspiration from the WTO Doha Declaration on the TRIPS Agreement and Public Health, while also proposing a new substantive obligation on technology transfer. We reiterate our earlier comments on paragraph 22 that commitments on technology transfer must be on *voluntary and mutually agreed terms*.

We propose the addition of “gender-responsive” in **59(f)**. The term “gender responsive” signals and approach that considers gender norms and inequalities, with measures then taken to actively address them. It signifies a commitment to taking concrete action to advance gender equality and the empowerment of women and girls, key to achieving Sustainable Development Goal 5 and the 2030 Agenda’s commitment to “ensure no one is left behind,” as agreed by all UN Member States.

In the context of artificial intelligence, this means ensuring that AI systems are designed to detect and mitigate gender biases in data and promote the inclusion of diverse perspectives in AI development and governance. Without a gender-responsive approach, AI risks perpetuating and amplifying existing inequalities, leading to unfair treatment and reinforcing systemic barriers for women and girls.

Canada proposes the addition of language on closing the gender digital divide in **60(b)** to bring the full text in line with the Pact for the Future and ensure the statement is strong, more comprehensive, and action oriented.

Gender inequalities in the physical world are replicated and amplified in the digital world. There is a significant gender gap in the access, use, and ownership of digital technologies around the world which limits the equitable realization of benefits from technological advancements.

In 2022, more than one-third of all the women in the world are not using the Internet. Simply promoting access to science and technology is only one step—closing the gender digital divide requires removing systemic barriers that limit women’s and girls’ full participation, leadership, and innovation in these fields. A more comprehensive approach includes improving education, employment, and research opportunities while also addressing the risks of gender-based violence, discrimination, and bias that technology can amplify. Without these broader actions, access alone will not lead to meaningful or equitable participation.

### III. Data, Monitoring and Follow Up

We welcome the text in **62** and **63**. Canada supports programmes aimed at strengthening data collection and statistics, especially on sustainable development. High-quality data and statistics enable evidence-based policy decisions and enhance accountability and transparency, fostering public trust and international cooperation.

With regards to **65(a)**, we would appreciate additional information on the intended purpose and objectives of this proposal and how these indicators would relate to the global indicator framework for the SDGs.

Canada welcomes the text in **65(b)** so long as it is not intended to create a new structure. We are supportive of the proposed efforts to engage more closely with the private sector, as well as enhanced dialogue with key forums, which can serve to strengthen collaboration and coherence among actors in the broader development ecosystem. We are also in favour of more regularized opportunities for countries to present on their experiences, including on the basis of INFFs as appropriate, at the annual FFD Forum.

Lastly, we request clarity on the full scope and rationale for proposing a follow-up conference in 2029. We assume that this would not be a fifth international conference but would appreciate your confirmation.