

Concise summary of the opening remarks delivered by **Canada, Australia and New Zealand (CANZ)** on the zero draft of the agreed conclusions and recommendations of the ECOSOC Forum on Financing for Development follow-up:

- Canada, Australia and New Zealand (CANZ) would like to once again thank the distinguished Permanent Representatives of Belgium and South Africa for taking on this important task. We would also like to thank them as well as their staff for the significant effort they evidently put into drafting this zero draft.
- Before commenting on the draft itself, we would note that there are two options for us with respect to how we conduct our negotiations. We can either adopt the approach whereby delegations submit dozens and dozens of comments and proposals, often on difficult issues we have negotiated frequently in the past, and hope for the best that we conclude in time before May 18 – a risky strategy that did not lead us to success last year. Or, we can be strategic and focus on a handful of specific areas that will actually help further our collective efforts to finance sustainable development. We urge all delegations to adopt the latter approach.
- In an effort to lead by example, we will today limit ourselves to three substantive comments and one structural comment.
- First, and in this respect we are delighted to be able to indicate our full agreement with the G77, we believe the zero draft needs to be strengthened with respect to gender equality and women's empowerment. As the IATF points out on page 26, estimated GDP per capita losses due to gender gaps range from 5 to over 30% across a wide range of countries. Other reports, such as one prepared by McKinsey & Co (available at: <http://www.mckinsey.com/global-themes/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>), show that global GDP could increase by 11% or \$12 trillion USD if every country achieved the fastest rate of progress in its region on three key gender gaps and by \$28 trillion USD if all countries achieved true gender parity. In light of the current global environment described in paragraph 2 of the zero draft, this is clearly an area that warrants our full attention. In this regard, we would suggest that the zero draft quantify the losses to the global economy due to our failure to achieve gender equality and follow this up with a strong call for action, drawing on the elements from page 26 of the IATF report.
- Second, we would urge strengthening of the language on the role of the private sector in the financing of the SDGs, particularly long-term oriented financing which conveniently is highlighted as one of the two primary cross-cutting themes in this year's IATF report. This is motivated by observation that the financing gap for achieving the SDGs is estimated at between \$5 and \$7 trillion per year, with \$3 to \$5 trillion of the gap accounted for by infrastructure alone. Total global official development assistance (ODA), while important, currently stands at approximately \$131.6 billion or \$0.13 trillion. Total domestic resource mobilization in developing countries currently stands at approximately \$7.7 trillion per year. Institutional investors with long-term liabilities, such as pension funds, life insurance companies and sovereign wealth funds hold approximately \$78 trillion in assets under management. It thus boils down to a matter of simple arithmetic; finding ways of increasing the flow of such private capital towards investments for the SDGs will be absolutely essential if we are to make progress on the SDG financing gap in the necessary timeframe for the achieving the SDGs by 2030.

- Third, we would stress the importance of highlighting the particular challenges of countries in special situations and avoid grouping them together with other “developing countries”. Small Island Developing States (SIDS) in particular require special attention in the zero draft as for them sustainable development is more than just a development question – it is an existential question that will determine their long-term survival. Because of their small size and geographical nature, SIDS face unique challenges in terms of limited capacity to mobilize domestic resources, high per capita costs when it comes to essential service provision, and vulnerability to environmental and economic shocks. Least developed countries (LDCs) also have particular challenges, especially those that are fragile and conflict-affected and thus unable to implement many of the usual prescriptions for financing their sustainable development. We also recognize the particular challenges faced by landlocked developing countries (LLDCs).
- Regarding the structure of the document, our concern is that it is crafted in a “silo-ed” approach and does not make linkages to the broader efforts to achieve sustainable development. For example, a reader of the zero draft would have no idea that this year’s High Level Political Forum (HLPF) is reviewing Sustainable Development Goals (SDGs) 1, 2, 3, 5, 9, and 14, even though the agreed conclusions and recommendations are in input to the HLPF. We recognize that this is not the fault of the co-facilitators; they were mandated to prepare a draft based on the IATF report – a mandate they dutifully discharged. The issue is with the IATF report itself. Having said that, we would not support the addition of six or more new paragraphs treating the cluster of six SDGs being reviewed at this year’s HLPF, but rather call on the co-facilitators to look at creative ways of underscoring the linkages between this FfD Forum and the broader sustainable development architecture of the UN.

Rest assured that CANZ will serve as a constructive partner and will make all efforts to ensure the successful conclusion of our negotiations.