

Preparatory Process for the Third International Conference on FfD
First Drafting Session: International Public Finance
(as delivered)

**Statement by Ms. Lisa Kubiske, Deputy Assistant Secretary for Finance and
Development, US Department of State**

International public finance, including ODA, has a crucial role to play in achieving the inclusive and climate friendly development outcomes that we seek. ODA is especially important where needs are greatest and capacity to raise resources weakest, including fragile and conflict-affected states. But it is important to remember that aid is a catalyst for, but not the source of, economic growth. We would like to see greater emphasis on how external public flows, including but not limited to those counted as ODA, can mobilize the much wider range of resources available to invest in achieving the next round of global development goals.

The threat of climate change means that sustainable development must be climate-friendly development and build a low-emission, climate resilient world. Our efforts to advance development should do so in a manner that drives investment towards a low-emission, climate resilient future. Having said that, it is important that we understand that the UNFCCC is the primary international forum for addressing the technical and operational aspects of climate finance.

The United States **respects the adoption by some countries** of aid targets as illustrative of a broader principle of commitment to the plight of the world's poor. As the world's largest single donor, our own focus, however, **is to maximize impact, effectiveness, and results**, and focus on leverage and building capacity.

Helping countries manage the financial impacts of the transition to middle income status is increasingly important. There is a risk that Lower middle income countries (LMICs) will lose access to concessional financing as they transition from low-income status without being able to immediately access non-concessional financing. We believe that these risks must be evaluated on a country-by-country basis. We would not support language that commits parties to provide concessional finance to middle income countries.

Finally, the outcome document would benefit from language reflecting the important role of South-South and Triangular Cooperation. Aid coordination and harmonization efforts need to encompass the increasing role of emerging donors. It should also underscore the importance of aid coordination and harmonization efforts and the need to adopt international standards in reporting and delivery of development finance, including participating in country-led dialogues to promote donor harmonization and coordination. Development cooperation effectiveness principles, including country ownership, mutual accountability, transparency, inclusivity, and results, should guide our policies and practice.