

STATEMENT BY THE SPECIAL ENVOY OF THE PRESIDENT OF THE FEDERATIVE REPUBLIC OF BRAZIL, AMBASSADOR CARLOS COZENDEY, AT THE PLENARY SESSION OF THE THIRD INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT

ADDIS ABABA, JULY 2015

[Mr. President, Your Excellency the Prime Minister of Ethiopia, Distinguished Heads of State and Government, Mr. Secretary General of the United Nations, Honorable Ministers, Ladies and gentlemen,]

Allow me to convey Brazil's deepest appreciation for the Government of Ethiopia for hosting with professionalism this major UN Conference, as well as express my delegation's deep gratitude for the hospitality of this generous and beautiful country.

The Third International Conference on Financing for Development kicks off a series of interlinked conferences this year that will shape and deliver the first universal development agenda of mankind's history, one with a fundamental bear on the future of our planet over the coming decades.

The international community is gathered here in Addis Ababa today, three years after Rio+20 Conference, to reaffirm its commitment to financing and providing policy recommendations for a more sustainable development. In 2012, our Heads of State and Government recognized hunger and poverty eradication as the overarching objective of the sustainable development agenda, thus placing those countries most lagging behind at the center of its implementation.

My delegation is glad that we meet today on African soil to live up to the collective aspirations agreed in Rio and establish a framework to provide the means to deliver on the promises then made. The Addis Ababa Action Agenda indisputably places the "right to development" at the core of the development agenda as a fundamental human right. It thus provides solid ground as an important contribution and support to the implementation of the post-2015 development agenda to be adopted next September.

The Financing for Development framework that will result from this Conference incorporates three significant conceptual evolutions that will be crucial in shaping our collective efforts in years to come..

Firstly, it has consolidated the mainstreaming of sustainable development into the financing for development agenda, through a balanced integration, in a mutually reinforcing manner, of the three dimensions of sustainable development: social, economic and environmental . The FfD framework is, by its general, higher level nature, complementary to the global efforts to achieve specific results in sustainability, and constitutes an important contribution to the implementation of the post-2015 development agenda. In that same direction, we expect that new and ambitious commitments are to be agreed in Paris by the end of this year, under the specific track of the UN Framework Climate Change Convention, generating and consolidating resources additional to those discussed in this conference.

Secondly, we are moving from an agenda focused specifically on developing countries and their most pressing needs, to one of universal nature, applicable to all countries, rich or poor, and which seeks to address a much more comprehensive set of policy objectives, such as trade, industrialization and sustainable patterns of consumption and production. A pending but urgent task will be to align the UN development system to this more complex and sophisticated agenda, based on a universal approach instead of a donor-recipient mindset.

We must be conscious, however, that crafting such a universal agenda in a world of colossal disparities and inequalities requires recognition that while all countries must bear a fair share of the burden of financing development, each country has differentiated responsibilities, in accordance with their level of development, historical responsibility, and respective capacities.

Thirdly, we have agreed that, in light of the immense needs of the world in terms of development finance, all sources must be tapped in order for us to mobilize the necessary resources to finance sustainable development. A revitalized global partnership, led by governments, as agreed by the General Assembly in target 17.16 of the SDGs, will be “complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries”.

Governments cannot evade their the primary responsibility for implementing the post-2015 development agenda, since there are a number of objectives among the Sustainable Development Goals that are not likely to be achieved through the private sector. The challenge set in Monterey of countries accepting a primary responsibility for their own development is more valid today than ever before. Accepting greater responsibility for one’s own development requires commensurate national “policy space” for Governments to be in a position to adopt and implement the adequate regulatory frameworks and environments capable of effectively leading to development of a sustainable kind.

In this context, the role of international cooperation for supporting the mobilization of domestic resources by developing countries will continue to be critical. Brazil firmly believes that developing countries’ reliance on ODA is not sustainable in the long term, all the more a reason for further strengthening international cooperation, especially on tax matters.

As we are well aware, tax evasion, both at the domestic and international levels, as well as illicit financial flows, sap huge amounts of resources from developing countries that could be otherwise allocated to achieving sustainable development. Currently, illicit financial flows are 5 to 6 times larger than total ODA flows. That is why Brazil has been consistently advocating for more just international tax regimes, as well as stronger tax cooperation among developed and developing nations, with appropriate means for genuine engagement and participation of developing countries. Brazil has been highly engaged in the Global Forum on Exchange of Information for Tax Purposes, as well as in the G20/OECD exercise on Base Erosion and Profit Shifting. Those are important mechanisms of cooperation and represent a change in attitude towards tax evasion and aggressive tax planning. But they are limited in composition and take only in a very limited manner into account the very different realities of developing countries. A genuine global tax body would, therefore, make tremendous sense in a transformative post-2015 development agenda. It is high time to further strengthen and revamp our work on tax matters at the UN, including through the upgrading of the existing committee to an Intergovernmental Committee of Experts in Tax Matters. In a context where it is clear that tax policies and capacities are essential do domestic resource mobilization, it is difficult to understand the logic of those that oppose truly multilateral discussions on tax cooperation.

Mr. President,

Over recent years, South-South cooperation has made an increasing contribution to global efforts to finance sustainable development. Due to its determining characteristics, which include flexibility, emphasis on capacity building, a horizontal

and participatory approach, local ownership and lack of conditionalities, South-South cooperation is a unique modality of development cooperation, particularly in light of the fact that it is the only modality to have its core principles approved by a UN conference, whose outcome was the Nairobi Declaration, adopted by the General Assembly resolution 64/222. We expect that the Secretary-General's report to the intersessional meeting of the High Level Committee of South-South Cooperation, to take place next September, come up with long awaited concrete measures to scale up the United Nations Office for South-South Cooperation as a focal point to promote system-wide harmonized strategies and procedures on the support that may be provided by the funds, programs and specialized agencies to South-South cooperation whenever demanded by developing countries.

African countries currently are the main partners of Brazil in South-South cooperation. The Brazilian South-South technical cooperation has been developed with more than thirty-three African countries through bilateral channels, amounting to approximately US\$ 57 million. The Brazilian Agency for Cooperation (ABC) runs about a hundred and fifty projects and short-term initiatives in Africa. The African Portuguese-speaking countries represent a major portion of ongoing projects and budget allocations. Thematic areas are diverse: food security, family farming, agricultural research, agrifood production chains, extension services for rural development, public health (malaria, tuberculosis, HIV/Aids), and teachers and professional training. Through trilateral cooperation, Brazil has been working together with other development partners in more than 20 African countries, mobilizing another US\$ 30 million provided by the Brazilian Government, in agriculture, community development, integral education, school feeding and nutrition, elimination of child labor and modernization of security forces. This portfolio mobilizes approximately US\$ 30 million, fully provided by the Brazilian Government.

The Addis Ababa Action Agenda will reiterate the complementary nature of South-South cooperation to North-South cooperation and recognize the critical role still played by Official Development Assistance (ODA), especially in Least Developed Countries and African countries. The Brazilian delegation is disappointed, in this regard, that the goal for Official Development Assistance (ODA) provided by the members of the Development Assistance Committee of the OECD has remained, with a few exceptions, largely unfulfilled. It is clearly frustrating to say, 13 years after Monterrey, that a minority of developed nations is finally coming close to delivering their commitment to provide 0.7% of GNI in ODA to developing countries.

In many an ODA-reliant developing country, indebtedness might have been smaller today, or non-existent were it not for the compounded effect of the year on year ODA shortfall. We cannot avoid noting that the Addis Action Plan registers no new commitments in this area. We also regret that we have not been able to establish a High Level Committee on Official Development Assistance at the UN level, with full transparency and accountability, in order to monitor and follow-up on ODA commitments.

Mr. President,

Before concluding, I wish to highlight two additional elements that are worth noting.

The first one is our agreement to establish a Technology Facilitation Mechanism, which will be launched at the Post-2015 Summit next September. It will provide a concrete and effective tool for the implementation of the whole set of SDGs. It represents an innovative step in the right direction of scaling-up the contribution of the UN to global cooperation in technology transfer, development and dissemination,

together with Member States and multistakeholder partnerships. We strongly commend, in this regard, the commitment and hard work of Switzerland, with which Brazil co-facilitated the dialogues on technology, as well as France, for the final and decisive support that made this Mechanism a reality.

The second is the follow-up mechanism, the tool that will allow the commitments we make here to be translated into concrete actions. We praise the compromise all member States could reach with the adoption of a dedicated, but integrated, mechanism, that will allow us, among other tasks: to take stock of the mobilization of resources to implement the post-2015 development agenda, including its specific Means of Implementation targets, and to galvanize political support and facilitate solutions to bridge the implementation needs of all SDGs.

Finally, Mr. President, as we look further still into the future and to the challenges that remain before us, we must continue to strive for a comprehensive reform of global economic governance. While we have made some progress since Monterrey in increasing the representation of developing countries in international economic and financial institutions, lately the impetus for reform - or even to implement past commitments - seems to have lost momentum. Brazil remains convinced that a truly democratic, fair, legitimate, equitable and development-oriented international trade, financial and economic architecture remains a key prerequisite for fulfilling the right to development of developing countries, even more so in the context of a sustainable development agenda.

Mr. President,

The Third International Conference on Financing for Development is not the end of the road, but the beginning of our common journey to deliver the means to implement the Rio+20 vision, especially for those most in need. You can all continue to count on Brazil as we move from Rio to Addis and from Addis to New York and then to Paris in a historic juncture, which rightfully places the United Nations at the center of the Future, We Want.

Thank you.