



**STATEMENT
BY**

**H.E. HAILEMARIAM DESSALEGN
PRIME MINISTER OF THE FEDERAL DEMOCRATIC
REPUBLIC OF ETHIOPIA**

AND

**PRESIDENT OF THE THIRD INTERNATIONAL
CONFERENCE ON FINANCING FOR DEVELOPMENT**

DELIVERED AT

**OPENING PLENARY
Addis Ababa, Ethiopia
13 July 2015**

Your Excellencies Heads States and Governments,
Your Excellency Sam Kutesa President of the General Assembly
Your Excellency Ban Ki-moon, United Nations Secretary-General
Your Excellencies Ministers, Heads of Delegations
Your Excellencies Heads of International Organizations
Your Excellencies Parliamentarians, Representatives of
Academia, Private Sector, Civil Society Organizations and
Philanthropies,
Distinguished delegates
Ladies and Gentlemen

I am honoured and privileged to welcome you all to Addis Ababa for the Third International Conference on Financing for Development.

As hosts, we naturally feel great pride that such a crucial summit is taking place in Addis Ababa, the Political Capital of Africa. But we also feel a sense of resolve and determination to do all that we can to make this historic conference a success.

Let me express my profound thanks to the Co-Facilitators for the preparatory process of the Third International Conference on Financing for Development, as well as all delegations, stakeholders, and the Secretariat for their serious and constructive deliberations in finalizing the Addis Ababa Action Agenda.

Distinguished delegates

As the post-2015 development agenda has gathered pace over recent years, it has become a central focus for our hopes and ambitions about the kind of world we want to bequeath to our children.

A world free of poverty in all its forms, in which everyone is able to meet their basic needs and have access to essential public services. A world that lives within its natural 'safe operating space' and in which, the global economy does not exceed planetary boundaries. A world in which inequality is kept within reasonable limits and eventually eliminated.

It is, I think, both significant and indeed encouraging that at a time when international cooperation often seems challenging, and when existing global institutions are sometimes called into question on grounds of legitimacy or effectiveness, we have nonetheless been able to construct such an ambitious and visionary agenda as the one set out in the Sustainable Development Goals that look set to be agreed this September in New York.

What we have managed to construct is an agenda that sets out to finish the job that the Millennium Development Goals began. One that seeks to complete the synthesis of development and sustainability that the Earth Summit called for so resonantly in 1992. And above all an agenda that is all universal: about how all seven billion of us coexist in dignity, prosperity, and peace.

The universal nature of the SDGs naturally points towards the need for a new global partnership between and among the peoples, governments, businesses, and civil societies of the world.

I believe, all of us will recognise,, the mixed track record of MDG8, our first attempt to build a truly 'global partnership'. True, we had some important successes, especially in the areas of debt relief and access to medicines.

But we also saw much less progress on development assistance; on technology transfer in key areas like agriculture or energy; and less progress too on addressing the special circumstances of, least developed countries, landlocked countries, and small island states.

Now, we have a chance to get it right by embracing a means of implementation that matches the ambition of the SDGs. None of us can have failed to notice how fundamentally the development finance context has changed since Monterrey in 2002. Over the MDG era, the combined tax revenue of developing countries has increased from \$1.5 trillion in 2000 to more than \$7 trillion today, according to IMF. And World Bank data show that the developing world already accounts for nearly half of the world's savings, and will account for almost two thirds of them by 2030.

Aid spending, too, grew for much of the MDG era – dipping in the wake of the financial crisis in 2008, but recovering to reach an all-time high in absolute terms in 2013. Yet this progress falls short of the target we set for the MDGs period. Climate finance is

growing too, enabling developing countries both to mitigate their emissions and to adapt to the impacts of climate change that we are already seeing.

And perhaps most of all, the private sector has emerged as a crucial engine for development. Foreign direct investment is already worth over four times as much as aid; and remittances from migrant workers, three times as much. The domestic private sector too is a key driver for growth, job creation, and poverty reduction in many developing countries around the world.

Here in Ethiopia, we have seen all these trends at first hand. Our growth rate is among the highest in the world. We have valued partnerships not only with OECD Central Agencies Committee (CAC) partners, but also with emerging economy countries and investors. We are witnessing a revolution in our capacity to mobilize domestic resources, from saving and tax alike. And we have been able to access valuable financial resources from the international capital markets.

So we are in a very different world to the one by which the MDGs were drawn up. Much has been achieved; now, we need to build on that success. And we will need to make radical breakthroughs, too – because a business as usual approach will not take us anywhere near achieving the Sustainable Development Goals (SDGs).

So I hope that in years to come, this conference and what it achieves here will be seen as a major turning point.

I hope that it will serve as the launch pad for a massive increase in investment in productive sectors in developing countries – sectors like agriculture, industrialisation, renewable energy and infrastructure.

I hope that it will be the springboard for great advances in developing countries' capacity to finance their own development, both through supporting the diversification of their economies, strengthening their tax administration capacity, and through hugely increased international cooperation on tackling tax avoidance and illicit flows.

I hope this Addis Ababa FFD Conference will mark a new seriousness on the part of donor countries about meeting their long-standing commitment to spend 0.7 per cent of their national income on Official Development Assistance (ODA). I would like to pay particular tribute to the people and governments of Denmark, Luxembourg, Norway, Sweden and the United Kingdom for continuing to exceed the United Nations' 0.7% ODA target and call upon others to join their ranks.

I also hope that south-south cooperation will be scaled up and become key instrument in boosting cooperation among developing countries to address their common challenges with its distinct nature and its complementary role to ODA.

I hope that it will mark the moment when we finally got serious about integrating development with environmental protection – something we are passionate about here in Ethiopia, where our Growth and Transformation Plan centres on becoming a middle income country by 2025 with zero net increase in greenhouse gas emissions.

And in particular, I hope that this will be a summit that truly delivers for Africa and the Least Developed Countries.

LDCs account for a quarter of the world's countries, and nearly 15 per cent of its population – but only 2 per cent of global GDP and 1 per cent of global trade in goods.

Make no mistake, today's Least Developed Countries(LDCs) firmly intend to have graduated out of this status by the SDGs' deadline of 2030. We want to be self-reliant. We want to finance our own development. We want to graduate.

And it is with this in mind that I say:

I hope this summit will see developed countries commit to spending at least 50 per cent of their ODA on LDCs, as well as delivering on their commitment to spend at least 0.20 per cent of national income on LDCs. Urgent action is required to reverse the recent declining trend of ODA to LDCs.

I hope this summit will see serious resolve on the part of the international financial institutions in particular to addressing the financing gap that so many lower middle income countries face as they graduate from low income status, when they so often see aid falling away far faster than the speed at which domestic resource mobilisation or foreign direct investment increases.

I hope this summit will yield a major aid for investment package to increase foreign direct investment in LDCs in the productive sectors of agriculture and industrialization as well as a new sustainable energy and infrastructure package, and a firm commitment to full duty-free quota-free trade access.

And I hope that this summit will finally see the LDC Technology Bank set up and operationalised, with at least 0.1 per cent of aid to LDCs channelled through it.

Africa has made tremendous stride to address its development challenges and more than ever determined to act collectively. This has been manifested through the adoption of Agenda 2063 for transforming Africa and also came up with Common Position of Africa on Sustainable Development Goals as well as Africa's perspective on Financing for Development. And it is my sincere wish that this summit will fully take into account Africa's need and support its effort.

Your Excellencies,

There are those who say SDG agenda is too ambitious, or too broad. I am not one of them.

This is the right agenda for a world in transition. It is the right agenda for a world that has the power, for the first time in history, to wipe poverty out entirely. And the right agenda for a moment in history when our future on this planet is no longer certain unless we embark on a serious change of course.

But the soaring ambition of the Sustainable Development Goals will only mean anything if the intention that we bring to *delivering* them through the Addis Ababa Action Agenda is every bit as ambitious as the Goals themselves.

If it is not, we will let down the people we all represent and will ultimately be blamed for years to come for our lack of seriousness. We will also seriously undermine the credibility of our key global institution -the United Nations - that brings us together to jointly address such inescapable challenges of our times. Our capacity to act together to address today's defining global challenges will be in doubt. This will be a devastating blow at a point when the need for collective action has never been greater.

But I don't believe that we will choose that path. I believe that our generation has it within us to be the ones to put us on a different course. I believe that with God's help we will rise to the challenge and make history. I believe we are the ones have been waiting for.

Thank you for your kind attention!