

CHECK AGAINST DELIVERY

**Statement by
Head of Delegation of the Republic of Indonesia**

**H.E. Mr. Imam Santoso
Ambassador of the Republic of Indonesia to
The Federal Democratic Republic of Ethiopia**

**At
The Third International Conference
On Financing for Development**

**Addis Ababa, Ethiopia
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Mister President,
Excellencies,
Distinguished Delegates,

I thank the Government of the Federal Democratic Republic of Ethiopia for the excellent hospitality and excellent arrangement of this important conference in the vibrant city of Addis Ababa.

Allow me to share some thoughts on how we can address the issue of financing for development.

First, though development is the responsibility of every country, an enabling international economic environment is required.

We need to prevent the recurrence of the global economic crisis and curb volatility of commodity prices and capital markets that can hamper the development process.

Such environment should be conducive towards growth and prosperity in developing countries and should strengthen economic governance, including by increasing the representation of developing countries in international financial institutions.

Second, within this context, we need to engage in domestic resource mobilization, such as by broadening tax bases.

International cooperation is needed in dealing with base erosion and profit shifting and illicit financial flows. In addition, we fully support the strengthening of international tax cooperation to become more inclusive with increased role of developing countries.

Third, disbursement of unmet ODA of 0.7 percent of GNI remains imperative. Such catalyst mobilizes additional resources from both public and private sources.

Fourth, though voluntary and requiring outside assistance, South-South and Triangular cooperation schemes bring benefits.

I am pleased to recall that last April Indonesia hosted the commemoration of the 60th anniversary of the Asia-Africa Conference, which placed great emphasis on South-South Cooperation.

Fifth, Indonesia realizes that market access to developing countries continues to be a significant source of financing. Developing countries should be able to enhance its industrialization and add value to their products in order to join the Global Value Chain.

In this context, Indonesia aligns itself with the statement delivered by South Africa on behalf of G77 and China.

Mister President,

We recognize that governments are responsible for regulatory systems that are aligned with sustainable development.

But governments cannot do it alone.

A renewed global partnership involving all stakeholders is needed.

Multi-stakeholder partnerships complement government efforts and help share knowledge, expertise, technology, and mobilize financial resources.

In this light, through creative and innovative investment in critical areas, private businesses create productive employment and strengthen local communities.

However, we are reminded that public financing is still the main source of development in many developing countries.

For middle-income countries like Indonesia, we need higher involvement of the private sector.

For us, the drive for infrastructure boosts innovative financing. Financial markets need to be efficient and effective in channelling regional savings into major infrastructure projects.

Mister President,

Indonesia is committed in doing its part in keeping a sound domestic macro economy with inflation and debt-to-GDP ratio under control.

In this regard, we have done a number of reform, including cutting fuel subsidies to redirect public funding to more productive areas, such as for education, health and infrastructure projects.

Indonesia has also launched new health and education assistance programs to the poor as part of our social investment.

Just last April in Jakarta, Indonesia with UN ESCAP co-hosted a high-level consultation in the Asia Pacific. Consensus was reached on the approaches and modalities of various sources and issues of financing.

Mister President,

We must seize this momentum and high expectation from the international community towards assisting the developing world.

Let us follow-up and review the outcomes generated by this conference.

Assess progress, identify obstacles, and promote lessons learned.

This conference's mandate is to formulate a strong financing framework for sustainable development.

Let us make sure this happens.

Thank you.