

REPUBLIC OF RWANDA



STATEMENT

BY

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MINISTER OF FINANCE AND ECONOMIC PLANNING**

STATEMENT DURING THE PLENARY OF THE 3RD INTERNATIONAL CONFERENCE ON FINANCING FOR
DEVELOPMENT

ADDIS ABABA, 15 JULY 2015

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- ✚ Mr. President;
- ✚ Excellencies, Heads of State and Government;
- ✚ Distinguished participants, ladies and gentlemen.

At the outset, I would like to extend Rwanda's appreciation to the host Government and the people of the Federal Democratic Republic of Ethiopia for the warm welcome and hospitality afforded to our delegation. Let me also congratulate your Excellency, for the successful organization and Chairing of this conference. This conference, the 3rd of its kind following from those in Monterrey and Doha will be key to shaping a future financing framework in support of the Post 2015 development agenda.

Mr. President,

The journey of implementing the MDGs has been long and challenging so far, however, I am pleased to share with you that Rwanda has achieved and in some cases exceeded; all but one of the MDGs, the only challenging one being the sub-target related to malnutrition and poverty of which we have taken important strides. During this remarkable development period of less than 15 years; we have achieved; gender parity in education, we have also witnessed drastic reduction in maternal and under-5 mortality rates of 80% and 75% respectively. In Rwanda, gender equality has become more than a slogan with concrete actions taken towards the empowerment of women. All these achievements have been realized due to a strong partnership between the Rwandan people, the government and development partners at the national level. The main lesson learned is that national leadership and ownership are central to sustaining development efforts.

Mr. President;

The journey ahead with the prospect of the sustainable development goals will require an equally ambitious and robust development cooperation framework. The financing needs are huge but not insurmountable. This calls for concerted national, regional and international efforts. This also calls for a new way of doing business and a renewed commitment to effective partnership. There is no better place to enshrine the principles for this new partnership than right here in Addis Ababa.

Mr. President,

Rwanda has high aspirations for the next development agenda where we expect to build on the success of the MDGs; transition to a middle income country; transform our economy towards increased contribution of services and industry; diversify our export base and; increase youth productivity and employment, all underpinned by a dynamic and vibrant private sector. Realizing these ambitions will require unconventional partnerships and unwavering commitment and determination working with all partners to address the following key issues:

First, the importance of increasing domestic resource mobilization to meet our development needs cannot be overemphasized enough. We have made good progress by doubling our revenue collection as a proportion of GDP to 15 percent over the last seven years. However, to realize the SDGs we will need to scale up efforts to reach 25% of tax to GDP ratio. This will require scaling up of institutional capacity to effectively mobilize and collect domestic revenues. We therefore reiterate the importance of coordinated efforts directed at enhancing the potentials of countries in this regard.

Furthermore, we support the creation of a conducive and strong international legal framework that facilitates countries in their efforts to collect taxes, combat tax evasion and tax avoidance and curb illicit financial flows. Specifically, Africa is among the most affected by Illicit Financial Flows. More needs to be done for these funds to be retained on the continent through appropriate taxation mechanisms, tax cooperation treaties and regulations. The magnitude and international reach of this problem presents a strong opportunity for international cooperation. Second, Rwanda underlines the fact that Official Development Assistance (ODA) will continue to play a significant role towards financing the implementation of the post-2015 development agenda. The lessons learned from the implementation of the MDGs showed us that with predictability of funding and strong mutual accountability mechanisms, a lot can be delivered. I would therefore like to underline the importance of firm commitments and predictability. In this regard, at the global level, the unfinished business from the MDGs should include the honoring of the commitment to contribute 0.7% of GNI by developed countries going forward. However, the domestic resource mobilization and private sector participation remain the ultimate solution to sustainable development.

Mr. President,

Last but definitely not least is the critical role that we expect the private sector to play in the implementation of the Post 2015 agenda. The capacity of the private sector to undertake large investments whether alone or in partnership with governments in critical sectors such as infrastructure should be enhanced through appropriate financing mechanisms and tools as well as appropriate framework for public private partnerships. Innovative financing and tools must consider the access to and development of financial markets for the private sector. This is particularly critical to enabling developing countries to gradually emerge from a partnership primarily based on aid or “donor-recipient” to one that is centered on trade and investment. This will ensure truly sustainable development.

Let me conclude, Mr. President, by calling on and reminding leaders gathered here from different spheres of development, to make sure we leave this place with not only strong statements, but also strong commitments that are translated into actions. This will ensure the Addis Ababa Conference on Financing for Development and its outcome document signals the dawn of a new era in development cooperation.

Thank you Mr. President