

**The Third International Conference on Financing For Development
Addis, Ababa (13-16 July 2015)**

**Speech by His Excellency Ibrahim Al-Assaf, Minister of Finance
Head of Delegation – The Kingdom of Saudi Arabia**

**Prime Minister of the Federal Democratic Republic of Ethiopia
Mr. Ban Ki-Moon, the Secretary-General of the United Nations
Mr. Sam Kutesa, President of the United Nations General Assembly
Your Highness, Excellences, Ladies and Gentlemen**

At the outset, it gives me great pleasure to convey to you the greetings of the Custodian of the Two Holy Mosques King Salman bin Abdulaziz and his best wishes for the successful conclusion of the Third International Conference on Financing for Development. I would like to take this opportunity to express our sincere thanks and deep appreciation to the Prime Minister of Ethiopia and the Ethiopian Government for hosting this important event and for the excellent hospitality extended to us.

We have gathered today for an extremely important purpose, namely to agree on a financing framework for the post-2015 development agenda. This agenda is much more ambitious, larger and broader than the Millennium Development Goals, and so are the financial resources required for its implementation.

Your Excellences,

It is important that we set our conversation on financing for development and sustainable development goals (SDGs) in the right context, which is

sustainable development as defined in the Rio+20 Outcome Document. It is poverty eradication with environment protection. It is growth with equity. It is decent jobs and social inclusion. It is private sector development and free trade.

Development should not be confused with other issues that are being debated in parallel UN forums. Accordingly, traditional development finance should not be mixed with climate finance. The latter should come from new and additional resources and the commitment made at the UNFCCC to provide climate finance. The monitoring and accountability arrangements for them need to be separated. This is not only important for the purpose of accountability against commitments made at the UNFCCC platform but also to maintain focus on poverty eradication and sustainable development.

Your Excellences,

The achievement of the SDGs will require credible commitment, dedicated efforts and tremendous resources, as rightly laid out in the MDBs' report. It goes without saying that the MDBs will have a central and critical role in both designing and delivering development projects as well as mobilizing financing for development.

The enormity of the challenge is nevertheless obvious, which requires using the available resources efficiently and effectively. Official development assistance (ODA) will as usual be important, especially to support the poorest countries. But we know that it is not going to be enough. Resources will need to be mobilized from all possible sources: domestic and international, public and private, including private philanthropy. In mobilizing and providing the required financing for development, each country will need to play its part consistent

with its capacity and capability, and guided by the principle of common but differentiated responsibilities.

On the role of ODA, the traditional definition of ODA is still relevant to deliver our common objective of reducing poverty and promoting sustainable development. In this respect, we would like to stress on the importance of committing to the 0.7% of GNI aid target.

It is important to acknowledge as well that other financing sources should also play their part in financing sustainable development, including domestic resources, private investment. This includes exploring innovative financing mechanisms. In this respect, we all know the growing importance of Islamic Finance and its rapidly growing share in the financial transactions globally. Islamic Finance can offer great potential to bring additionality to the resources needed for financing the sustainable development. Given its cost-effectiveness, and to domestic resource mobilization.

Your Excellences,

The Kingdom of Saudi Arabia will continue to play its part in financing for development, as it has done over the past several decades. The Kingdom provides financing support and humanitarian and developmental aid to the developing countries and less endowed countries. This financing and investment support is channeled through the different mechanisms, notably the Saudi Fund for Development, the regional and multilateral development banks, including the Islamic Development Bank, the OPEC Fund for International Development and the Arab financing institutions. The Kingdom also maintains bilateral financial aids that exceed the UN target.

In addition, the Kingdom is the world's second largest source of outward remittances, which exceeded \$41 billion in 2014, accounting for 6 percent of its GDP over the past decade. These remittances contribute significantly to poverty alleviation, domestic consumption and investment in destination countries. They also directly contribute to support the balance of payments in recipient countries.

Finally, we look forward to an outcome document that balances ambition and realism, and is a fair reflection of the needs and aspirations of all UN members: small and large, poor and rich, developing and developed.

Thank you!