

STATEMENT

OF VICE PRIME MINISTER AND MINISTER OF PUBLIC ADMINISTRATION AND LOCAL SELF GOVERNMENT OF THE REPUBLIC OF SERBIA, KORI UDOVICKI, AT THE THIRD INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT, ADDIS ABABA, 13 TO 16 JULY 2105

Your Excellency, Mr President, Prime Minister of the Federal Democratic Republic of Ethiopia

Your Excellency, Secretary-General of the UN,

Your Excellency, President of the General Assembly of the UN,

Your Excellencies Heads of State and Government,

Colleagues Ministers

Allow me at the outset to express my appreciation to the Government and people of Ethiopia for hosting this important conference and for the gracious hospitality with which they have welcomed us.

The Republic of Serbia aligns itself with the statement of the European Union.

The Third conference on financing for development here in the wonderful historic city of Addis Ababa is the first of three major conferences in 2015 that will define the Global Sustainable Development Agenda over the next fifteen years. This conference in Addis Ababa must agree how to implement and finance the ambitious global development agenda framed by the new sustainable

development goals with their financing, implementation, monitoring and accountability as a coherent whole. Our task is to mobilize resources, from all sources, national and international--private, public and blended, as they are to meet the challenges of sustainable development in all of its aspects - economic, social and environmental. Moreover, we should find ways of engaging appropriate innovative sources of financing as well.

We have the opportunity to make 2015 a historic year for global development. The past 15 years have begot the need for a new global development paradigm, and have laid the ground for it. These are the years that have delivered the MDGs, which have despite skepticism at the outset proved largely to be a success. Investment in development, technological change and globalization have opened the possibility for large swathes of developing country populations to expect that, within the foreseeable future, they will become able to consume as much as the populations of developed ones. This is a promise, but also an obligation. It is our duty, and also possible, to meet the goal of eradicating poverty—for the world has changed little for the poorest. However, we ought to put this progress on a sustainable path. Otherwise, the promise will not be delivered—the progress will be derailed by resource limitations and climate change unless it is mitigated to levels of below 2 degrees celsius. Also, gender equality and women empowerment, as well as peaceful and inclusive societies must be accomplished. And we look forward to the further development of South -South cooperation.

The new global economic structure has produced a shortage of jobs, even when there is no shortage of income. The income is, hence, increasingly unequally distributed, creating imbalances that were clearly revealed by the global financial crisis. Seven years since, we are not able to resolve them. More than 61 million jobs have been lost since the start of the crisis, but the jobs crisis is far from over, particularly for the young. My country, Serbia, a middle income country is particularly affected. Only 35% of the population is employed. And yet, statistics show that global savings amount to 22 trillion dollars and global assets to 212 trillion dollars. Liquidity is high in most developed country banks. Unemployment, hence, as well as many other development challenges, is largely a governance problem.

We are witnessing an unprecedented wave of migration from Asia the Middle East and Africa towards the shores of Europe with no endgame in sight. Climate change induced natural disasters are ever more frequent causing widespread humanitarian crises and untold pain. These natural disasters have affected our region too. Last year's devastating floods (that affected one third of the country), caused overall damage in excess of 1.6 billion Euros and reduced already low GDP.

The Republic of Serbia actively participated in the Committee of experts that produced the report on financing of sustainable development that was delivered to the General Assembly and the Secretary General last year. Many of the elements of this report are contained in the Addis Action Agenda that our conference will adopt. Serbia supports the principle adopted at the First conference on financing for development at Monterey (Mexico) in 2002 that each country is responsible for its own development, as well as the need for all countries to develop good governance, rule of law, sound and transparent tax systems and budgets. We fully endorse the need to fight against tax evasion, illicit financial flows and root out the evil of corruption.

In this context I am happy to report that my country is doing just that. Last fall it embarked on an ambitious program of fiscal consolidation – with difficult but necessary measures such as public wage and high-end pension reductions, but also with improved tax administration, it is succeeding in reducing its fiscal deficit from over 7 percent last fall, to around 3 percent at the end of the current year.

We believe that each country must do its utmost to create an enabling environment to attract and encourage investment and promote trade and transfer of technology. Serbia is focusing on regional stability, macroeconomic balance and public administration reform to ensure a quantum increase in the predictability of the business environment. Lasting solutions must be found to the problems of indebtedness and a renewed effort must be made to jump start global trade negotiations. Reform of the international financial institutions should be completed. The issue of high transaction costs for remittances must be addressed as well.

Serbia as an upper middle income, land locked country and candidate to accede to the EU is all too well aware of the problems faced by developing countries, especially the least developed ones. We support their call that the commitment of the developed world to grant 0,7% of their GDP as official development assistance is overdue to be fulfilled, as well as the promise to accord between 0,15 to 0,2% of GDP to the least developed country where official development assistance is needed the most. We also adhere to the view of shared responsibility. We are sharing this planet, so we must work together to ensure sustainable development. No one should be left behind—including the future generations

We have a historic opportunity here in Addis Ababa to make a crucial step towards a new sustainable development paradigm, including its implementation. This opportunity must not be missed.

Thank you.