

**STATEMENT BY HONOURABLE SAADA MKUYA SALUM, MINISTER FOR
FINANCE OF THE UNITED REPUBLIC OF TANZANIA ON THE OCCASION OF
THE THIRD INTERNATIONAL CONFERENCE ON FINANCING FOR
DEVELOPMENT HELD IN ADDIS ABABA, ETHIOPIA 13-16 JULY 2015**

Mr President;

Excellencies Heads of State and Government;

Excellency Ban Ki-Moon, Secretary-General of the United Nations;

Honourable Ministers;

Distinguished Delegates;

Ladies and Gentlemen.

At the outset, I should like to commend the leadership of the United Nations in collaboration with our hosts, the Government and People of Ethiopia in making reality of the Third International Conference on Financing for Development (FfD).

It is significant that the Third Conference on Financing for Development is taking place in Africa. For, it is noteworthy that while Africa is home to only 10 percent of the global population, about 30 percent of the World's poorest are Africans! At a time when globalization is integrating global economies and lifting many from abject poverty, most of Africans remain at the margins. Africa and her people therefore have a great stake in the success of this Conference.

This Conference is also important for other reasons: 2015 marks a critical year for development. It takes place when the International Community is engaged in formulating a post-2015 development agenda – the Sustainable Development Goals (SDG'S) – the successor goals to the MDG's, to be adopted in New York this September. It is also the year we must address the twin challenges of overcoming poverty and preserving the environment under the auspices of the United Nations Framework Convention on Climate Change in Paris this coming December. This is a demanding agenda, but improving lives and protecting the environment deserves no less.

Which is why this entails that we must work together to generate the requisite resources and attain the transformative vision that the SDG's require. We must work together – nationally and globally – with businesses as well as non-governmental actors. We must all accept this challenge and stand ready to play our part. Consequently, this Conference is an important platform for the launch of concrete deliverables and initiatives for global development in support of the Post-2015 Development Agenda that truly stands to “make poverty a history”.

Indeed, the mandate (resolution A/69/L.46) of the Third FfD Conference primarily calls for a review of the progress of implementation of the Monterrey Consensus and the Doha Declaration. At the heart of this mandate is a desire to ensure that the global economy and mechanisms improve the lives of all members of the global community. This is the challenge we are all expected to rise to. It is a challenge upon which the success of this Conference will be judged. To achieve this, it is imperative that we must agree on specific deliverables under a specified timeline. We must also be guided by an understanding of the financing needs that would make the SDG's a reality in such areas as health, education, sustainable agriculture, infrastructure, industrialization, and climate adaptation.

Mr. President,

Tanzania like many other African countries considers financing for development a crucial agenda of the African Continent. We expect Africa's needs and aspirations for the well being of her people to be taken into consideration in the Action Plan to be adopted here. We hence underscore the necessity to go beyond the objectives set by the Monterrey Conference in 2002 and integrate the African development objectives as reflected in the Agenda 2063 as well as the African Common Position on the Post 2015 Agenda.

Tanzania's expectations in the framework of the Third International Conference on Financing for Development is to see to that FfD effectively addresses a

number of key areas that have an impact on the level of poverty in many of our countries. These include, enhancing and strengthening national capacities to deliver social protection and essential public services for all; ending poverty and finishing the unfinished business of the Millennium Development Goals (MDGs); scaling up efforts to end hunger and malnutrition; establishing a new platform to bridge the infrastructure gap; promoting inclusive and sustainable industrialization; generating full and productive employment and decent work for all; promoting MSMEs and protecting our ecosystems, as well as underlining the need to promote peaceful and inclusive societies for sustainable development.

It is in this regard that Tanzania expects nothing but concrete outcomes from this landmark Conference. We see its principal focus being about **financing for development**. It should be about our common endeavor to create conducive environment in support of a global framework that would deliver on our commitment to end poverty.

Mr President,

Making the SDG's a reality will require the provision of significant resource flows. It will demand new and innovative approaches - nationally and globally. It must nonetheless remain clear that for the least developed countries there is no substitute for concessional resources. A broad partnership - both public and private - will be required.

Addis should not be used as forum for renegotiating prior agreed commitments and principles but a reaffirmation and a call for action with the sole purpose of poverty eradication. It's success will be measured on the extent it galvanizes our collective pledges for action and to deliver on those commitments.

Official Development Assistance (ODA)

Mr. President,

The 0.7 percent target of ODA to developing countries and 0.15 to 0.2 percent target to LDCs remain an important and predictable source of financing. There has been a constant call to developed countries to honour this commitment. It's my strong belief that ODA and other previous agreed commitment will continue to constitute sources of financing for development. The outcome of this Conference therefore should be to strengthen previous commitments and explore additional ones.

Private Vs Public financing

Mr President,

We acknowledge the importance of private finance to sustainable development, but it remains our submission that public funding should always take precedence over private financing. The fact that private finances are profit-driven in nature, suggests that the two concepts cannot be put on an equal footing. Equally important, we underscore that the balance between the domestic and international financing should be maintained as indicated in the Monterrey consensus.

We believe that the international public finance should complement and facilitate national efforts. Long term investments, including Foreign Direct Investment (FDI) are needed in critical sectors, especially in sustainable energy, infrastructure and transport, industrialization, information and communications technologies as well as diversification of the African economies.

Trade

Mr President,

Trade is one of the main source of development finance. Value addition and adequate trade policy formulation for development is critical for linking up trade and development. I encourage my fellow Africans that intra-African trade

is more diversified than Africa's external trade, we must exploits its potential for the development of the continent. In addition,we must also make use of regional integration as a fundamental tool for realizing development effectiveness for inclusive growth and development.

Climate Finance

Mr President,

We acknowledge the importance of climate change in the context of FfD, but still emphasize that United Nations Framework Convention on climate Change (UNFCCC) is the main multilateral platform and most appropriate for discussion on climate finance and looks forward for a new universal legally binding agreement on climate change at the Conference of Parties in Paris this coming December. Nevertheless the FfD must acknowledge the urgency of expediting the process of operationalizing the Green Climate Fund(GCF) under UNFCCC and for its early capitalization, and call upon developed countries to meet the goal of mobilizing US\$ 100 billion each year by 2020 to address the needs of developing countries.

Illicit Financial flows and tax evasion

A report published by the African Union High Level Panel led by former President Thabo Mbeki estimates that Africa loses US\$50 billion a year in illicit financial flows to developed countries, resulting in drainage of foreign reserves, reduced tax collection, cancellation of investment inflow and increased poverty. This represents a significant threat to economic development in Africa. Therefore, we call for strong collective actions by both countries of origin and recipient countries to curtail, reverse and facilitate asset recovery and repatriation of funds to countries of origin. It is essential that the Addis Action Plan commit itself to a very credible mechanism for strengthening global tax cooperation.

Data, Follow-up and Review

Mr. President,

Data to be used by organs entitled for follow-up and review of FID should be from national government statistics sources, to avoid unofficial sources that lead into conflicting findings between Member States and the UN system. We call for increased financing support to enhance and expand statistical capacities in needy developing countries, including critical needs for capacities to produce, collect, disaggregate, analyse and share data.

Lastly, adequate follow-up mechanisms for monitoring progress and holding all stakeholders accountable in the implementation of commitments should be in place and on our view the High Level Political (HLPF) Forum should be considered, among options.

In conclusion Mr. President,

I am optimistic that, the Conference will result in an inter-governmentally negotiated and agreed outcome, based on the agreed principles and taking into account the right to development. I also look forward to results which constitute an important contribution to and support the implementation of the post-2015 development agenda and cater for development needs even beyond 2030.

I thank you!