

13 July 2015

**Statement of H.E. Mr. Sam Kahamba Kutesa,
President of the 69th Session of the General Assembly,
at the Opening Plenary of the Third International Conference on
Financing for Development**

**Your Excellency Hailemariam Desalegn, Prime Minister of the Federal Democratic Republic of Ethiopia,
Your Excellencies Heads of State and Government,
Honourable Ministers,
Your Excellency the Secretary-General of the United Nations,
Madam Chairperson of the African Union Commission
Excellencies,
Distinguished Participants
Ladies and Gentlemen,**

It is my pleasure to address this Third International Conference on Financing for Development which is taking place for the first time on the African continent, at a critical moment in the history of humanity, the United Nations, and Africa. I would like, on behalf of the United Nations General Assembly, to convey sincere gratitude to His Excellency Prime Minister Desalegn, the Government and people of Ethiopia for hosting this Conference and for their warm hospitality.

This year marks an important milestone; the 70th anniversary of the founding of the United Nations. It is a historic opportunity to change our world. Today, here in Addis Ababa, we embark on a momentous journey we have resolved to undertake in a common pursuit to eradicate poverty, improve livelihoods for all and preserve our planet for the present and future generations.

Collectively, we have made significant progress through the implementation of the Millennium Development Goals (MDGs), which have largely guided the international community's development efforts over the last fifteen years.

We have lifted over one billion people globally from extreme poverty, improved access to education, health services, water and sanitation for millions of people worldwide, as well as promoted gender equality and empowerment of women, among other achievements. Yet, we still face the stark reality of a world in which another nearly 1 billion people will continue living in abject poverty beyond 2015, subsisting on less than US \$1.25 per day.

We also have to contend with worrisome levels of inequality and unemployment. According to the International Labour Organization (ILO), currently over 212 million people are unemployed globally, 30% of whom are youth.

The issue of youth unemployment, in particular, requires urgent action through, inter alia, investing more in their education, creation of economic opportunities, industrialization, promotion of entrepreneurship and skills development. In doing so, we will harness the demographic dividend, empower the youth and enhance their contribution to the achievement of sustainable development.

Furthermore, we have to deal with severe impacts of climate change, as well as threats such as terrorism and violent extremism, among other challenges.

**Excellencies,
Ladies and Gentlemen,**

Against that backdrop, it is self-evident why ensuring successful outcomes from the three interlinked processes that we are currently engaged in, on the post-2015 development agenda, financing for development and climate change, which will define our development path for the next fifteen years and beyond, is so critical.

In the General Assembly, we have put the theme “delivering on and implementing a transformative post-2015 development agenda” at the centre of our work during the 69th session.

We are working hard to ensure that the new agenda, to be adopted by a Summit of world leaders this coming September in New York, is ambitious, transforms economies, improves livelihoods of all people and protects our planet.

The proposed 17 Sustainable Development Goals (SDGs), which will be the main component of the new development framework, have been formulated through an unprecedented consultative and participatory process. It has involved Member States, Observers, the United Nations system and stakeholders including civil society, private sector, major groups, academia and international financial institutions.

With the core objectives of eradicating poverty and achieving sustainable development in its social, economic and environmental dimensions, the proposed SDGs can be truly transformative if implemented effectively.

To do so, we should spare no effort to ensure a successful outcome from this important Conference, with concrete deliverables to support the implementation of the new agenda. Given the ambition reflected in the proposed SDGs, we clearly require scaled-up mobilization of resources from all sources, public and private, domestic and international.

We should also renew and enhance the global partnership for development in support of developing countries, particularly those in special situations including Least Developed Countries (LDCs), Landlocked Developing countries (LLDCs), Small Island Developing States (SIDS) and Africa.

To put in context the scale of resources that will be required, we should bear in mind for instance that additional financing needed to eradicate extreme poverty is estimated at over US \$66 billion per year.

It is also estimated that the investments required in critical infrastructure such as energy, transport, water and sanitation will be in the range of between US \$5 to 7 trillion annually. In Africa, the financing gap for infrastructure is nearly US \$95 billion per year.

The estimates for unmet credit needs for Small and Medium Enterprises (SMEs) are around US \$2.5 trillion in developing countries and about US \$3.5 trillion globally.

We also need to address the significant challenges being faced by many developing countries in accessing, adapting and diffusing environmentally sound technology. Technology development and transfer as well as capacity-building will be critical to achieving many of the SDGs.

**Excellencies,
Distinguished participants,**

Throughout the preparatory process for this Conference, a question which has been frequently asked is, “What will constitute a successful outcome from Addis Ababa?”

Indeed, it is a very pertinent question that States and stakeholders have tried to answer in the draft outcome and which we will continue to address over the next four days.

Overall, we should emerge from this historic Conference with an ambitious, holistic and comprehensive framework for financing sustainable development. We need concrete deliverables, actions, policies and measures which will result in increased mobilization of resources from all sources and ensure their effective use, to support the implementation of the universal post-2015 development agenda.

I consider the following six areas, among others, as crucial.

First, generating increased domestic resources will be critical for implementing the new agenda. While taxation constitutes the biggest source of public revenues in most States, it is estimated that tax evasion costs developing countries over US \$500 billion annually. This puts in sharp focus the need for a variety of actions and measures to combat tax evasion and harmful tax practices, corruption and illicit financial flows.

To this end, it is imperative to strengthen international cooperation on tax matters and make it more inclusive beyond the current arrangements.

We also need greater attention towards creating an enabling environment for increased domestic and foreign direct investments, as well as reducing the cost of remittances.

Secondly, international public finance remains an important source for many developing States, particularly the Least Developed Countries whose capacities for raising domestic resources may be limited, and is critical for financing global public goods.

It is therefore important to ensure that Official Development Assistance (ODA) commitments are fulfilled and that the resources are effectively utilized and leveraged to catalyze other sources of financing.

Thirdly, given the urgent need to bridge the significant infrastructure gaps, international financial institutions and regional development banks should devise measures to become more responsive to the needs of countries, especially the developing ones, to access long-term financing for infrastructure at concessional or affordable rates.

We look forward to action-oriented initiatives through the proposed new infrastructure forum, as well as the proposals by the World Bank Group, the International Monetary Fund (IMF) and multilateral development banks towards scaling-up resources “from billions to trillions”.

The proposed Technology Facilitation Mechanism that aims to identify technology development and transfer needs of developing countries and address them is a welcome initiative that should be resourced to meet its objectives.

Fourth, we have to find ways of increasing the private sector’s participation and contribution to the implementation of the new agenda, including through appropriate risk mitigation mechanisms to incentivize long-term investments in infrastructure. In many developing countries, the private sector provides employment for about 70-90% of the workforce, and contributes nearly 60% of GDP.

However, currently only a small portion of assets of banks, pension funds, insurance companies and transnational corporations worldwide are invested in areas related to sustainable development. With global savings estimated at US \$22 trillion a year, the majority of which are from private sources, one of the key questions is how to devise measures to tap into these vast resources to contribute to the implementation of the new development agenda.

In addition, we also need to enhance the important role that multi-stakeholder partnerships with civil society, academia, and philanthropic organizations, among others will play in realizing the SDGs. We should build on and expand successful initiatives such as GAVI and Every Woman Every Child to optimize the contribution of foundations and other stakeholders.

Fifth, it is also critical to address the enabling domestic and international environment for development, including on issues related to promotion of a fair and rules-based trading regime, the sovereign debt situation, and systemic issues such as the reform of global governance and the international financial system.

Sixth, we need an effective, inclusive and participatory framework for follow-up and review in order to track progress of implementation of the commitments made at the national, regional and global levels.

**Excellencies,
Distinguished participants,**

The financing for sustainable development framework we are putting in place, as reflected in the draft outcome is focused on leaving no one behind and ensuring that the needs of the vulnerable, including persons with disabilities, are taken into account. It also mainstreams gender equality and empowerment of women across its chapters.

This comprehensive framework should provide a strong basis for actions that we will commit to in the outcome document itself, actions that various stakeholders will announce in the coming four days, and actions that we will agree to in the months ahead, including at the Summit for adoption of the post-2015 development agenda.

Together, let us all rise to the occasion and send a clear message of hope from Addis Ababa to the world. Through a renewed global partnership, solidarity and collective action, we can and will mobilize the resources to achieve a prosperous and sustainable future for all.

Thank you for your attention.