

Republic of Zambia

STATEMENT

Delivered by

Hon. Alexander B. Chikwanda, MP

Minister of Finance of

THE REPUBLIC OF ZAMBIA

 $\hbox{at the} \\ 3^{rd} International \ Conference \ on \ Financing \ for \ Development$

Addis Ababa, Ethiopia 13-16th July, 2015 Mr. President,
Excellencies, Heads of States Present
Honourable Ministers,
Ladies and Gentlemen.

Allow me to begin by joining other delegates in congratulating you, Mr. President for convening the Third International Conference on Financing for Development. I would also like to commend and thank the Secretary General of the United Nations, Mr. Ban Ki-moon for his unwavering commitment and inestimable leadership in the fight to end poverty and hunger through the sustainable development framework.

I would also like, on behalf of Zambia, to express our gratitude to the Ethiopian Government and indeed the people of this great country for your warm hospitality.

Mr. President,

The conference comes at an opportune time when the global community is building consensus on shared global development agenda to succeed the Millennium Development program. As we conclude with the Millennium Development Goals and move with great anticipation and expectation to hit the mark of the ambitious program of delivering on the Sustainable Development Goals of the Post 2015 Development Agenda, anew and stronger partnership to finance development should indeed be forged.

Excellencies,

Since the Doha declaration, many countries in the world have witnessed appreciable social and economic gains. Despite these gains, many countries especially developing countries still face considerable challenges particularly in transforming the impressive economic growth rates into tangible human development outcomes. Inequalities among and within countries have persistently been escalating and therefore we need to focus on long term strategies that will bring about inclusive growth and job creation to overcome the development imbalances.

Mr. President,

Zambia acknowledges and appreciates the role that ODA plays in development financing and the contributions that development partners have made in bridging financing gaps over the years. We also welcome the efforts that have been made to simplify and harmonise the conditionalities, by many of our Cooperating Partners both bilaterally and multilaterally.

Indeed, ODA is necessary for developing countries, especially if it is predictable and adequate, in that, it compliments and augments recipient countries efforts of overcoming many development challenges. Recipient countries too, have an obligation to strengthen public finance management systems to effectively utilize ODA resources. While recognizing the critical role that ODA has played in development financing, it is worth emphasizing

that ODA alone cannot be the panacea to resolving the problem of inadequate resources. We have to be more ingenious in broadening the base for additional effective alternatives to finance our development agenda.

Mr. President,

Private capital flows is essential for the attainment of sustainable development. If countries are to accelerate economic growth and social development, financing for development through the private sector provides a long-term and formidable avenue to accelerate growth and development. It is therefore, imperative that we have a platform for shared development visions that resonate well with the private sector and endeavors to create a win-win situation for all.

Business and markets form an important cornerstone for sustainable development, and hence the need to provide appropriate policy space within which they can operate effectively should be encouraged. Zambia sees a vibrant private sector as an essential means of achieving a transition from dependence on ODA to internally generated resources, which when well harnessed is a critical means for growth and poverty eradication. This therefore underscores the need to develop comprehensive multi-stakeholder partnerships for development financing that are balanced and coherent, with clear targets that are based on consensus of key development players.

Mr. President,

Robust tax administration is an indispensable solution to development financing. Against this backdrop, Zambia has been implementing reforms that are aimed at improving tax revenue mobilization, which on the International Level, includes fostering bilateral cooperation to strengthen tax administration and low compliance costs. Other specific measures taken include the introduction of online payment systems for taxes, construction of "One-Stop-Border Posts" and improving the capacity of the Revenue Authority. Although these and other measures are essential for enhanced tax collection, they are not comprehensively sufficient to enable the country collect adequate tax revenues to finance our development needs.

We need strong and effective international cooperation on tax matters to take into account all developing countries different needs and capacities. To this end, we welcome and call on the need to strengthen the United Nations International Committee of Experts on International Cooperation in Tax Matters to fulfil the mandate to assist member states enhance collection and operational efficiency. This will be a critical milestone to addressing challenges of rampant tax evasion in developing countries.

Mr. President,

Zambia recognises the importance of trade facilitation and meaningful integration into the world trade as vital requirement to ending extreme poverty by developing countries, in particular those in special situations such as Least Developed Countries (LDCs), and Landlocked Developing Countries (LLDCs). Countries like Zambia which is both a Least Developed Country and a Landlocked Developing Country needs support to enhance exports growth and value addition through the implementation of the priority areas outlined in the Istanbul Program of Action and the Vienna Programme of Action. Further, developing countries require increased international trade, which should be supported by strategic investment in infrastructure and augmented by actions to remove barriers that hinder developing countries from penetrating markets of developed countries. Zambia calls for a wide range of measures within the WTO framework and bilaterally with trading partners aimed at leveling the playing field and to provide for preferential treatment for developing countries especially the LDCs and the LLDCs.

Mr. President,

Zambia further calls upon the global community, to prioritize investment in research and development, technological development and innovation as critical enablers of accelerated productivity and economic growth for developing countries. We see the success of the three pillars of sustainable

development of environment, social and economic as being anchored on research, technological advancement and innovation. Zambia therefore calls for expeditious conclusion of the remaining work on launching of the technology facilitation mechanism based on multi-stakeholder collaboration at the adoption of the post 2015 development agenda.

Finally, Mr. President,

In conclusion, I wish to state that this conference provides an opportunity to emerge stronger with well articulated strategies for putting countries on the right path for expedited growth and development and we urge Member countries to forge a common development goal as espoused in the spirit of this conference. We believe that this conference signifies the dawn of a new era where the world will not shy away from the thorny issues of securing a better life for current and future generations. Zambia looks forward to the Addis Ababa outcome which equals the ambitious framework tocomplement the Post 2015 Development Agenda, and it's Means of Implementation.

I thank you!