

Conference “Financing for Development” – Plenary Session (14/07/2015)

Intervention of Belgium

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Excellencies,

Ladies and Gentlemen,

It is a great privilege to address this Conference on Financing for Development and make this statement on behalf of Belgium.

It is commonplace to say that 2015 is a **crucial year for development**. But let's be honest: every year is crucial. Every year that one billion people are living in extreme poverty is a lost year.

Let's make this year different. This year we can decide to end poverty in our lifetime and provide our planet with a **sustainable future**.

We have to make this commitment real.

We have to make it real -- so that a young girl born in Burundi has the same opportunities as a child born in Belgium.

That no one has to flee their own family or their country because of religious violence and extremism.

That we do not lose lives because of failing health care systems not able to provide people basic and decent care.

Let us make this real.

We can change the lives of millions.

Of young people worried about finding work. Of parents longing for a stable and secure prospect for their children. Of girls wanting to decide their own future.

To succeed we need **one global and universal agenda** integrating economic growth, social justice and environmental responsibility.

That is why we are here today. Not to heat dated recipes. But to fun-da-men-tally review our policies and to renew our methods and instruments. That is what this Conference is about.

What does this mean for Belgium?

First. We cannot leave behind one billion people living in **the least developed countries**. Just recently, the OECD reported a dramatic decrease of Official Development Aid (ODA) to the LDCs, countries that have the least access to other sources of development finance.

We have to turn this tide.

We cannot turn our back on the world's most vulnerable people.

That is why Belgium calls upon the international community to focus its development efforts first and foremost on LDCs and fragile states. We must make this effort tangible.

Belgium itself is taking concrete and specific steps to allocate half of its ODA to LDCs. And we would welcome other donor countries to do the same. Actually it

is quite simple: without ODA, the LDC's are caught in a downward spiral undermining the development of generations. We cannot let this happen.

Some may think: not my problem, it is a lost cause, we have tried this before.

How wrong they are.

Poverty, conflict and extremism in Africa are pushing thousands of people towards the Mediterranean and Europe. We see the same migration pressure in Asia and America. The whole world will pay a heavy price if we don't care about the LDCs.

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Second, the question of financing development cannot be focused on ODA only. ODA has a critical and catalytic role in LDCs and fragile states, but overall, we need to **mobilize a wide range of resources**.

Paramount in this is the role of national governments that have to guarantee **domestic resource mobilization and its effective use**.

Countries that want to develop themselves need to **broaden their tax base** while increasing revenue collection from local sources **in a fair and equitable manner**.

But equally important is that this tax money is well spent. Therefore poverty reduction, tackling inequalities and sustainable development must be at the heart of national policies. This is about education, social protection floors, health care systems for all. The time of talking is over. Now is the moment to deliver.

At the same time, we have to invest in good governance and the fight against corruption. Let me make this clear: there cannot be sustainable development

without transparency and accountability. We cannot tolerate that people see the fruits of their hard work confiscated by a small group of privileged at the top.

The international community and **Belgium stand ready to support** initiatives that strengthen tax systems, enhance capacities of tax administrations and develop ways to fight illicit flows. Belgium joins the Addis Tax Initiative and will step up its support in tax matters.

But these tax systems will only make sense if they foster **true and sustainable economic development**. Without a strong economy every tax system remains an empty box. Yet, faulty tax systems make it impossible for an economy to grow.

The real economic fabric of countries, regardless of their place on the development index, is woven, not by governments, but by local entrepreneurs, by SME's. By employers and employees who, through risk-taking and hard work, generate added value and create economic growth.

Specific attention needs to be given to **the transition of informal to formal economies**. Especially to the so-called 'missing middle', to SME's of a significant size that are still part of the informal economy but are regarded by micro-finance institutions and the banking sector as too risky. Providing these SME's with sufficient financing is a key challenge, also for donor countries.

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Third. **Our digital future**. We live in new times with new technologies. **The digital revolution is creating development opportunities** faster than ever. Science, technology and innovation have become crucial drivers for decent work, growth and well-being, with a profound impact across all sectors of

society. We have to seize this moment and strengthen our resolve to **turn the digital revolution into a development revolution.**

Digital is a **formidable enabler of freedom.** In fact, it is the single most important driver of democratization today.

Through digital, one voice can make a difference. People can speak out, but they can also learn, organize themselves, collaborate, create, invent – as they have never been able before. Isn't that the true significance of democracy and progress? Enabling people to flourish and to fully develop their potential.

Countries should set clear agendas to **build people-centered, inclusive and development-oriented information societies.** All people need to have access to digital technologies and everyone should be able to create, access and share the information of their choice. Countries should adopt **legal frameworks protecting security and privacy.** We have fought for these rights for decades, for centuries even. Let us avoid large-scale intrusions such as mass surveillance and remain committed to protecting security and privacy, now more than ever.

Ladies and Gentlemen,

Our agenda is clear. Let's take it off the drawing boards and make it happen.

I thank you.