



STATEMENT

BY THE

**MINISTER OF TRADE AND INDUSTRY
OF THE REPUBLIC OF BOTSWANA
HONOURABLE VINCENT T. SERETSE, M.P.**

AT THE

**THIRD INTERNATIONAL CONFERENCE ON
FINANCING FOR DEVELOPMENT (Ffd)**

**13 – 16 JULY 2015
ADDIS ABABA, ETHIOPIA**

Prime Minister of the Federal Democratic Republic of Ethiopia and Conference President of the Third International Conference on Financing for Development, your Excellency, Mr. Hailemariam Dessalegn;

President of the United Nations General Assembly, your Excellency Sam Kahamba Kutesa;

United Nations Secretary General, Ban Kin Moon;

Co-Facilitators of the Financing for Development process;

Ministers;

Excellencies;

Distinguished Guests;

Ladies and Gentlemen;

1. Let me at the outset start by congratulating the Prime Minister of Ethiopia, Mr. Hailemariam Dessalegn on his election as President of the Financing for Development Conference as well as to thank all those who exerted their efforts to ensure that Addis is a success.

2. I further wish to thank the Government and the People of the Federal Democratic Republic of Ethiopia for hosting this conference and for the warm hospitality extended to me and my delegation since our arrival.

Mr. President,

3. In March 2002, Botswana participated in the first International Conference on Financing for Development of the United Nations held in Monterrey, Mexico as well as the Follow-up Conference held in Doha, Qatar in December 2008. Today, here again we pledge our support for the Third International Conference on Financing for Development, as the global community recognises

the unassailable linkages between the various financing mechanisms and sustainable development.

4. It is therefore without doubt that we meet at a critical juncture in the calendar of the United Nations when the international community is engaged in the process of crafting a new universal, transformative development agenda that will carry over where the Millennium Development Goals left off. In December this year Parties to the United Nations Framework Convention on Climate Change will meet in Paris, France during COP21 where it is expected that a universal legally binding climate change agreement will be adopted.

5. Furthermore, we are gathered in Ethiopia at the Third International Conference on Financing for Development to adopt a robust financing framework in order to deliver the means of implementation for the **“FUTURE WE WANT”** where no one will be left behind.

6. It is important therefore, that we become more focused and guard against complacency and the business as usual attitude as ‘the financing for development’ subject matter will be one of the important ‘means of implementation’ for the post-2015 development agenda. The responsibility lies with all of us here today, to strive towards aligning the anticipated **“Addis Ababa Action Agenda”** with the financing needs across key sustainable development goals investment areas and their proposed timelines.

Mr. President,

7. As in Monterrey and Doha, Botswana still maintains that development is a global challenge requiring global solutions and the active participation and inclusion of all stakeholders. Lessons learnt from the 2008/9 global financial and economic crisis in particular, gave rise to the need to reform the international financial system and review of development financing in order to stimulate national efforts to grow broad-based economies, promote sustained economic growth, expand the job market

especially among the youth, as well as eradicate poverty in all its forms.

8. The adverse effects of the financial and economic meltdown on development still linger on as recovery has generally been slow and uncertain, particularly in the developing world. Consequently, the strides made in the implementation of the Millennium Development Goals (MDGs), targets and indicators in most developing countries receded and in some instances, stalled as development finance including from donors, dwindled.

9. Botswana in particular, is far too familiar with the ripple effects of the 2008 financial crisis as most of the revenue streams were undermined when the weak global demand and falling diamond prices led to depressed exports and revenue base. Inevitably, national development projects, including key infrastructure development and programmes vital to the achievement of the MDGs were scaled down as the Government budget drifted from a surplus position to deficit, with the ratio of Government debt to GDP spiralling from 6.5% in 2008/09 to slightly above 19.2% in 2012/13.

Mr. President,

10. It is commendable that Africa enters the post-2015 period a more formidable force than at the onset of the Millennium Summit in 2000. Lessons learnt from the Millennium Development Goals and wide consultations across the continent provided the necessary guidance for the post 2015 period. The continent's key goals and aspirations for the next fifteen years are well articulated in "the Common African Position (CAP) document; Africa's Vision, Agenda 2063 as well as the Financing for Development: Africa's Perspectives document".

11. In order to continue the unfinished business from the Millennium Development Goals, particularly the fight against poverty, the African countries perceive adequate, sustainable and predictable financing as absolutely essential. They further put emphasis on domestic resource mobilization; international

financial resources; trade as well as technical cooperation for development.

12. While its contribution to Africa's economic growth in the past is acknowledged, currently Official Development Assistance (ODA) has become a 'fragile' funding source. The inclination of African countries is to turn to more reliable revenue sources such as domestic resource mobilization through taxes, pension funds, diaspora bonds as well as remittances.

13. However, developing countries still impress upon 'the Group of Seven (G7)' to honour or even surpass the 0.7% Gross National Income (GNI) contribution previously pledged towards development assistance.

Mr. President,

14. My delegation is encouraged by the importance which this forum attaches to the plight of the middle income countries, such as my own, Botswana. The latest figures show that 75% of Africa's poor are found in the middle income countries. It is therefore morally compelling that this category of countries should be given the attention that they so clearly deserve.

15. We are therefore, challenged to explore opportunities to address the special situation of Africa's middle income countries as well as the challenges they face such as widespread poverty and infrastructural development, capacity building, industrialisation, development and use of technology, skills development, income inequalities as well as limited access to basic services.

16. Of critical importance is to extend financing for development in order to address the specific needs and challenges of the individual Middle Income Countries rather than employ a "one size 'fits all" policy mix. Failure to do so could be detrimental to safeguarding MICs from regressing into LDC status.

17. Careful examination of how previous commitments surrounding the mainstreaming of the Vienna Programme of Action for Landlocked Developing Countries (LLDCs) and the Programme of Action for the Least Developed Countries (LDCs) into the global frameworks should be given due attention as not much progress has been made since adoption of the Monterrey Consensus, to improve their situation. In this connection, we call upon the United Nations and its Regional Commissions and other development partners to provide these countries with the necessary support.

Mr. President,

18. It is sad to note that issues of illicit financial flows including tax evasion and capital flight prevalent within the international financial sector have grown exponentially since the Monterrey Consensus. The latest report of the High-Level Panel on Illicit Financial Flows in Africa clearly highlights the impact of illicit financial flows on the region's available resources, governance and efforts to add value to its natural resources.

19. Existing gaps within Africa's financial sector and the slow uptake of the necessary regulatory instruments, leaves it vulnerable to fraudulent practices. As such, the international community is called upon to support efforts to track, stop and repatriate illicit financial flows.

20. To this end, Botswana has since established the Financial Intelligence Agency within the Ministry of Finance and Development Planning, and continues to work with all the relevant stakeholders to develop the necessary legal and regulatory frameworks in order to curb this scourge.

21. The key role of industrial transformation continues to be a viable alternative to mineral dependent economies like that of any country. Opportunities for South-South and Triangular cooperation should be leveraged by emerging economic powers. Steps to increase the domestic processing of raw materials and fostering value chains nationally and regionally, may diversify our economies in the years to come. Furthermore, developing

countries should be supported in the negotiation of international trade agreements and trade finance. It is also important that Governments should be proactive in making the policy environment conducive by developing supportive regulatory mechanisms.

Mr. President,

22. Climate change is becoming an increasingly urgent issue for the developed and developing countries alike, though its costs and impacts are unevenly felt across the globe. The sustainable development pillar on “*Environment*” should be accorded due attention as financing the transition to a green economy in Africa and the world over, is no longer an option.

23. However, we do recognise that greening our economies requires significant upfront capital investments as well as major structural and technological improvements that this forum should consider. Energy and water infrastructure as well as their distribution should be prioritised in developing countries if we are to achieve sustainable development.

24. All eyes will be on the outcomes of the upcoming Conference of Parties (COP 21) to be held in Paris in December 2015. It is our hope that development of inclusive green economic policies and acceleration of low-carbon technologies will be considered as these can lead to climate resilient development.

Mr. President,

25. I wish to conclude by expressing profound gratitude and appreciation for the contribution of development assistance that my country has received over the years from our development partners. We will continue to grow our partnerships with the various Development Partners primarily to improve the quality of lives of our citizens.

Mr. President,

26. Allow me once again to commit Botswana to play her role in the family of nations in working hard to see that the noble outcomes of the Addis Ababa Accord are realised.
27. The type and nature of financing mechanisms in general has evolved over the years, as our country's needs now lean more towards technical assistance, capacity building as well as strengthening governance institutions.
28. We can only hope that this conference will indeed live up to the expectations of all and transform the means of implementing the sustainable development goals to equally benefit all members of the international community United Nations.
29. I thank you for your attention.
