



Federal Democratic Republic of Ethiopia
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ECOSOC Forum on Financing for Development

Remarks by:

H.E Ahmed Shide,

**State Minister of Finance and Economic Cooperation,
Federal Democratic Republic of Ethiopia**

18th April 2016, Trusteeship Council
UN- HQ, New York

H.E Mr. Oh Joon, President of ECOSOC;

Honorable Ministers;

Distinguished heads and representatives of UN Agencies, the World Bank, IMF, WTO and UNCTAD;

Ladies and Gentlemen,

I want to thank H.E Mr. Oh Joon for convening this inaugural session of the ECOSOC forum on Financing for Development follow-up.

I would also like to thank the Inter-agency task-force on Financing for Development for their excellent work in providing us with the inaugural report on the implementation of the AAAA, which will serve as our reference guide for the Financing for Development process to gauge our efforts for the achievement of the SDGs.

Excellencies,

The means of implementation for the SDGs as outlined in the AAAA and Goal 17 remains the linchpin for our SDG achievements. This follow-up platform is an opportunity for us to assess progress and identify challenges, and most importantly to ensure continuation of political will and share country experiences.

The onus is on all of us to deliver on our commitments for a shared vision; with national governments taking the primary responsibility for the implementation of the AAAA for the achievement of the SDGs.

The first steps in the implementation of the AAAA and the SDGs lie on integrating them into national plans and priorities, placement of framework for mobilizing financial and non-financial resources and institutional mechanism for implementation, data and monitoring.

Excellencies,

Ethiopia has gained significant experience with the MDGs integration into its national development plans and implementation that immensely eases our efforts towards the implementation of the SDGs and their means of implementation. Our achievements in the past decade are clear evidences to the quality of our strategic planning with the twin objectives of economic growth and poverty reduction while protecting the planet.

The first phase of our Growth and Transformation plan – 2009/10 – 2014/15 laid a concrete foundation in the institutional architecture, policy framework and infrastructure for the mainstreaming of Agenda 2030 into our national development plans. I'll highlight some of the concrete steps we took in the mainstreaming of the SDGs and the AAAA into our national plans.

A key milestone in integrating the post 2030 Agenda into our national priorities and plans were our earlier efforts to strengthen the institutional architecture for national planning. In 2013, we established the National Planning Commission as an autonomous planning body. This reform has helped immensely in capacitating our long-term national planning process adding strong coherence to the planning and monitoring process. The Planning Commission also partnered with the UNDESA to benefit from its program supporting countries in the implementation of a more integrated approach to national planning, which is in harmony with the SDGs as one of the 7 pilot countries in the first round.

2015 was also an opportune time for Ethiopia to learn from the implementation of its GTP I implementation including the Climate Resilient Green Economy strategy, and mainstreaming the SDGs in all its three dimensions with the means of implementation into its GTP II, which was launched in October 2015 to guide our efforts for the next five years - from 2015/16 to 2019/20.

Ethiopia has integrated over majority of the SDG targets at the national plan level based on their relevance to the national context, with further integration taking place at the sector level. We have integrated over 80% of the targets for the SDGs on poverty eradication; reliable and sustainable energy; inclusive and sustainable economic growth and decent work; resilient infrastructure and sustainable industrialization; hunger and food security; climate change; and partnerships.

This high level of national and sectorial alignment to the SDGs is the primary stage on WHAT we need to prioritize in line to our national circumstances, the next is - HOW? .

On the means of implementation, we are working to mobilize all sources of finance – domestic and international, public and private - as well as working across sectors to deliver on our AAAA commitments.

- ❖ It's our firm belief that our domestic public resources are where the most substantial development spending happens. Ethiopia has achieved strides over the past decade in its domestic resource mobilization capacity. In this line, we have set targets to sustaining our current 10% economic growth, which can fuel our domestic revenue sources, and continuing to strengthen

and broaden our tax systems. By the end of the current five-year plan, our tax-GDP ratio is targeted to reach 18% and our domestic saving to reach 29.6% from its current 22.5%. Accordingly, we project that on average over 60% of our investment will be financed through domestic public resources. We are also working on creating a legal and institutional framework to prevent illicit financial flows.

- ❖ In addition to our public resources, we are working to tap into the resources of the private sector – domestic and international - as a key driver for growth, job creation and poverty reduction and thus for the achievement of our national vision of becoming a lower middle-income and carbon neutral economy by 2025 and achieving the SDGs by 2030. The transformation of the private sector is placed as one of the nine pillars of our national development plan. We are keen on laying a conducive investment climate – macro-economic framework, improved economic infrastructure, and supportive regulatory measures to expand the domestic private sector and attract foreign investment.

This year, we initiated the development of the legal and policy framework for Public Private Partnership, which we expect to come into operation later in the year.

- ❖ Another key measure I would like to highlight is our efforts to strengthen the effective use of our international public resources and partnerships. We have been working with our traditional partners to improve the quality of international public finance improving the coordination and approaches applying programmatic and sectoral approach and avoiding fragmentations. We are also effectively working with our Southern partners in mobilizing resources and technologies that are suitable to our country context in a complementary manner. On the climate finance Ethiopia has taken step in setting up institutions that would help the country to mobilize climate finance. It's to be noted that along with the development and integration of our climate resilient and green economy strategy into our national development plan, we have established a facility at the Ministry of Finance dedicated for the mobilization and management of climate finance. The facility has been accredited for direct access by GCF and Adaptation Fund. This accreditation is a testament that we have the strategic framework necessary to effectively manage our resources for the implementation of our CRGE strategy including a Private Sector Engagement Strategy, a National Capacity Development Program, and Environmental and Social Safeguards

Excellencies,

In addition to our efforts for the mobilization of all sources of finance, our current growth and transformation plan has anchored its pillars on accelerating human development and technological capacity building and enhancing good governance and democratic rule to ensure a conducive macro-economic, technological and political environment for our economic decisions to flourish.

We have also mainstreamed the **cross cutting AAAA commitments** with due priority to industrialization, infrastructure development and provision of basic social services for all.

Thank you!