

October 8/2015

**Dear Professor Paul Janssen, Vice Rector of the University of Hasselt**

**Dear Professors and academic staff of the University,**

**Distinguished Invited Guests,**

**Ladies and Gentlemen.**

I would like to begin by thanking the University of Hasselt for inviting me to this important event. I would also like to extend my appreciation to the University's international relations staff and all those who have contributed for the successful organization of such an important program on International fair trade.

**Ladies and Gentlemen,**

It is an honour and pleasure to be amongst you representing the government and people of Ethiopia and to have this opportunity to share my thoughts on this and related important topics. I believe this event is a true testimony to the existing cooperation between Ethiopia and the University of Hasselt. I am confident that the program would contribute to further enhance Ethiopia's academic cooperation with the University as well as build Ethiopia's image in the University and also in Belgium. In this regard, allow me, once again to express my gratitude and appreciation to the University.

**Ladies and Gentlemen and invited Guests,**

Since the change in government in Ethiopia in 1991, much have been achieved and changed for better due to a home grown and sound policies and strategies and the resultant implementation which was supported by the country's international partners through initiatives such as MDGs and now SDGs. As a result, currently,

Ethiopia is one of the few non-oil producing countries that is registering high and fast economic growth not only in Africa but also in the world. It has also achieved the majority of the MDG goals. The growth is not only pro-poor, but inclusive and fairly distributed such that it has lifted millions of our population from extreme poverty in just two decades. In 1992 about half of the population was under the poverty line, whereas today that number has been effectively reduced to below 25 %. However, the government is well aware that there is a long way to go and challenges still remain down the road.

In light of this, the government is primarily investing heavily in the economy's main stay, i.e., the agricultural sector by improving production and productivity in a focused and sustained manner to achieve food security. At the same time, we are working to diversify the economy and create employment for the growing young population through SME and light manufacturing industries, such as the textile, leather and agro processing, where we believe, we have comparative advantage in terms of availability of raw materials, arable land, young, affordable and trainable human power and access to large markets to Europe, USA, China, Middle East and also to what is sometimes referred to as the world's last economic frontier; Africa. We are also investing hugely on the three key sectors: infrastructure, i.e., road, railway and aviation, Green energy from hydro, wind and others sources and universal access to education at all levels, which we envision will be the basis for Ethiopia's long term and sustainable development goal prospects. Equally important, we have also invested massively to improve the health sector where we have achieved commendable results in reducing infant and maternal mortality and reducing the negative impact of communicable disease to mention just a few. This, however requires, among other things, mobilizing huge resources from both domestic and external sources, a concerted partnership with the global community

mainly through fair trade agreements, market access and foreign direct investment and transfer of technologies. Hence, Ethiopia, with other countries is playing its role to bring about a systemic and generally acceptable sustainable development goals and toward its full implementation from an African Perspective.

In this regard, Ethiopia's position is to exert maximum effort to unite African countries and have a common position towards the realization of the post 2015 development goals. Africa's role in the effort to meet the 15-year Sustainable development goals (SDGs) is critical and Ethiopia will play its part to unite the continent to this end. Ethiopia believes that it has a shared responsibility in bringing together Africa to maximize its collective interests and mutual benefits.

### **Ladies and Gentlemen;**

Let me now turn to say few words on today's main agenda which falls under Goal 17 of the SDGs; Fair trade in relations with our main export item, coffee. As you might know Coffee Arabica originated in the 10<sup>th</sup> century in Africa, specifically in southern part of Ethiopia in a region called Kaffa where it was first domesticated. Since then it spread throughout the world via the Middle East and became one of the most traded primary commodity in the world only after oil. Apparently coffee has multiple uses. It is not only used for brewing coffee, the coffee bean provides caffeine for beverages, pharmaceuticals and cosmetics. Ethiopia is the biggest exporter of coffee Arabica in Africa and the sixth largest producer in the world after Brazil, Vietnam, Columbia and Indonesia. Its comparative advantage is not in the volume but in the production of quality organic coffee. It is worth mentioning, however that Ethiopia is not only producer of coffee but the largest consumer in Africa, about 60 percent of coffee produced is consumed locally. Coffee is also the biggest foreign exchange earner for Ethiopia and is a source of employment for a

significant proportion of its rural population. These are the key points that underscores the important role coffee plays in the country's economy and livelihood.

While this is the reality, for many of the world's 25 million coffee farmers, coffee is labor intensive crop that frequently yields very little financial return according to the Fair trade organization. The price that coffee fetches at the international market is many times lower than what coffee producers are paid by big multinational companies. Thus, there has been a cry to rectify this unfair trade. As a developing country that has limited resources at its disposal in the fight against poverty and along the context of the SDGs core values, the principle of abiding by a fair trade becomes ever crucial for many countries of Africa, Asia, Latin America and the Small Island States' development aspiration.

### **Ladies and Gentlemen!**

I wish to use this opportunity to say few words about the recently agreed Sustainable Development Agreements (SDGs) in the UN General Assembly in New York at the end of September 2015. I believe this is not only an important and timely issue that affects our lives, but it is also related with the theme and principle of today's program: International Fair Trade.

As you would recall, the mandate to develop the SDGs was one of the main outcomes of the UN Conference on Sustainable Development (Rio+20) held in Rio in June 2012 with the aim of producing a set of universally applicable goals that balances the three dimensions of sustainable development; namely, environmental, social, and economical. The agreed SD Goals will replace the Millennium Development Goals (MDGs), which in September 2000 rallied the

world around a common 15-year agenda to tackle poverty. The SDGs are expected to be implemented until 2030. The 2030 Agenda comprises 17 Sustainable Development Goals (SDGs), which will guide policy and funding for the next 15 years. The text containing the 17 Sustainable Development Goals (with 169 targets) was officially signed off by the world's governments in late September 2015. The 17 goals contain almost all spheres of the current economic, social, environmental and political spheres and continue to build on and go beyond the achievements of many of the MDG goals.

Furthermore, as a means of monitoring the progress of the implementation, the UN General Assembly agreed to engage in a systematic follow-up mechanism and review of implementation of the goals over the next fifteen years. This was one of the elements missed in MDGs.

Unlike the MDGs, the SDGs are universal and therefore apply to all countries. In relations to universality, developing countries stress that the sustainable development goals are universal to all countries in terms of their nature and relevance, the degree of national responsibility and the implementation of the goals should be differentiated in accordance with the varying capacities, realities and level of development of countries. While the industrialized countries point of view is that ‘the dichotomy between developed and developing countries, created by the Rio Principle of CBDR and consolidated in the UNFCCC (United Nations Framework Convention on Climate Change) and Kyoto Protocol Annexes, is no longer justifiable because emerging economies, such as China, India, Brazil and South Africa fall under the category of developing countries without clear and binding responsibilities.’

The other important question regarding the SDGs is related to the source of financing to implement the SDGs. Its financing needs are estimated at around \$17 trillion. Should funding come from public and/or private sources? How will this affect the SDGs priorities and who benefits from their implementation? These are some of the key questions that need to be addressed.

Related to this, the 3rd financing for development conference which my country had the privilege and honour of hosting last July, produced the Addis Ababa Action Agenda. This Agenda provides a global framework for financing sustainable development. Countries agreed to: establish a Technology Facilitation Mechanism; a Global Infrastructure Forum; adopt a new social compact in favour of poor and vulnerable groups; consider taxing harmful substances such as tobacco; promote affordable and stable access to credit for smaller enterprises; recommitted to achieve the target of 0.7% of gross national income for official development assistance; developed countries commit to reverse the decline in aid to the poorest countries; calls for strengthening support for the work of the UN Committee of Experts on International Cooperation in Tax Matters; calls on developed countries to implement their commitment to a goal of jointly mobilizing US\$100 billion per year by 2020 from a wide variety of sources to address the needs of developing countries; countries also committed to phase out inefficient fossil fuel subsidies that lead to wasteful consumption.

The major point that was considered as missing in this UN Financing for Development Conference was on tax issues related to multilateral companies and private sector development. The next big question that should be answered by all countries in relation to SDGs is how Climate change negotiation will affect and add to the costs of achieving the post-2015 goals. If the spirit of political will,

leadership and compromise reached in Addis and in New York, were to repeat itself in Paris, I am optimistic that there will be a positive outcome from the Paris conference on climate change.

**Ladies and Gentlemen and Dear Invited Guests;**

It is my belief that the implementation of SDGs will be based on a continuous but time bound negotiation and indeed give and take between the developing and developed countries, which should ultimately be based on fulfilling universal and common principles of welfare, sustainability, responsibility and solidarity. After all, we are talking about people, our planet and our future.

With this remark, I would like to conclude by thanking the University of Hasselt for organizing this timely event on this important issue and I am hopeful that with a coordinated and sustained effort and awareness creating activities such as this one, we would be able to achieve the objective of a worldwide fair trade. I am looking forward to closely working with the University of Hasselt in promoting our common objective.

I thank you!