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The Permanent Mission of the United Republic of Tanzania to the United Nations presents its compliments to the United Nations Secretariat and has the honour to submit the inputs of the United Republic of Tanzania to the elements paper of the Fourth International Conference on Financing for Development. These inputs are in response to the call issued by the Co-Facilitators on 26 July 2024.

Please find the aforementioned inputs attached herewith for ease of reference.

The Permanent Mission of the United Republic of Tanzania to the United Nations avails itself of this opportunity to renew to the United Nations Secretariat the assurances of its highest consideration.

New York, 15 October, 2024



United Nations Secretariat,  
**NEW YORK.**

# THE UNITED REPUBLIC OF TANZANIA

## INPUTS FOR AN ELEMENTS PAPER ON FINANCING FOR DEVELOPMENT

### Introduction

The United Republic of Tanzania supports the efforts and measures undertaken by other countries to promote peaceful and inclusive societies and to advance toward an equitable global economic system in which no country or person is left behind. This enables decent work and productive livelihoods for all while preserving the planet for our children and future generations. Therefore, our inputs on the element paper on Financing for Development touch on the following areas: -

### Global Financing Framework on Crosscutting Issues

The element paper regarding global financing framework on crosscutting issues should consider the following:

- i. Promoting youth entrepreneurship by improving access to finance for Micro, Small and Medium Enterprises through innovative financial structures and risk mitigation instruments; and Formalization of the informal sectors;
- ii. Promote Social protection and provision of essential public services as well as scaling up efforts to end hunger and malnutrition; and promoting inclusive and sustainable industrialization by investing in productive sectors; and
- iii. Also, the Multilateral Development Banks and other development partners to intensify their support for developing countries' mitigation, adaptation, just transitions, and resilience efforts, including through the provision of adequate finance, technology transfer, affordable energy, and capacity building; as well as stepping up climate finance to support loss and damage and crowding-in private finance to scale up efficient green public investments.

### Domestic Public Resources

Regarding Domestic Public Resources, due to the interaction of the global trade and investments, domestic resource mobilization can be sustainably achieved on inclusivity approach through the proper forum which provide for legitimacy, inclusivity, universality, transparency, and accountability. We, therefore, propose the element paper on Financing for Development to renew the commitment on Strengthening the role of the United Nations in international tax cooperation and the need of fast tracking the process to develop the UN Framework Convention on Tax which will ensure: -

- i. Balancing of taxation rights to address the challenges faced by developing countries and ensure that taxes are paid to the Governments of countries where economic activity occurs, value is created and from where revenues are generated.
- ii. Effective taxation of cross-border services as well as digital taxation through prioritizing the taxation of digital economy to enable a quick win and provide respite for countries unable to tax this sector owing to the ineffectiveness of the existing rules.
- iii. Access to exchange of information and Mutual Administrative Assistance in Tax Recovery.
- iv. Addressing illicit Financial Flows, recovering and returning stolen assets, promoting financial integrity, improving public institutions, cross-border trade and investment, and boosting coordinated development and inclusive growth amongst member states.

### **Domestic and International Private Business and Finance**

In relation to domestic and international private business and finance, the United Republic of Tanzania recognizes the role of private business activities, investment and innovation in driving productivity, inclusive economic growth and job creation, specifically in the developing countries. In this regard, the element paper should consider the following: -

- i. Promoting private sector engagement in critical sustainable development investments and transitioning to sustainable consumption and production.
- ii. Encouraging developed countries and multilateral institutions to partner with developing countries in creating an enabling business and investment environment.
- iii. Developing global reforms in international financing architecture that ensure sustainable and reduced cost of borrowing to private business and investments as well as enhancing liquidity to local financial markets in developing countries in order to address the existing obstacles in access to capital.
- iv. Ensuring inclusive growth by improving financial inclusion, broadening the access to financial services for micro, small and medium enterprises, women,

youth, and other vulnerable population; and enhancing the innovation of financial inclusion instruments that are sustainable and resilience to the volatility of the global phenomena.

### **International Development Cooperation**

The United Republic of Tanzania recognizes the role of International Development Cooperation in driving productivity, inclusive economic growth, and job creation in developing countries. In regard of that, the element paper should include and consider the following: -

- i. Enhancing partnerships among international organizations, governments, and non-state actors to coordinate development efforts, share best practices, and optimize resource mobilization and utilization for addressing sustainable development challenges.
- ii. Utilizing Public Private Partnership (PPP) initiatives to focus on increasing and streamlining financial support mechanisms that direct resources to high-impact projects
- iii. Promoting the exchange of advanced technologies and expertise with developing countries through favorable agreements to enhance innovation capacity for sustainable development.
- iv. Increasing support by developed countries for comprehensive training and education initiatives in developing countries.
- v. Ensuring development cooperation efforts prioritizing inclusivity, targeting vulnerable and marginalized populations to promote equitable growth and reduce disparities among countries; and developing transparent monitoring and evaluation mechanisms to ensure accountability and foster mutual trust.

### **Debt and Debt sustainability**

The United Republic of Tanzania recognizes the urgent need to reconsider the existing debt servicing burden, which drains the ability of developing countries to finance social services and sustainable development projects. The element paper should thus emphasize the following key areas:

- i. Credit ratings for developing countries should be reformed to reflect economic fundamentals and include developmental, social, and environmental indicators, as high borrowing costs lead to more spending on

interest payments than on other important sectors of in eradicating poverty such as health and education combine.

- ii. Accelerate implementation of the G20 Common Framework for Debt Treatment by enhancing information sharing and technical support and align Multilateral Development Banks to debt treatment advocacy with the United Nations Sustainable Development Goals Stimulus like Bridgetown Initiatives.
- iii. Enhancing institutional capacity which ensures informed decision-making in debt management.
- iv. Strengthening debt crisis preventions by establishing robust frameworks and transparency to ensure sustainable debt levels and effective monitoring, thus fostering economic stability.
- v. Finding effective and sustainable solutions for countries with severe debts crisis; Innovative financing solutions that address debt challenges effectively, foster sustainable development, and promote economic stability; and combining public and private resources reduces reliance on debt and leverages additional funding.

### **Addressing Systemic Issues**

The United Republic of Tanzania like many other developing countries is experienced increasing systemic risks, with extreme events such as, tight global financial conditions, geopolitical uncertainty, the lingering economic effects of the pandemic, droughts and floods causing major economic costs, reducing long-term growth, and disrupting livelihoods of both rural and urban communities.

While facing such risks, developing countries, particularly the poorest countries, suffer disproportionately from the international financial system's failure to deliver adequate stable and affordable long-term financing to support sustainable development. The element paper should therefore emphasize the importance of addressing the following systemic issues: -

- i. The need to restructure the international financial architecture because it has been unable to support the mobilization of stable and long-term financing for investments needed to address systemic issues; and aligning financial markets with sustainable development goals.
- ii. Promoting nature-based solutions and enhancing climate resilience by investing in ecosystem restoration, sustainable land management,

biodiversity conservation, early warning systems, disaster preparedness, and adaptive capacity for vulnerable communities.

### **Science, Technology, Innovations and Capacity Building**

Science, Technology, Innovation and Capacity building play an important role in achieving sustainable development. The element paper should therefore consider the following: -

- i. Strengthening Intellectual Property Frameworks that will enhance innovations to Developing Countries; and addressing global market access due to trade barriers and unfair competition.
- ii. Implementing a comprehensive capacity-building program for developing countries is crucial to enhancing their competitive advantage and ensuring compliance with international trade standards in the digital economy.
- iii. Collaborating in global innovation networks, such as partnership in international research and negotiating favorable technology transfer agreements.
- iv. Prioritizing global regulatory frameworks for consumer protection, data privacy, cybersecurity, ethical guidelines, inclusive access, risk management, and capacity building which focus on regulating Financial Technology (Fintech) and Artificial Intelligence (AI).

### **Data, Monitoring and Follow – up**

The United Republic of Tanzania emphasizes the importance of data in financing and tracking our progress towards the monitoring of the implementation of the Sustainable Development Goals and the Addis Ababa Action Agenda on Financing for Development. It is crucial that we collaborate to establish a robust system for providing reliable data and understanding the stories they tell. This effort will significantly enhance our ability to address development challenges such as poverty, inequality, climate change, environmental issues, peace, and justice.

Access to accurate data is particularly vital for developing countries to support inclusive growth and we therefore recommend the element paper to include the following: -

- i. Developing and promoting open data platforms that facilitate data sharing, including data on financing among development stakeholders, to support evidence-based decision-making.

- ii. Recognizing the need for a comprehensive approach that extends beyond GDP metrics in assessing national development and advocates for the adoption of multidimensional indicators.
- iii. Investing in infrastructure and capacity-building programs to equip developing countries with the tools, technologies, and skilled personnel needed to effectively manage and utilize data.
- iv. Implementing comprehensive data quality assurance protocols and standardize data collection methods to ensure accuracy and reliability.
- v. Investing in Innovative ideas to support developing countries in applying new data technologies. These technologies will help to manage, use and monitor data for development impact.
- vi. Utilizing gender-disaggregated data in financing for development to identify and address gender inequalities, enable targeted interventions, and ensure equitable and effective outcomes in development initiatives.
- vii. Allocating resources for data collection, dissemination, and utilization to ensure effective monitoring and follow-up on progress toward the Sustainable Development Goals (SDGs).

To concludes, The United Republic of Tanzania reiterates the importance of collective actions in dealing with Sustainable Development Goals. As we embark toward the Fourth International Conference on Financing for Development in 2025, the Element Paper on financing for Development should demonstrate the needed collaboration for the present and future generations.