

**Statement by H.E. Mr. Vinod Khanna, Minister of State for External Affairs and Head of the Indian Delegation to the High-level Dialogue on Financing for Development at the Round Table "The Link between the progress in the implementation of the agreements and commitments reached at the International Conference on Financing for Development and the promotion of sustainable development, sustained economic growth and the eradication of poverty with a view to achieving an equitable global economic system" at the 58th Session of the UN General Assembly on October 29, 2003**

Mr. Chairman,

We are honoured to have His Excellency Mr. Donald Kaberuka Minister of Finance of Rwanda and Ambassador Rubens Ricupero, Secretary-General of United Nations Conference on Trade and Development, co-chairing this round table. Ambassador Ricupero has brought with him years of experience of the development agenda of the United Nations, which will be an asset in guiding the deliberations of this round table.

Mr. Chairman,

The global challenges are deeply interlinked and so are the solutions. Economic growth provides the resources for poverty alleviation, environmental preservation and for investment in environmentally sound technologies. Sustained and accelerated economic growth is imperative for the achievement of sustainable development in developing countries.

The Rio Earth Summit had recognized the principles for common and differentiated responsibilities for meeting the priority needs of the developing countries for the achievement of sustained economic growth. The Millennium Development Goals set quantitative targets for reducing hunger, increasing primary education, improving health, promoting gender equity and ensuring employment sustainability. The Millennium Declaration calls for a global partnership for development through increased development assistance and market access, and debt sustainability. The International Conference on Financing for Development reaffirmed the need for more aid, trade and sustainable debt financing and external debt relief, in tandem with domestic reforms in developing countries, to increase domestic resource mobilization and facilitate foreign direct investment.

The 'Financing for Development' process is among one of the major initiatives taken by the United Nations for promoting international cooperation for development. The Monterrey

Consensus that emerged from the Conference, however, represents a compilation of least-common-denominator positions. The final outcome fell far short of what was recommended by the Zedillo Panel of US\$ 50 billion per annum additional resource requirement.

Mr. Chairman,

Developed countries should strengthen the ability of developing countries to pursue sustainable development by providing development assistance that supports the national priorities and policies of recipient countries and promote investments. One calculation puts the cost of meeting just non-environmental targets at \$40 to \$70 billion a year above the current level of ODA. Another estimate puts the cost of reaching the environmental goals over a longer period at \$25 billion per year. The commitments made at Monterrey would increase ODA in real terms only by about US \$16 billion a year by 2006, far below the internationally agreed target of 0.7% of the gross national income of developed countries. ODA continues to remain at a low level of 0.23% of the gross national income of OECD/DAC countries. The implementation of the commitments made at Monterrey as also new and additional commitments are essential if the developing countries are to achieve development goals. Moreover commitments should also be predictable and long term. The focus should be to cover the entire time span up to 2015, and beyond.

The debt relief provided in the case of number of countries falls short of the level needed to achieve long-term debt sustainability. Some HIPC's face a continued challenge to reach the 'decision point'. Reducing debt-servicing obligation will indeed increase social expending, and permit higher level of investment in productive capacity and appropriate infrastructure. There is a need to build on the agreements reached at the Millennium Summit and in the Monterrey consensus to achieve durable solutions to the debt crisis of the developing countries. By recently writing off the debt owed to it by seven highly indebted countries who have reached their 'decision points', India has demonstrated its commitment to helping LDCs in reducing their external debt burden

The Doha work programme had placed the interests and concerns of developing countries at the heart of trade negotiations. All the Doha deadlines were missed. Even the decision on the implementation of paragraph 6 on TRIPS and Public Health was taken in August 2003 after protracted negotiations. The Cancun Ministerial Conference, which was meant to be a forum to review the progress of negotiations under the Doha Work Programme, provided ample opportunity to test the seriousness of developed countries with regard to the development dimension of the Doha Work Programme. WTO members, especially developing countries, have a lot at stake and the coming days are crucial in clearly defining the role of the multilateral trading system. India hopes to see all WTO Members play a positive role in moving ahead with the Doha Work Programme and ensuring a fair and balanced outcome of the negotiations taking into account the interests of all Members and retaining the development focus therein, as mandated at Doha. India would be ready to engage constructively in the process initiated by the Chairman of the General Council, and the Director General, WTO at Geneva in order to ensure progress on the Doha Work Programme post-Cancun.

India supports the establishment of an effective mechanism to assess the implementation of commitments and agreements reached at the Monterrey Conference. The annual meetings of the Economic and Social Council(ECOSOC) with the Bretton Woods institutions, World Trade Organization and the United Nations Conference on Trade and Development should evolve as an

effective mechanism for high quality of the dialogue in terms of issues addressed as also level of specificity. There is a need for greater synergy between the annual meeting of the ECOSOC with the Bretton Woods institutions, the WTO and the UNCTAD on the one hand and biennialised high-level meeting of the General Assembly on the other. There should be a clear analysis of shortfalls for an effective follow up. In this context, we would like to mandate the Secretariat to conduct a detailed analysis of the implementation of the commitments made in order to assist us in assessing at the next High-level Dialogue the Progress achieved in the implementation of the Monterrey Consensus over a three-year period.

Thank you, Mr. Chairman.

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