



**STATEMENT BY MR. NIRUPAM SEN, PERMANENT REPRESENTATIVE AT
THE ELEVENTH MEETING OF THE INTERGOVERNMENTAL FOLLOW-UP
AND COORDINATION COMMITTEE ON ECONOMIC COOPERATION
AMONG DEVELOPING COUNTRIES (IFCC-XI) IN HAVANA, CUBA ON
MARCH 21. 2005**

Mr. Chairman,

We would like to compliment Cuba for hosting the Eleventh Meeting of the Intergovernmental Follow-up and Coordination Committee on Economic Cooperation among Developing Countries [IFCC-XI]. We express our deep appreciation to the Government and the people of Cuba for their hospitality, their warmth and excellent arrangements made for this meeting. Jamaica has been a dynamic Chairman of G-77 and we are convinced that under your able guidance this meeting will contribute substantially to our joint endeavours to transform South-South cooperation into an effective instrument for our development.

This meeting is taking place at an opportune moment, prior to the Second South Summit and the review of the implementation of the commitments made at the Millennium Summit. This gives us an opportunity to provide valuable inputs to these forthcoming meetings.

Mr. Chairman,

The agenda of the South and its collective voice, as it crystallized and evolved through group efforts of the developing countries represents a major advance in terms of efforts to define and build a conducive international environment for development. The 'governance' net was cast over the South gradually, initially via structural adjustment programmes, [SAPs] complemented by trade-related global regimes/agreements, which had neither the development goals nor interests of developing countries as their objective. Developing countries found their policy space, domestic and external, increasingly circumscribed. Today in many respects, the environment is more harsh. The voice of developing countries and their further empowerment in the international arena is vital for leveling the so-called 'playing fields'.

Two-thirds of developing countries depend on commodities for half their export earnings. Half the African countries get 80% of their merchandise export earnings from commodities. By 1990 alone, commodity prices were below their 1932 level which had been the period of the Great Depression. This has devastated the economies of sub-Saharan Africa while sustaining at the same time the high living standards of the developing world, whose export subsidies and domestic support has further depressed commodity prices. From 1980 to 2002 loss in income to developing countries from the steady decline in prices equals the subsidies paid by the OECD countries to their farmers and is five times their ODA. In Nebuchadnezzar's dream only the feet were made of iron: today the heart of the international economy is made of iron. To transfer the assets of the poor one does not need the medieval rack; the terms of trade and the price mechanism are enough. Similarly, the negative impact of TRIPS is not just on prices of medicines and public health but also (a matter seldom discussed) on science and technology, the key to achieving MDGs and economic growth. Therefore, one of the most important dimensions of South-South Cooperation is a solidarity both political and practical: the crucial beginning that played a vital role was made with groups of countries who fought the battle on countries through capacity building where necessary in an inclusive process has to be eventually achieved. You yourself have referred, Mr. Chairman, to 'systemic inequities' and the need for South-South Cooperation in formulating a common strategy.

South-South Cooperation is critical for such institutional reform and transformation. The background policy paper of the South Centre (document G-77/IFCC-XI/3) as well as document XI/12 emphasized the critical importance of UNCTAD and its Secretariat in the context of the fact that the WTO does not deal with commodity exporters or with developing supply capacity, besides being non-transparent and non-inclusive. For the developing countries, this makes UNCTAD a vital component of the multilateral trading system. Its leadership is therefore, an important question that the South has to consider carefully. So also the UNDP provides financial support for some South-South Cooperation and we are confident that the question of its leadership would also be carefully considered.

In the meanwhile, South-South Cooperation is necessary for mitigating the adverse effects of international economic policies till these can be transformed. Minister Morales has also referred to the need for removing the causes of under development. My country and other developing countries substantially increased their commodity imports from the rest of the developing world in the last one and a half decades. This helped commodity markets. India is also investing substantially in developing countries (for instance it has become perhaps the largest investor in Tanzania). The Minister from Kenya referred to debt cancellation by the North. I am happy to say that India has written off the debt of the seven Highly Indebted Poor Countries. India has also launched the The Techno-Economic Approach for Africa-India Movement (TEAM-9) initiative involving a concessional credit of US\$500 million and technology transfer to West Africa and we are also cooperating with and assisting NEPAD would welcome suggestions and proposals on further projects. The Trilateral Commission of India, Brazil and South Africa (IBSA) as well as its Trust Fund within the UNDP for poverty alleviation is both a manifestation of and a contribution to South-South Cooperation.

Mr. Chairman,

In our region, we hope that the Free Trade Agreements in different stages of progress and implementation in SAARC, BIMSTEC and ASEAN would eventually lead to an Asian Economic Community. We hope the SAARC countries would bring to bear the political will to carry this process rapidly toward. To promote inter-regional and not just intra-regional trade, India has signed a Preferential Trade Agreement with MERCOSUR. Mutual trade preferences can do a lot for developing countries till they can achieve a just and fair multilateral trading system. Therefore, the third round of the Global System of Trade Preferences among developing countries holds much promise.

South-South trade requires the facilitation of banking ties. Indian banks, therefore, are looking to becoming members through equity participation in both the bank of Central American countries and the CARICOM bank. Energy and road infrastructure are equally crucial and catalytic for trade and we note with satisfaction the progress made in this regard in our region. I may also mention our investments in the oil sector, wider afield in many countries.

India's Prime Minister Hon'ble Dr.Manmohan Singh was the Member Secretary of the South-South Commission headed by H.E.Dr.Julius Nyrere. This is symbolic of India's commitment, underscored by the Indian Technical and Economic Cooperation [ITEC] programme which has, since 1964, provided over US \$2.5 billion worth of technical assistance to other developing countries. More than 5000 representatives of developing countries are annually provided training in over 250 institutions under different scholarship programmes.

It is sometimes superficially said that scientific knowledge and technology are pivotal for economy today: these have always been pivotal. India having faced technology denial regimes, does not believe in these. In ICT, because of economies of scale, the national digital divide sometimes becomes as problematic as the international digital divide. This can be bridged through the Wireless In Local Loop Technology developed by the Indian Institute of Technology, Chennai which eliminates expensive modems and copper lines and is already been used in Fiji, Yemen, Nigeria and Tunisia. Similarly, the hand held internet appliance "simputer" is both cheap and can be used by the illiterate. This has been developed by the Indian Institute of Science, Bangalore and the intellectual property right transferred for free to a non-profit Simputer Trust which is licensing the technology at a nominal fee to developing countries. Regional computer centers have been set up in Mauritius and Ghana and would soon be in Central America. The Minister from Nigeria has mentioned cooperation in health. Cuba and some other developing countries, including our own, are advanced in pharmaceuticals and biotechnology and a collective initiative in this field could expand cooperation for public health in the developing world.

India has started work on a connectivity mission in Africa. it will support tele-education, tele-medicine, e-commerce, e-governance, into-tainment, resource-mapping and meteorological services. The seamless and integrated satellite, fiber optics and wireless network, to be provided by India, will connect 5 universities, 51 learning centers, 10 super-specialty hospitals and 53 patient-end locations in rural areas spread

all over Africa. it will be in position within the next three years and all the African nations participating in this network would be able to reap the full benefits.

Mr. Chairman,

The capacities in the South have risen dramatically in the last two decades. The situation now is that there are hardly any goods or services required in the South, which cannot be sourced from the South itself. A conscious drive is needed to step up the volume of intra-South bilateral and regional trade, investment and technology transfer, transactions. Having more than a thousand island territories and having suffered from cyclones and most recently the Tsunami, India has special empathy with island states and will continue to cooperate in the fields of disaster warning and management. It is a good augury that this meeting is taking place in Cuba that has done so much for South-South Cooperation and whose national icon, Che Guevara himself once led the Cuban delegation to UNCTAD. If there is one phrase that may partly describe that for which he struggled and strove, it is South-South Cooperation: the circumstances are different; our means have to be different.

Thank you Mr. Chairman.

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