

STATEMENT BY MR. MUHAMMED HAMDULLAH SAYEED, MEMBER OF PARLIAMENT, ON
AGENDA ITEM 19 FOLLOW-UP TO AND IMPLEMENTATION OF THE OUTCOME OF
THE 2002 INTERNATIONAL CONFERENCE ON FINANCE FOR DEVELOPMENT AND THE
2008 REVIEW CONFERENCE' AT THE SECOND COMMITTEE OF THE 65TH SESSION OF
THE UNITED NATIONS GENERAL ASSEMBLY ON OCTOBER 14, 2010

Mr. Chairman,

Allow me to begin by expressing my deep appreciation of your stewardship in steering the work of the Second Committee. India aligns itself with the statement delivered by Yemen on behalf of the G-77.



Financing for development lies at the heart of the global development agenda and I hope our deliberations today would help in mobilising action towards addressing our concerns on the issue.

We note with satisfaction the efforts made by the UN to follow up on the Monterrey Consensus and the Doha Conference including through the 4th High Level Dialogue on Financing for Development organised by the General Assembly in March this year.

At the recently held High Level Review meeting on MDGs, the global fraternity had once again emphasised the importance of adhering to the commitments of the Monterrey Consensus of 2002 and the Doha Conference of 2008.

The Declaration adopted at the event stated in clear terms the role that was envisaged for ODA, innovative financing, domestic resources, debt relief, global economic governance reforms and international trade and investment to play in the context of achieving the Internationally Agreed Development Goals.

Mr. Chairman,

The developing countries, especially the LDCs, LLDCs, SIDS and countries in Africa quite clearly cannot meet the MDG targets and other developmental challenges without external development assistance.

These countries, in spite of their best efforts have not been able to mobilise adequate domestic resources to meet their development needs due to lack of economic opportunities, limited policy space and weak productive capacities.

The global financial crisis along with the food and energy shocks has further weakened their resource base to fight hunger, poverty and disease.

As the global economy contracted, the financing gap for development in existence prior to 2008 further widened.

As of 2009, only five donor countries had met their ODA commitment of 0.7%. The aid flow to developing countries last year stood at US\$ 120 billion, representing 0.31% of the total GNI of the donor countries and well short of the 0.7% mark.

Mr. Chairman,

The commitment that the international community made in Monterrey and Doha of ensuring predictable development assistance including ODA, concessional financing and debt relief to developing countries and supporting nationally owned development strategies need to be fulfilled urgently.

India welcomes the reaffirmation of commitments by some countries to reach the ODA target of 0.7% of GNI by 2015, to channel at least 50% of aid increases to Africa and to meet the target of 0.15% to 0.20% of GNP to the LDCs.

Mr. Chairman,

The gap in financing for development has led to a spurt in global discourse on innovative and new tools of financing.

India believes that innovative sources of financing must be expanded to support the global development agenda. We compliment the work undertaken by GAVI to support its health initiative through the International Finance Facility for Immunisation. Such models could also be replicated to support global action in areas such as education, food security, environment and climate change.

We are hopeful that the completion of an ambitious Doha Round, expansion of aid for trade, strong assistance from international financial institutions and policies of financial inclusion would strengthen the capacities of developing countries to mobilize greater domestic resources in the medium and long term.

A comprehensive reform of the international financial architecture to address systemic issues is at the heart of general implementation of the financing for development process. India has been working closely with countries to ensure greater voice and participatory space for developing countries in the international financial institutions.

Mr. Chairman,

The new tools of financing development or strengthening the capacity of developing countries can at best bring additional resources. There is no substitute to the ODA commitments for financing development.

On its part, India remains fully committed to support the development needs of countries in the South. We have extended lines of credit worth more than US\$ 5 billion to developing countries since 2003 to enhance their participation in global trade. Our annual outlay on concessional lending and grants is over US\$ 1 billion, covering countries in our region, in Africa and beyond. Our companies have invested more than US\$ 15 billion in Africa in the last few years.

South-South financial and technical assistance may be expanding lately but it cannot be a substitute for the North-South commitment.

Mr. Chairman,

The financing for development process, as embodied in the Monterrey Consensus and the Doha Review Conference, is crucial for attainment of our development aspirations. We must adhere to its principles in letter and spirit.

Thank you.

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