

STATEMENT BY MR. SUSHILKUMAR SHINDE, MINISTER OF POWER OF INDIA
DURING THE GENERAL DEBATE OF THE SECOND COMMITTEE AT THE SECOND
COMMITTEE OF THE 63RD SESSION OF THE UNITED GENERAL ASSEMBLY ON
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Madam Chair,

Permit me to begin by congratulating you and other members of the Bureau on your election. Please be assured of my delegation's support and cooperation in the work of the Second Committee.

We associate ourselves with the statement made by Antigua and Barbuda on behalf of the Group of 77.

Madam Chair,

The principal matters that this Committee considers are development, economic and environmental issues. Yet, it is precisely these that are under the glare of international attention, be it the achievement of the Millennium Development Goals, the ongoing financial crisis, the food crisis, as well as the

impact of climate change. Our deliberations must be able to provide concrete suggestions and guidance to face such challenges.

The recent High-level Event on MDGs brought out in stark detail the challenges we confront in our development efforts. I will not repeat them in detail, nor reiterate the much-needed assistance from the international community to overcome them. Suffice to say that falling Official Development Assistance flows, net outflows of funds to developed countries, volatile capital flows, continued debt problems, trade-distorting agricultural subsidies by developed countries, non-tariff barriers, trade talks that threaten the livelihood of millions of poor farmers, non-inclusive international norm-setting frameworks, loss of policy space, etc. only serve to exacerbate the development challenges of developing countries. Urgent action is required on all these issues.

Madam Chair,

These problems have been compounded by the ongoing financial crisis. While a more detailed examination needs to be undertaken, preferably by the UN, of possible impact of the financial crisis on development efforts, particularly in respect of availability of capital, overall slowdown in global growth, shrinking export markets, etc., the impact of the financial crisis on development efforts is inescapable. We hope the Monterrey Review Conference would look at these issues in detail.

The financial crisis has sent a message for change in financial regulatory systems. In crafting new approaches to financial regulation we must take into account its international dimension. New regulatory regimes should encourage the highest standards of business conduct and compliance and go hand-in-hand with closer official scrutiny.

Meanwhile, higher and more volatile prices of food, energy and other commodities have compounded the problem. Against this background, we need to encourage growth, particularly in countries with large populations, as they have the potential to drive much-needed global economic growth.

The financial crisis has also clearly demonstrated the importance of policy space. Regulators and lawmakers in developed countries have the luxury of trying out a variety of tools at their disposal to address financial problems. Developing countries, when faced with similar financial difficulties in their own economies, should also have the choice to select from such policy tools, as may be useful given their specific circumstances.

On earlier occasions, international financial institutions, particularly the Bretton Woods Institutions, have unfortunately limited the choice available. Recent developments make it even more important that sufficient policy space be

available to developing countries. This policy space is not being sought in order to renege on international commitments, but to ensure that, when faced with crises, all possible intervention mechanisms are available to developing countries as they make a choice as to the one most relevant to their particular situation.

Clearly, a mindset change in international institutions and in the international financial architecture at large can only be facilitated through their comprehensive review. Such a review must ensure greater voice and participation of developing countries, particularly in the Bretton Woods Institutions. The UN, which has the requisite legitimacy, must regain its traditional role in guiding international economic policy. We must reverse the trend of hollowing out the UN by first creating specialised entities, and then arguing that these cannot be overseen by the UN. The UN must be the overall umbrella that gives the political guidance to each of these entities.

Madam Chair,

Let me now turn to climate change. We all agree that climate change requires an extraordinary effort and collaboration. Yet, when it comes to the negotiations, we do not see a reflection of this from our partners. Instead, the usual approach continues. Efforts to review the Intellectual Property Rights regime, so that critical climate technologies can be considered as benefiting humankind, rather than merely benefiting a few innovators, are blocked. Attempts are made to ignore historical responsibility. Development imperatives are sought to be brushed aside. Such approaches must change.

The UN Framework Convention on Climate Change negotiations must be guided by the principle of common but differentiated responsibilities and respective capabilities, as well as historical responsibility of developed countries. Its outcome must be fair and equitable, and recognize the principle that each citizen of the world has equal entitlement to the global atmospheric space. India has already unveiled an ambitious National Action Plan on Climate Change. We are committed that even as we pursue economic growth, our per-capita GHG emissions will not exceed those of the developed countries. Further, as Prime Minister Dr. Manmohan Singh stated at this General Assembly, "the recent opening of international civil nuclear cooperation with India will have a positive impact on global energy security and on efforts to combat climate change".

The Human Development Report has consistently shown that a reasonable measure of human development and quality of life is achieved only after the national average electricity consumption is more than about 3,000 kilowatt-hours per person per year.

In India, the average electricity consumption is well below this, being only about 650 kilowatt-hours per person per year. Consumption across developing countries is not much better at about 1,200 kilowatt hours per person annually.

Madam Chair,

The energy challenge before us in India, and in other developing countries, is large, urgent and immediate. We need to ensure that each household has access to electricity and clean cooking and transportation fuels, and that these energy supplies are adequate and, most importantly affordable.

We are fully conscious of the need to employ strategies that ensure that energy is used wisely and cost effectively, and that the proportion of sustainable and renewable energy is constantly increased. These strategies bring with them, the benefits of economic competitiveness, enhanced access, and better environmental quality inside homes as well in cities, besides the very strong co-benefit of climate change mitigation.

In India, we have completely overhauled the institutional arrangements of our electricity sector so as to create independent regulators, as well as enable competition in electricity generation. This has brought down the price of electricity procured through competitive bidding. We have also made it mandatory that each electricity distribution company procure a minimum percentage of electricity from renewable sources, leading to the creation of about 11,000 MW of renewable electricity generation capacity. We have also put in place a National Hydro-Electricity Policy, which aims to develop about 50,000 MW of such electricity over the next 10 years.

Through an Act of Parliament, we are also further promoting energy efficiency. Today, India is one of the most energy efficient countries in the world with only about 0.15 kg of oil-equivalent energy being required to produce a dollar worth of GDP in purchasing power parity terms. In order to further enhance efficiency, we have introduced standards and labeling of appliances; an energy conservation building code for new, large commercial buildings; and a system of energy reporting and auditing for large, energy-intensive industry. We are also in the process of mandating energy efficiency norms for large, energy-intensive industries. Through these, and other Demand Side Management interventions, we are moving towards securing by 2012 energy savings of at least 5% of the 2007 energy consumption.

We look forward to moving together to promote sustainable development so that all human beings have access to adequate and affordable energy.

In conclusion, Madam Chair, let me reiterate our hope that the deliberations of the Second Committee will help us in identifying cooperative action in areas of

interest and concern to developing countries and in moving forward the implementation of the development agenda.

Thank you, Madam Chair.

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