

**Statement by H.E. Mr. Vinod Khanna, Minister of State for External
Affairs and Head of Delegation at the
High-level Dialogue on Financing for Development at the 58th Session
of the UN General Assembly on
October 30, 2003**

Mr. Chairman,

Over the last two days, we have listened with interest to the statements from various stake-holders on their perceptions of the follow-up to the Monterrey Conference and the implementation, or lack of it, of the Monterrey consensus.

Some broad trends could be discerned in these discussions. Many developed countries and international institutions were eager to demonstrate how they have stayed engaged in the Monterrey process. Some of our developed country partners have made efforts in increasing resource flows; this has resulted in a marginal increase in the flows of Official Development Assistance (ODA). However, most participants spoke of the huge gap in resources in relation to the requirements of the developing countries in achieving the Millennium Development Goals and other commitments undertaken by them. The same sense of disappointment also permeated discussions on a long-term and durable solution to the external debt crisis, which continues to plague many developing countries. The sense of disappointment and frustration was even more in acknowledging the failure of the Cancun Ministerial meeting of the World Trade Organization in squarely addressing the interests and concerns of the developing countries and producing an outcome that would have moved towards elimination of subsidies and distortions on the one hand and enhancement of market-access of products of export interest to the developing countries on the other.

The Monterrey consensus itself represented a "lowest common denominator" when compared to the recommendations of the Zedillo panel and the projections of resources requirements made by the World Bank and other international agencies in order to enable the developing countries to achieve the Millennium Development Goals. It was thus a beginning and not the final destination of the journey that we began collectively. Many elements of the consensus are yet to be implemented. For example, there has been little progress in implementing the agreement to enhance the participation of the developing countries in, and giving them a greater voice in the

decision-making processes of, international trade, financial and monetary institutions. It is extremely important, in our view, to address this question at a very early opportunity as it could have a direct and beneficial impact on the ability of the developing countries to influence the multilateral trading and financial systems which do not always take their interests into account. Without directly addressing the questions of enhanced resources flows, transfer of technology, capacity-building and equity in international economic relations, the developing countries are unlikely to succeed in their efforts to achieve the Millennium Development Goals, notwithstanding their efforts at improving national governance and economic liberalisation.

May be it is time to pause for a moment and reflect on how we should pursue the follow-up process of the Monterrey Conference. One of the ways would be to request the Secretary-General to provide us with an assessment on why, despite all the commitments and agreements reached at Monterrey, the net transfer of resources to the developing countries continues to be not only negative, but appears to be getting aggravated to an alarming extent. Have these negative trends been only because of the slow growth of the world economy? How far have trade and market access factors been critical to this? How far are they attributable to the continuing asymmetries and imbalances? The Secretary-General could draw upon the expertise of the international financial institutions, UNCTAD and WTO in preparing his report. Such a report with the assessment and analysis provided by the Secretary-General with the help of these institutions will assist us when we revisit this question in the 60th session of the General Assembly in 2005. It will also help us in considering course-corrections to the implementation of the Monterrey consensus and the process that we have agreed for undertaking its review.

Thank you, Mr. Chairman.

[BACK TO TABLE OF CONTENTS](#)