

Statement by Hon'ble Mr. A.C. Jose Member of Parliament and Member of the Indian Delegation on Agenda Item 91: Macroeconomic policy questions, (b) Science and technology for development, (c) International financial system for development, and (d) external debt crisis and development at the Second Committee of the 58th session of the UN General Assembly on October 24, 2003

Mr. Chairman,

We thank the Secretary General for his reports on Macroeconomic policy questions under consideration today. My delegation associates itself with the statement made by Morocco on behalf of the Group of 77.

The role of international community in providing support for capacity- building, making available financial resources and transferring technologies to developing countries is crucial for the developing countries to achieve higher growth rates. We collectively agreed to a framework of international cooperation for development at the Millennium Summit, the International Conference for Financing for Development and the World Summit on Sustainable Development. It has been estimated that an additional amount of US\$50 billion per year would be required for achieving the internationally agreed development goals. While a certain focus has been made on reaching a specific aid level by 2006, to the tune of \$16 billion a year, predictability of aid flows afterwards is also required including up to the target year of 2015 and beyond. The net private financial flows to a significant number of developing countries have declined, reaching a low record level of US \$192 billion in year 2002, almost half the average annual levels of 1998-2000.

Increased participation of developing countries in the international financial, monetary and trade institutions and giving the developing countries a greater voice in the decision-making and norm-setting processes in these institutions would go a long way in ensuring that their concerns are duly reflected. This would contribute towards creating an enabling environment for development. In our view, the United Nations system must be allowed to play a key role in collaboration with the Bretton Wood institutions and the WTO in the management of global economic integration. The annual meetings of the ECOSOC with the Bretton Wood institutions, the WTO and the UNCTAD should evolve as an effective mechanism to address the systemic issues.

Mr. Chairman,

The debt problems faced by many low and middle-income countries continue to act as severe constraints on their ability to accelerate economic development and the achievement of the Millennium development goals. Many bilateral official creditors have provided relief to low-income countries, some even beyond the commitments made within the framework of the HIPC initiative. However, the relief provided in the case of a number of countries falls short of the level needed to achieve long-term debt sustainability and to reduce poverty significantly.

Volatility of international capital flows and instability of the exchange rates of the major international currencies have continued to render the task of managing external debt a more challenging one.

Private capital flows were once expected to be a panacea for the developing countries to get out of the debt crisis. Trends of flows over the past decade have belied this claim. Recent studies by UNCTAD show that the surges in capital flows to the developing countries had in many cases ended with financial crises, widespread debt-servicing difficulties and defaults.

We should consolidate the agreements reached at the Millennium Summit and in the Monterrey consensus on external debt and build on them to achieve a durable solution to the debt crisis of the developing countries. Reducing debt-servicing obligations will indeed increase social spending, permit higher levels of investment in productive capacity and appropriate infrastructure. Without making progress in reducing the debt burden, there is little prospect of the developing countries moving towards poverty-reduction and redoubling their efforts for attaining the Millennium Development Goals.

Mr. Chairman,

The agenda item on science and technology for development is of considerable interest to my delegation. The globalisation of the economy poses new challenges to developing countries to modernise and respond to the increasingly competitive environment. As rapid technological advancements and innovations have a significant impact on activities like agriculture, industry, environment and services, there is a growing need to evolve programmes that would aid in bringing the benefits of science and technology to social and economic development.

The Secretary General in his report has made many observations of particular relevance to the developing countries. The application of biotechnology through development of products, processes and technologies has the potential to achieve sustainable development. We share the view that biotechnology presents unique opportunity for both the developed and the developing countries and that the policies governing biotechnology should not disadvantage the developing countries. We need to move towards creating a win-win situation. In this context, we welcome the outcome of the World Summit on Sustainable Development, particularly the decision to negotiate an international regime to promote and safeguard the fair and equitable sharing of benefits arising from the utilisation of genetic resources. We call for an early implementation of this decision.

The report of the Secretary General notes in paragraph 77 that the cost of leaving some countries behind may be higher than empowering them to become players in mastering benefiting from biotechnology. The Human Development Report 2003 also says that "Technology is a motor for human development. Each country, by having access to technology, can make a vital contribution to reaching the goals. Yet the opening has, if anything, been slow, especially in the industrial sector. In the long term, this harms everyone". The report highlights the need for the developing countries to expand access to technology by tackling the key obstacles, including the lack of finance for investment in research and development.

Harnessing biotechnological tools for generation of products, processes and technologies to enhance the efficiency in productivity as well as cost-effectiveness requires not only well-directed efforts but also significant investment. The international community must also assist the developing countries in research and development activities, particularly in areas that have the potential of changing lives for the better. In this context, priority should be given to agriculture and health sectors. We also believe that the information and communication technologies offer immense potential for growth and development. We hope that the World Summit of Information Society to be held in Geneva and Tunis in 2003 and 2005 respectively

will address the critical issue of digital divide and deliberate on the ways to harnessing the potential of ICT for assisting developing countries in the efforts to achieve social and economic development goals. India looks forward to participating at the Summit and its preparatory process and to engage constructively in the deliberations to address these issues of crucial importance to the developing countries.

Mr. Chairman,

Before concluding, I would like to refer to the first international Ministerial conference on transit-transport co-operation which saw the adoption of the Almaty Programme of Action establishing a global framework for action for developing efficient transit transport systems in land-locked and transit developing countries. The implementation of the programme of action requires active co-operation among the land-locked countries, the transit developing countries and the developed country partners. We trust that the General Assembly will keep under review the implementation of the programme of action.

Thank you, Mr. Chairman.

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