

74th Session of the United Nations General Assembly

Second Committee

**Agenda Item 17: Macroeconomic Policy Questions &
Agenda Item 18: Follow-up to and implementation of the outcomes of the
International Conferences on Financing for Development**

**INDIA STATEMENT
By Siddharth Malik, First Secretary**

10 October 2019

Thank you Mr. Chair,

We would like to thank the Secretary-General for his reports under these agenda items. India associates itself with the statement delivered by the distinguished delegate of Palestine on behalf of the Group of 77.

The cluster of issues under discussion today collectively constitutes what can be called the core of the sustainable development agenda and of the Second Committee's business.

We are today, living in a complex interdependent world. In the last few years, the overall slowdown of the global economy has affected the ability of countries to implement the 2030 Agenda. Macroeconomic policies, including those related to international trade, finance, commodities and debt management are critical to support a global enabling environment for growth and achievement of Sustainable Development Goals (SDGs).

Mr. Chair,

There seems to be no doubt that the only viable and long term solution in order to achieve SDGs, is to create a sound macroeconomic environment and a robust, inclusive and sustainable economic growth. We need to ensure predictable flows of investment and resources to support countries in pursuing their developmental priorities. Our ultimate aim should be to move from “financing for development” and to achieve a stage where developing countries can themselves generate the resources they need.

We have to keep emphasizing for reformed multilateralism in international financial system, business institutions and organizations. We reiterate our support for the centrality of the WTO as the cornerstone of a rule based, open, transparent, non-discriminatory and inclusive multilateral trading system with development as the foundation of its agenda.

Mr. Chair,

An IMF study has found that developing countries face an average annual funding gap of around US \$2.6 trillion of investment in health, education, roads, electricity, water and sanitation. The need of the hour is that we have to find innovative solution to bridge the funding gap. We need more participation of the private sector and civil society in funding the development needs.

Blended finance is one of the methods to unlock private capital for developmental programs. The idea is that actors such as governments and aid agencies will underpin commercially viable solutions through removing constraints and mitigating risk. This in turn will incentivise larger scale commercial investment into development. The success of the Educate Girls Development Impact Bond (DIB), the world's first development impact bond in education in the Indian state of Rajasthan demonstrates that blended finance as a tool of financing has a brilliant future in developing countries for attaining SDGs.

Mr. Chair,

Remittances are on track to become the largest source of external financing in developing countries. The high costs of money transfers reduce the benefits of remittance. In 2018, global remittance flows were estimated to be at a record high of US\$ 689 billion of which US\$529 billion went to developing countries. According to the World Bank, the global average cost of sending \$200 remained high, at around 7% in the first quarter of 2019. We need to take constructive steps to reduce remittance costs to 3% by 2030 a global target under SDG 10.7.

Mr. Chair,

India's unique development model has made our country the fastest growing major economy of the world, growing at annual rate of over 7% for the last several years. We are making all the efforts to make India a US\$ 5 trillion economy by 2024. Since 2014, India's rank in the Ease of Doing Business has improved by 65 positions.

This has been marked by a number of key structural initiatives and a wave of reforms to build strength across macro-economic parameters for sustainable growth. The most landmark is of the introduction of one country-one Goods and Service Tax, GST in which all other indirect taxes are subsumed. Through the National Mission on Financial Inclusion (Jan Dhan Yojana), world's largest financial inclusion scheme, in last five years over 370 million new bank accounts have been opened for the poor. This has enabled the poor to receive allotments from the government's welfare programmes into their personal accounts, through Direct Benefit Transfer, which has ended waste and corruption in the system.

Mr. Chair,

Domestic Resource Mobilization in form of Tax collection is faced with traditional challenges like transfer mispricing as well as new challenges in view of income generated by the digital economy, which can easily be shifted to low-tax jurisdictions. In this regard, to strengthen the work of the UN Tax Committee, India has made its contribution to the Trust Fund for the Tax Committee.

Stepping up our cooperation with the fellow developing countries, here at UN in 2017, we established the India-UN Development Partnership Fund. A sum of US\$ 150 million has been committed for the next decade focusing on the developmental projects in LDCs, LLDCs and SIDS.

In conclusion I would like to reiterate that whether it is effective Global Partnership under SDG17, substantial Climate and Green Finance, ODA or International Tax Cooperation, or greater resources for Peace building, the international community must step up its efforts to fulfill the commitments already undertaken not as a charity but with full realization that it will be in our collective interest.

I thank you.