Mr. President,

At the outset, permit me to associate with the statement delivered by Yemen on behalf of the Group of 77.

We are happy that the 4th High-level dialogue on Financing for Development has finally been held after repeated delays. Our preference, of course, remains that this event be held either during the main session of the UN General Assembly, or along with the meeting of ECOSOC, BWIs, WTO and UNCTAD.

Such a format facilitates high-level participation in this important event. We hope that future sessions of the High-level Dialogue will be structured in that manner.

Mr. President,

The core concept of the Monterrey consensus i.e. ensuring enhanced and predictable financial resource flows for developing countries in order to assist them in pursuing their development agenda, is all the more relevant today.

As has been mentioned repeatedly, the multiple global crises have had a severe adverse impact of financing abilities of developing countries, particularly the most vulnerable amongst us.
These countries were in no way responsible for the crises, but in many ways, they have been the hardest hit. Even as we see recovery in a few countries, most developing countries continue to face the consequences of a reversal of capital flow to their countries. ODA flows have been far below commitments, private capital has flown out, access to capital markets are more limited, remittances have reduced, exports have fallen, debt repayments have become difficult, and balance of payments situations have worsened.

The consequent impact on development efforts, and on social sector investment, is evident. As a recent report of the Secretary-General notes, in most countries, the number of people living in extreme poverty has actually gone up between 1990 and 2005! This issue merits special consideration in our meeting. The subsequent crises have made the situation worse.

It is imperative that the international community makes good this loss of capital. Apart from fulfillment of ODA commitments, there is an urgent need to provide additional funding so that countries can implement appropriate countercyclical policies. Onerous conditionalities on disbursement of funds are unhelpful.

We have been urging multilateral development banks to finance infrastructure investment and investing in green and clean technologies, which are an ideal form of countercyclical activity. And we have been supportive of proposals to expand their capital bases, if necessary.

It is necessary to ensure enhanced market access of developing countries. Large agricultural subsidies by developed countries must be addressed meaningfully.

Encouragement by source countries to Foreign Direct Investment would also be useful in resuming flow of capital to the developing world.

Mr. President,

Systemic issues are the other area that deserves enhanced attention of the international community. Indeed, this is perhaps at the heart of genuine implementation of the Financing for Development process.

The need for comprehensive reform in the international financial and monetary architecture has been well recognized after the economic crisis.

India has been working with other countries, including at the G-20, to ensure that international financial institutions reflect current realities in their structure, composition and mandates.
It is crucial that institutions created at Bretton Woods have a greater voice, role and effective participation of developing countries. Membership of norm setting bodies must be more broad-based. Regulatory mechanisms must be improved.

Some progress has been made in this regard. However, much more remains to be done. We need to accelerate progress in this area.

Mr. President,

The Financing for Development process, as embodied in the Monterrey Consensus and the Doha Review Conference, is a crucial element of the global partnership for development. We must ensure its full implementation, rather than making more and more commitments.

Despite some changes in the follow-up mechanism instituted at Monterrey, it is clear that a more structured and periodic follow-up mechanism would immensely benefit this important process.

We hope that genuine progress can be made shortly in this regard.

Thank you.

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