STATEMENT BY MR. CHAITANYA PRASAD, DIRECTOR, DEPARTMENT OF ECONOMIC AFFAIRS, MINISTRY OF FINANCE AT THE SECOND REGULAR SESSION OF UNDP/UNFPA BOARD ON SEPTEMBER 09, 2009

Mr. President,

Distinguished Delegates, Ladies and Gentlemen,

Let me first express our sincere appreciation and thanks to Ms. Helen Clark, UNDP Administrator for her statement and for outlining the priorities for the UNDP.

We could not agree more with the UNDP Administrator that there is need for greater prioritization for poverty reduction efforts if the MDGs are to be realized. It is important that necessary action is initiated in this direction. Targeted interventions to poverty reduction programmes, both at macro and micro levels, would certainly be more effective. For lasting success, it is necessary that the operational activities are aligned firmly with the priorities of national governments and on the principles of national ownership and leadership. India supports and encourages UNDP to continue with its efforts towards capacity building, and achieving gender equality and empowerment of women.

Climate change is one of the most serious challenges facing the Member States, particularly the developing countries. UNDP must work in close cooperation with other UN entities to assist the developing countries to cope with this challenge.

Mr. President,

Moving forward, the expected drop in total contributions and regular resources to UNDP in 2009 and beyond, as reaffirmed in the Administrator’s report on Annual review of financial situation 2008, is a cause of concern. Development assistance is more critical than ever in these difficult times, when developing countries are facing constraints in raising their developmental expenditure. We apprehend that lack of adequate funding could hold back or even reverse the gains made so far towards the
realization of MDGs. We urge the UNDP to redouble its efforts to have enhanced access to funds, and in particular, regular resources so as to realise the goals as set out in the strategic plan.

We understand and appreciate the extraneous circumstances that forced the presentation of the biennial budget 2010-2011 to the January 2010 session. However, we expect this to remain a one time exception and not a precedent for the future.

For various reasons, the adoption of International Public Sector Accounting Standards (IPSAS) has got delayed. We hope that with full adoption of IPSAS, UNDP would be able to streamline its accountability framework and this would facilitate greater efficiency and coherence in implementation of the country programmes.

On the issue of the proposed cost classification, we are of the view that the quest for harmonization of budgetary functions among the UNDP, UNFPA and UNICEF must not lose focus of the end objective of these endeavours i.e. enhancing operational efficiency and reducing transaction costs in programme implementation at the country level. Classification of expenditure should be such that it enhances transparency and readily provides comparative information to the end user in a holistic manner in all its aspects. In this context, it needs to be carefully considered whether across the board total harmonization is possible in all aspects when each UN Fund and Programme has its own unique and distinct character.

Mr. President,

India is one of the largest contributors to the UNDP’s regular budget among the developing countries. Though the UNDP’s contribution to India’s over all development expenditure is nominal, Government of India appreciates UNDP’s contribution in areas of capacity building, programme implementation and pilot programmes in green-field activities.

Thank you, Mr. President