



**STATEMENT BY HON'BLE MR. HARIN PATHAK, MEMBER OF PARLIAMENT  
AND MEMBER OF THE INDIAN DELEGATION ON  
AGENDA ITEM 55: GROUP OF COUNTRIES IN SPECIAL SITUATIONS  
(A) THIRD UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED  
COUNTRIES; (B) SPECIFIC ACTIONS RELATED TO THE PARTICULAR NEEDS  
AND PROBLEMS OF LANDLOCKED DEVELOPING COUNTRIES; OUTCOME  
OF THE INTERNATIONAL MINISTERIAL CONFERENCE OF LANDLOCKED  
AND TRANSIT DEVELOPING COUNTRIES AND DONOR COUNTRIES AND  
INTERNATIONAL FINANCIAL AND DEVELOPMENT INSTITUTIONS ON  
TRANSIT TRANSPORT COOPERATION AT THE SECOND COMMITTEE OF  
THE 60<sup>TH</sup> SESSION OF THE UN GENERAL ASSEMBLY  
ON NOVEMBER 10, 2005**

Mr. Chairman,

We thank the Secretary-General for his reports on the agenda item under consideration today. We would also like to associate ourselves with the statement made by the distinguished representative of Jamaica on behalf of the Group of 77.

Mr. Chairman,

The Almaty Programme of Action establishes a global framework for developing efficient transit transport systems in landlocked and transit developing countries. It recognises the fact that for meaningful and viable solutions to the transport problems of landlocked developing countries, it would be necessary to address the constraints and challenges faced by their transit developing countries in a holistic and integrated manner. Building of roads, railways and ports as well as maintaining physical infrastructure involves high costs. Hence, the implementation of the Almaty Programme of Action will require active cooperation amongst landlocked developing countries, transit developing countries and the developed country partners. Hence also the continued need for the international community and the donor countries to commit additional financial resources and technical assistance for capacity building in physical infrastructure. We trust that the General Assembly will keep the implementation of the Almaty Programme of Action under review.

While transit developing countries face many challenges, they take on additional costs of providing transit transport facilities to landlocked countries even when areas in their own countries remain as remote from the sea as those of landlocked countries. The transit developing countries undertake this in a spirit of co-operation and friendship. India enjoys close and historical links with both its landlocked neighbours, Bhutan and Nepal. India accords the highest priority to enhancing its friendly and good neighbourly relations with them, including through the strengthening of trade relations and cooperation on transit transport issues. The result is evident. The largest share of foreign investment in one of our land-locked neighbours is from India; and, as per the UNCTAD Secretariat report, the transport costs for one of the landlocked neighbours is only 4.9% - about one third the average for landlocked countries and half of that for developing countries.

The 1995 Agreement on Trade and Commerce between India and Bhutan continues to provide to Bhutan free third country exports and imports, without subjecting them to Indian customs duties. A Treaty of Transit, valid for seven years, was signed between India and Nepal in January 1999. The Treaty has considerably improved and simplified the procedures for transit of Nepalese cargo through Indian territory.

Mr. Chairman,

The Brussels Programme of Action provides the framework for addressing the multifarious challenges confronting Least Developed Countries [LDCs]. Reports considered in the preparatory process for the 2005 World Summit indicate that broad improvement in human welfare will not occur unless poor people receive wider access to affordable and better quality services in health, education, water, sanitation and electricity. These factors will inevitably impact the efforts of LDCs in reaching the Brussels goals by 2010 and, consequently, in reaching the Millennium Development Goals by 2015. The development partners thus need to move vigorously in supporting the efforts of LDCs and other developing countries in achieving higher growth rates, improving service delivery and reducing poverty with more and better aid, debt relief and improved market access.

The debt problems faced by many low and middle-income countries severely affect their capacity to accelerate economic development. Finding a durable solution to the debt problem would result in reducing debt-servicing obligations and thereby enable increases in social spending. India has demonstrated its commitment to help LDCs in reducing their external debt burden by writing off the debt owed by seven Highly Indebted Poor Countries [HIPC] who had reached their 'decision points'. We welcome the recent G-8 initiative on irrevocable debt cancellation for the HIPC countries. It is essential to ensure that the commitments to provide additional resources are implemented without delay.

The Brussels Programme of Action recognises the importance of mobilising domestic resources in financing the development needs of LDCs. We share the view that domestic resources should be made the foundation for development to be self-sustaining. Some countries have evolved strong institutions; others are still in the process of doing so and this

affects their capacity to mobilise resources. Therefore, a 'one size fits all' approach for all LDCs is not practical and is unlikely to succeed. Accordingly, capacity building in developing countries should be accorded priority. International organisations can play an important role in this area by providing replicable models and information, which would help LDCs in building national capacity for domestic resource mobilisation.

Good governance at the international level is as essential as at the national level. The problems of sub-Saharan Africa amply demonstrate the systemic impact of liberalisation and the policies of international economic institutions. Efforts at domestic resource mobilisation need a supportive international environment that is stable, predictable, and characterised by non-discriminatory trading, monetary and financial systems. Foreign Direct Investment flows, unlike portfolio investments, are a more stable source of investment as they influence capital transfer, share knowledge and technology, enhance skills and create employment opportunities. Greater efforts are required to assist LDCs and other developing economies in capacity-building, particularly in setting up the requisite institutional framework to help prioritise the sources and destination and to attract, evaluate and facilitate, foreign investment inflows.

ODA can play an important role in catalysing private investment in countries that are not receiving significant private flows. However, ODA continues to remain at a low level. As per recent estimates, actual ODA disbursements are more than a third short of the agreed target for LDCs. Hence, the need for new and additional commitments. We support the efforts to strengthen and ensure national ownership of development assistance programmes and a clear recipient-driven strategy for sustainable development. Wherever appropriate, aid should help promote greater foreign and domestic private investments consistent with national priorities for sustainable development.

The Brussels Programme of Action also recognises the role of trade in growth and development of LDCs. We welcome the steps taken by some development partners to open up their markets to exports from LDCs. There is also a need to help LDCs build capacity in manufacturing and other sectors, to enable them to eventually diversify away from dependence on commodity exports. The expansion in trade between LDCs and other developing countries has been significant in recent years. The share of LDC exports to other developing countries reached 34 percent in 2002, an increase of 20 percent in less than 15 years. The share of other developing countries in LDC imports increased during the same period by almost 25 per cent and reached 56 percent. These figures are an eloquent testimony to the potential for enhanced South-South cooperation. The launching of the third round of negotiations for the Global System of Trade Preferences holds promise in terms of immensely benefiting both LDCs and other developing countries.

Mr. Chairman,

India has constantly tried to increase mutually beneficial economic cooperation with all LDCs in general, and with those in our extended neighbourhood, in particular. We have had a programme of economic and technical cooperation for more than four decades, involving the training of many nationals from these countries in Indian institutions and the

dispatch of Indian experts in identified areas to them. In our neighbourhood, we have undertaken major development projects such as a modern hospital in Maldives, hydro-electric projects in Bhutan and a road project in Myanmar. Africa has always been a high priority for our technical cooperation programme, and this will continue.

Thank you Mr. Chairman

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