



STATEMENT BY MR. C.K. CHANDRAPPAN, MEMBER OF PARLIAMENT AND MEMBER OF THE INDIAN DELEGATION AT THE GENERAL DEBAT - SECND COMMITTEE OF THE 61<sup>ST</sup> SESSION OF THE UN GENERAL ASSEMBLY ON OCTOBER 02, 2006

Madam Chairperson,

My delegation congratulates you and other members of the Bureau on your election. I would like to assure you of my delegation's cooperation in the work of the Second Committee. We associate ourselves with the statement made by the Permanent Representative of South Africa as Chairman of the Group of 77.

We would like to express our appreciation for the statement made at the beginning of this debate by the Under-Secretary-General for Economic and Social Affairs, Mr. Jose Antonio Ocampo, and for sharing with us his insight on the world economic situation and prospects.

Madam Chairperson,

The World Economic Situation and Prospects 2006 report brings out that global economic growth slowed noticeably in 2005 from the strong expansion in 2004. It is expected to grow at a moderate pace of about 3% during 2006, and widening global imbalances and high oil prices constitute downside risks. The pattern of net transfer of resources from developed to developing countries has lasted for about ten years, rising steadily from US \$ 8 billion in 1997 to US \$ 483 billion in 2005. Even though net transfers to sub-Saharan Africa are still positive, the magnitude of these transfers is on the decline, reaching US \$ 2 billion in 2005, down from US \$ 7.5 billion in 1997. International income inequality that continued to rise strongly from an already high-level and the world economic social survey 2006 has concluded that failure to redress the tendency towards growing global inequality could have wide-ranging consequences for human development.

The mobilisation of additional financial resources to assist developing countries in achieving the Millennium Development Goals continues to remain a major challenge and the current impasse in the Doha round of trade negotiations is a cause of concern. Even though the aggregate ODA reached a record high of US 106 billion in 2005, only a small fraction of this nominal increase actually

represented a flow of additional finance to the countries that need them most. The MDGs cannot be achieved without implementing the 0.7% ODA target in a time bound manner, innovative financing, deeper debt relief and enhanced market access. We support efforts extended to low-income countries, including those in Africa, where debt burdens pose serious constraints to the attainment of MDGs. As the proposals for innovative sources of financing reach maturity, establishment of robust and efficient mechanisms to track ODA flows would become vital, more so in the context of recent debt relief initiative. What is needed is to strengthen the existing mechanisms, and to consider establishing new mechanisms to monitor review and follow up of the implementation of all the commitments, as stipulated in the development follow-up resolution adopted by the General Assembly this July.

Madam Chairperson,

Trade can stimulate growth. In this context, realization of the development imperatives of the Doha development agenda, the July Framework, and the Hong Kong Ministerial Declaration is imperative. Proportionately lower overall tariff reduction commitments and operable and effective development instruments of Special Products and Special Safeguard Mechanism are the essential components of securing food security, livelihood security and the rural development needs of developing countries. In the absence of elimination of trade distorting domestic support and export subsidies in the agricultural sector by the developed countries and non-agricultural market access, import liberalization by developing countries will only lead to domestic demand constraint and industrial recession. The overarching principle of special and differential treatment, therefore, remains a categorical imperative. A systematic effort and demonstration of considerable political will are essential, if the negotiations are to be saved.

The growth successes and collapses have tended to cluster around specific time periods; it is unlikely that domestic factors alone can explain a pattern common to many countries at the same time. Poverty and conflicts are not simply a legacy of the colonial past, but epiphenomena of the policies of the international financial institutions. It is no coincidence that several countries have rejected the prescriptions meted out by the Bretton Woods institutions [BWIs]. Governance at the international level is as important as governance at the domestic level. The BWIs must remain steadfast in their mission for a world free of poverty and their policies must remain development oriented. Addressing the democratic deficit in the governance structures of the BWIs remains a necessity. The 2005 World Summit reaffirmed the fundamental role of the United Nations in promoting international cooperation for development and system-wide coordination of policies of the UN system. The UN should encourage the BWIs to take further and immediate steps to initiate the second stage of IMF quota reform, involving a basic revision of the quota formula and subsequently increasing the quota for all under-represented countries.

Madam Chairperson,

We welcome the proposal for intensifying global development partnership for helping Africa. India has an extensive bilateral programme of economic and technological cooperation with Africa including lines of credit that also encompass the vital areas of infrastructure, education and public health. We support greater efforts through the UN system for assisting the efforts of countries in Africa as well as for addressing the special needs of Least Developed Countries, Landlocked Developing Countries and the Small Island Developing Countries.

Madam Chairperson,

Environmental protection remains a major challenge for developing countries. Concrete efforts are needed to provide new and additional resources as well as to ensure transfer of environmentally sound technologies on concessional and preferential terms to developing countries, within the common and differentiated responsibilities paradigm.

Madam Chairperson,

The Secretary-General has emphasized, in his annual report on the work of the Organisation, that 2006 must be the year of implementation. We agree with him. We hope that the deliberation of the Second Committee will help us in identifying areas of cooperative action and moving forward the implementation of the development agenda.

Thank you, Madam Chairperson.

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