



Statement by Shri E.Ahamed, Minister of State for External Affairs, at the Plenary Session of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus at Doha on November 30, 2008

**Mr. President,
Excellencies,
Ladies and Gentlemen,**

At the outset, I would like to thank His Highness the Emir and the Government of Qatar for the warm hospitality extended to us and for the excellent arrangements made in hosting this very important Conference.

I would also like to express my appreciation for the UN Secretary General, the President of the General Assembly and their teams.

Mr President

We are grateful for the words of sympathy and solidarity that many of you have expressed for my country in the wake of the dastardly terrorist attack on Mumbai.

These attacks were well orchestrated and well planned. This is not possible without a strong institutional and financial support from outside.

I hope that this conference will send out a strong message that not only the perpetrators but also the organisers, financiers and supporters of terrorism will be brought to justice urgently.

We would also urge an urgent adoption of the Comprehensive Convention on International Terrorism that has been pending for long at the UN.

Stamping out terrorism is also essential for social cohesion and safety and security in all our societies. These are, in-fact, essential preconditions for development.

Mr President,

In 2002 at Monterrey, we made a renewed commitment of ensuring predictable and additional financing to developing countries for their development efforts.

Today at the half-way mark to our target date of 2015, it is clear that many developing countries, and the world as a whole, will not be able to achieve the Millennium Development and other Internationally Agreed Goals.

The main reason is the lack of delivery on the global partnership.

There has been a drop from 0.31% of gross national income in 2006 to 0.28% in 2007, far less than the commitment of 0.7% of GNI made over 30 years ago.

OECD figures also show a disappointing drop in total development assistance by 8.4% in real terms in 2007, on top of a 5.1% drop in 2006.

It is high time that we stop making commitments after commitments and instead deliver on commitments.

Mr. President,

Our Conference is extremely timely given the magnitude of the financial and economic crisis that we are facing today.

Developing countries were not the cause of the financial crisis, but may become its worst victims.

The choking of normal credit will lead to lower capital flows and foreign direct investment to developing countries. Their export abilities will also be hit.

Much of the world's growth in the past several years has been due to growth in developing countries and any slowdown of this growth would have serious consequences for the world economy.

If we are to prevent a slide back and ensure that Millennium Development Goals are achieved, developed countries will have to see that FDI, trade and infrastructure development in developing countries is not slowed down.

Mr. President,

International private capital flows to developing countries have increased since Monterrey though we should remember that there continues to be a net outflow of

resources from developing to developed countries with the figure having reached almost US\$ 800 billion in 2007.

Given today's financial turmoil, more intensive efforts have to be made to ensure that capital flows to developing countries, including private flows, do not shrink. In these circumstances, ODA would have a more important role in development financing and there is an urgent need to scale up ODA.

There is also an imperative to put in place counter-cyclical policies by promoting infrastructure investment and investing in green and clean technologies.

"Investment in infrastructure is today perhaps the best signal for reviving private investment, including FDI, tomorrow" is what our Prime Minister, Dr. Manmohan Singh, recently noted.

The World Bank, International Finance Corporation and regional development banks have a special role in this.

Our focus must also be on ensuring that developing countries enjoy the proper economic and policy space to allow them to grow rapidly, unfettered by conditionalities.

We must guard against protectionist tendencies and erection of trade and economic barriers.

The global partnership should assist in capacity and institution building as well as transfer of technology.

Mr. President,

Our efforts to use trade as a catalyst for promoting development must yield results that ensure that development is at the heart of the outcome.

For India, the livelihood interest of millions of our vulnerable subsistence farmers is of critical importance.

Mr President,

As we meet here the UN Framework Convention on Climate Change is convening in Poznan.

It is important that the negotiations under the UNFCCC respect the principle of common but differentiated responsibilities in letter and spirit and move towards an ambitious and equitable outcome.

The outcome should recognise an equal right for all to the global resource of the atmosphere. Developing countries must be able to give their people a better life and cope with their huge adaptation needs.

The developed countries must deliver on their green-house gases reduction commitments. They must also commit support for developing countries with capacity building, technology and new and additional finance for addressing climate challenges without detracting from development finance commitments.

Mr President,

The current economic crisis has brought about a clear recognition of the mismatch between the realities of today and the existing global architecture of international governance.

The institutions created at Bretton Woods must have a greater voice, role and effective participation of developing countries reflecting current realities. We welcome the moves initiated in this direction.

And, at the United Nations, too, the democracy deficit is no longer sustainable.

This requires genuine reform of the Security Council, which must encompass expansion in both permanent and non-permanent categories of membership reflecting contemporary realities.

Mr. President,

At this half-way stage to the target date for the Millennium Development Goals, we must ensure their attainment across the globe.

The response to the current economic and financial crisis, which threatens to roll-back some of the hard-won development gains in developing countries, has shown that with the requisite political will, the world has tremendous capacity to mobilize large resources at short notice.

We hope that at this Conference we will witness the same zeal of galvanized action for the good of all humankind.

Thank you.

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