

**STATEMENT BY H.E. MR. JAYANT SINHA, HON'BLE MINISTER OF STATE FOR
FINANCE AT THE PLENARY MEETING OF THE 3RD INTERNATIONAL
CONFERENCE ON FINANCING FOR DEVELOPMENT IN ADDIS ABABA, ETHIOPIA
ON JULY 15, 2015**

Mr. President,

Excellencies, Ladies and Gentlemen,

It is a distinct honor for me to participate in this landmark Conference.

Allow me first and foremost, to thank the Government and people of Ethiopia for graciously hosting this landmark Conference in the beautiful city of Addis Ababa.

As the first Conference on Financing for Development to be held on the soil of Africa, this Conference is imbued with historic symbolism.

As we renew our faith in multilateralism to chart a collective path towards making poverty a history and achieving shared prosperity for all, there could be no better venue than Africa-the cradle of humankind and the torchbearer for the future.

In the interest of time, my full statement is being distributed.

Mr. President,

Apart from the historic symbolism of its venue, this Conference also comes at an opportune time.

We are at the cusp of the dawn of a new era when it comes to development policy and international development cooperation. As we turn over from the Millennium Development Goals (MDGs) to the Sustainable Development Goals (SDGs) as part of a new post-2015 development agenda in September this year, we will accomplish yet another important milestone in multilateralism.

The global development agenda under the SDGs reflects a new approach from quick fixes to long term solutions, from limited interventions to broad-based programs and from symptoms to root causes.

The proposed SDGs have an excellent mix of ambition, scope and depth.

The *raison d'etre* of the FfD process - of ensuring enhanced and predictable flows of finance and resources to assist developing countries in pursuing their development priorities – is even more relevant today, 13 years after Monterrey.

The need for a supportive international economic environment, enhanced investment flows, a supportive multilateral trade regime and a strengthened framework for transfer of technology has never been greater to foster and sustain economic growth, eradicate poverty and promote sustainable development

Mr. President,

The world has seen remarkable progress in the period since the first Financing for Development Conference in Monterrey. Yet, some realities unfortunately have not changed.

Poverty remains the greatest global challenge and a collective blot for humanity.

The needs and requirements of more than a billion of the most destitute must remain our top-most priority. To be successful, this Conference must make a meaningful contribution to their lives as soon as possible.

Mr. President,

Our record of action since Monterrey has been mixed.

To make matters worse, the multiple global crises of the past several years have had a deleterious impact on the ability of developing countries to mobilize finance for their development aspirations. Their capacities have been further eroded by the widening gap and reversal of capital flows and stagnating, if not falling, aid disbursements.

We can and must do better.

Our vision here in Addis Ababa must be to go beyond merely 'financing for development' and aim at 'making development happen'.

Our enhanced ambition on development finance must be coupled with a genuine effort at creating a global system conducive to development itself.

Our ultimate aim must be a world in which developing countries can generate the resources they need themselves.

To do this **Mr. President**, we must recognize that sustained economic growth is the surest solution to development.

As our experience of the MDGs shows, the new agenda will be attained only if we are able to ensure robust and sustained inclusive economic growth in developing countries.

We must therefore place equal emphasis on policies and actions leading to acceleration of economic growth at the national and international levels.

Mr. President,

The stagnating levels of aid are a matter of concern, particularly as the world commits to an ambitious Post-2015 Development Agenda. We need to urgently scale up the delivery of aid from developed countries to where it is most needed, with special attention to the Least Developed Countries.

Increased public support to climate change must be new, predictable and additional and not at the cost of assistance to the poorest developing countries and to social sectors like health and education.

South-South Cooperation has played an increasingly important role and contribution made by in the global development discourse. India has played a small but important part in this story. For us,

cooperation with and support to fellow developing countries and sharing our developmental experience as an expression of solidarity with them is an article of faith.

And we believe that it has been able to make the desired impact and contribution because it has been allowed to grow so far on its own terms and on its own principles. Attempts to prescribe templates and standards on its sui generis nature may not necessarily result in desired results.

On its part, India is fully committed to increasing its support to other developing countries in the spirit of solidarity that underpins South-South Cooperation.

Mr. President,

The reform of the international financial system to make it more democratic and representative and more responsive to the needs and interests of developing countries must be pursued with greater vigor.

For our collective aspirations for a transformative development agenda to be realized, the international financial system needs to ensure a substantial augmentation of net financial flows to developing countries.

This needs to be done in a manner that such flows are stable and available for long term financing needs of developing countries. The international financial system also needs to incentivize long term investments in sustainable development.

Policy coherence must mean that our actions must be balanced across the economic, social and environmental dimensions, not exclusively focused on one of them.

Policy coherence also has a geo-spatial dimension, whereby developing countries must have the requisite policy space to pursue their development objectives even as developed countries take the visible lead in addressing climate change and environmental concerns.

Mr. President,

We are happy that the outcome document of this Conference has reaffirmed the Rio principles on Environment and Development in particular the principle of common but differentiated responsibilities.

Anchoring as it does a development agenda that is universal in scope and differentiated in action, this principle remains a vital underpinning for international cooperation in the post-2015 period.

Mr. President,

In anchoring a 'dedicated yet integrated' mechanism for the follow-up and review of Financing for Development outcomes and the means of implementation commitments of the SDGs, this Conference is making a welcome advance and heralds a new era. The proposed annual Forum under ECOSOC for this purpose would in our view be a useful mechanism to keep our actions under review, which in turn would lead to better implementation.

We have long maintained that technology cooperation should be seen as a win-win proposition. We are also happy therefore that in this Conference, we are taking a decision to establish a Technology Facilitation Mechanism to enhance technology cooperation for the achievement of the SDGs.

Mr. President,

We are deeply disappointed however that the spirit of multilateralism and universality did not go far enough when it came to global discussions on key issues like taxation.

In today's interconnected world, tax policy is a global public good, with ramifications far beyond national borders. We cannot expect countries to generate more tax revenues while stopping short of reforming international cooperation on tax matters.

Greater information exchange is good, but not a substitute for genuine and equitable multilateralism in deciding global norms and standards on taxation.

If this is truly a universal agenda, then all of us must have an equal seat at the table to legislate on global issues.

The lack of an ambitious decision on upgrading the UN Committee of Experts on international cooperation on tax matters into an intergovernmental body, in our view, is a historic missed opportunity.

We remain hopeful that the Committee of Experts on tax matters will be upgraded, sooner rather than later, into a full-fledged intergovernmental body with full and equitable participation of developing countries.

Mr. President,

India's unique development model has made our country one of the fastest growing economies in the world.

The combination of a large market driven economy with enhanced investments in public goods such as education, health and basic infrastructure largely through domestic resources, has led to a stable and sustainable growth trajectory. It has helped India reduce mass poverty, malnutrition, reduce illiteracy and empower women. The country has been able to unleash the energy of its youthful population as a positive force for transformation.

While there remain many challenges, India's development model - a combination of a liberal democracy and an open economy - will hopefully be a beacon of hope for other poor countries.

Mr. President,

Major economic priorities for our Government are fiscal federalism, universal social security, higher agricultural productivity, investment in public infrastructure, and the "*Make in India*" program.

Ours is one of the youngest nations in the world, with more than 54% of total population below 25 years of age. We recognize skill development and vocational training as the most important policy response to meet the requirements of the growing economy and to create a trained workforce for better quality jobs.

We have also launched an ambitious *Skill India* programme to impart the necessary skills to Indian youth to meet the needs of a rapidly growing and industrializing economy.

Financial Inclusion is another priority for the Indian Government. Under the *Pradhan Mantri Jan Dhan Yojana (PMJDY)* - a National Mission on Financial Inclusion, a record number of over 160 million new bank accounts have been opened in less than a year's time. Today every Indian family

Mr President,

On July 1st this year, Prime Minister Modi launched an ambitious '*Digital India*' Mission which aims to create a digitally empowered society and knowledge economy.

Innovation and entrepreneurship are key drivers of growth. Government's recent initiative of the *Atal Innovation Mission (AIM)* proposes to further boost our vibrant entrepreneurial eco-system. Our innovations are producing wave after wave of innovations that will benefit India and the world.

Mr. President,

The developmental vision endorsed by the international community under the SDGs is remarkably similar to the one articulated by the Indian Government under Prime Minister Modi.

In fact, one can easily find parallels for almost each of the SDGs in one or more initiatives for development taken by the new Indian government.

This is not merely a happy coincidence, it is a necessary one.

India's efforts in eliminating poverty and promoting sustainable development will be an important contribution to our collective success. The world can count on India and we also look forward to the support of the international community for assisting the endeavors of India and other developing countries.

Mr President, Excellencies, Ladies and Gentlemen,

Today, we have an opportunity to define the future of not just our countries but the world at large.

Coming from the largest democracy in the World, the philosophy that animates us in India is that of '**Antyodaya**' or the up-liftment of the poorest of the poor.

We hope that the same vision - of ensuring the welfare and prosperity of those at the bottom of the pyramid - will continue to inspire all of us in fulfilling the commitments we are making in this Conference.

I thank you.
