

**Finance Minister's intervention statement on Development Agenda
(Infrastructure and Food Security) for G20 Development and Finance
Ministers' Meeting on 23rd September 2011**

Dear Colleagues,

First of all, I would like to congratulate French Presidency for organizing this event involving all the Finance and Development Ministers of the G20 to deliberate on a very crucial and extremely important global issue relating to infrastructure, food security, development and climate financing as being both timely and relevant. The G 20 Development Action Plan is a multi-year one. We are deeply appreciative of the focus given by the French Presidency to the two critical pillars of infrastructure and food security pillars.

In this regard, India has along being pushing for financing of infrastructure in emerging market countries as a special area of emphasis within the Seoul Development Agenda. In his speech at Seoul, our PM had underscored that recycling surplus savings arising out of global imbalances into investment in developing countries for infrastructure and development on a large scale was the best way of rebalancing global demand.

We feel that MDBs and RDBs have a major intermediation role in this regard. While the G20 has trebled the resources available with the IMF over the past few years, commensurate ambition has not been forthcoming in the case of the World Bank. While we appreciate the need to focus on stability issues, additional resources for MDBs are also necessary for sustaining growth in developing countries and rebalancing global demand. At present very little funding is available with MDBs relative to the large requirements of EMDCs.

We recognize that increasing agriculture production and productivity on a sustainable basis is the only long term solution to the problems of adequate foodgrain availability as well as high prices of food commodities. Sustainable productivity, better market, information that improves transmission of market signals, more open trade, and sustained investment are vital to boost agricultural growth.

There are no doubt sharp differences of opinion on what is driving the spike and volatility in commodity prices. However, it does seem odd that prices should be rising at a time when there is such uncertainty regarding the global recovery and growth. The issue of excessive financialization of commodity markets that can hurt the real economy through high and volatile input prices and increasing food insecurity needs to be addressed strongly by the G20.

Thank You.

**Finance Minister's intervention statement on Development and Climate
Financing for G20 Development and Finance Ministers' Meeting on 23rd
September 2011**

Dear Colleagues,

India is keenly awaiting the final report by Bill Gates on financing for development which we hope would suggest ways of raising additional resources.

For meeting climate change finance requirements, the Seoul Declaration underscored that global actions on climate change should be consistent with the policies and actions envisaged in the UN Framework Convention on Climate Change (UNFCCC). In this regard, as G 20 Finance Ministers of G-20, we should recognize that while addressing climate change requires, inter alia, economic solutions, and as such we may need to discuss various options in this regard, such solutions should ultimately feed into the UNFCCC process.

India believes that the design of the innovative measures and the new carbon related instruments should ensure that the flows take place from developed to developing countries in accordance with the principles and provisions of the UNFCCC. International levies on shipping and aviation emissions should be included in the list of possible options for revenue raising only if a mechanism for refund of the revenues collected from developing countries is instituted and the collections refunded to developing countries. The refund should not be treated as climate change finance flow or a contribution of developing countries to global revenue mobilization. We also feel that the flow of finance leveraged by the international financial institutions or the MDBs should be counted towards the overall target only if there is a net additional infusion of capital by developed countries to the

capital base of the MDBs/IFIs. The grant or concessional portion of the loans advanced by the MDBs on the basis of such new capital only should be counted as the new and additional finance for climate change. India believes that some of the measures like Carbon export optimization tax and levy on CDM/offsets violate the principle of Convention as their incidence falls entirely on developing countries and these cannot be recognized as a source of new and additional finance for climate change.

To conclude, I thank the French Presidency for the excellent arrangements made for organization of this conference. There is a lot of responsibility cast on us collectively and individually. I am confident that the current momentum of cooperation would be maintained and we would be able to deliver against the commitments made in the Plan.

Thank you.