

Interventions by INDIA on Agenda Item 3(a) – Macroeconomic Policy, Poverty Reduction and Inclusive Development

E/ESCAP/69/3, Section I	Sub-programme Overview : Issues and Challenges related to inclusive and sustainable economic and social development in Asia and the Pacific
E/ESCAP/69/4	Summary of progress in the implementation of Commission resolutions (Res. 67/1 and 68/2)
E/ESCAP/69/5	Report of the Governing Council of the Centre of the Alleviation of Poverty through Sustainable Agriculture on its ninth session

Mr. Chairman,

We thank the MPDD Division for the analysis work carried by it, including on the ESCAP's flagship publication – the 2013 Economic & Social Survey on the theme of "Forward Looking Macroeconomic Policies for Inclusive and Sustainable Development".

The importance of forward-looking macroeconomic policies that promote sustainable development and lead to sustained, inclusive and equitable economic growth has been recognized by the world leaders in the outcome document of United Nations Conference on Sustainable Development (Rio+20), which was held in Rio de Janeiro, Brazil, from 20 to 22 June 2012.

Mr. Chairman,

The words of our Prime Minister, which are also echoed in the Survey on what inclusive and sustainable development means to the world, and I quote "We have to summon the imagination to balance the costs that we will incur in the present with the benefits that will accrue to future generations".

It is in this direction that India's Twelfth Five Year Plan has more inclusive and sustainable growth as its core objective. Through planned economic development, India aims to attain economic growth and poverty alleviation, and do so in a sustainable manner. Keeping this in mind, and also because natural capital is an important component to planned investment in achieving development goals, India's Twelfth Five Year Plan has, for the first time, mainstreamed sustainability as its primary goal.

The 2013 Survey provides six key areas for countries to orient their public investments for sustainable development i.e. (i) employment for all; (ii) income security for the elderly; (iii) income security for persons with disabilities; (iv) health for all; (v) education for all; and (vi) energy access for all.

Countries in the region face serious challenges of economic growth slowdown containing high inflationary pressures. In India, we have started to ease monetary policy

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to support private investment and growth by reducing the cash reserve ratio of scheduled banks & policy rate cut to add liquidity in the banking system and enhance the availability of credit to the private sector.

Mr. Chairman,

Due to global recession the GDP had declined but signs of recovery are visible due to various factors and economic policies of Government of India. In this regard, in September 2012, the Government introduced reforms to boost investment, including allowing foreign investment in multibrand retail, civil aviation and broadcasting services. It also partially phased out fuel subsidies and adopted a five-year roadmap for fiscal consolidation. The ceiling on FDI in the insurance and pension sectors has also been raised.

It is our considered view that Poverty reduction and economic growth can be sustained only if natural resources are managed on a sustainable basis. A significant segment of India's population, particularly the rural poor, depend on natural resources for subsistence and livelihoods. There is an urgent need for conservation and regeneration of eco-systems and the natural resource base. The major schemes being implemented by Government of India namely, MGNREGA, IWDP, NRLM, PMGSY can potentially make a significant contribution to sustaining natural resources and ecosystem.

* *Vast majority of works under MGNREGA are linked to water and soil and conservation. The list of 'permissible' works provide environmental services such as conservation of water, ground water recharge, reduced soil erosion, increased soil fertility, conservation of bio-diversity reclamation of degraded land etc. Preliminary findings of research studies indicates that MGNREGA works have led to a rise in groundwater, improvement in soil quality and reduction in vulnerability of reduction systems to climate variability (by strengthening livelihood & Water security).*

* *The Integrated Watershed Development Programme (IWDP) aims to restore ecological balance in the watershed by harnessing, conserving and developing degraded natural resources such as soil, water and vegetative cover and thereby help providesustainable livelihoods to the local people.*

* *Under NRLM (Aajeevika National Rural Livelihood Mission) the guidelines for non-timber forest produce-based livelihoods under the MahilaKisanSashaktikaranPariyojana (MKSP) identify regeneration and sustainable harvesting of NTFP species as key objectives; similarly, promotion of organic and low-chemical agriculture and increased soil health and fertility to sustain agriculture-based*

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livelihoods is an objective under the sustainable agriculture component of MKSP; increased availability of green inputs and advisory services to farmers and livestock herders and use of renewable-based energy services for processing activities have immense potential for green outcomes.

** PMGSY road connectivity has led to a better all weather transport system as well as created a trigger for accelerated economic activity.*

** The PMGSY (PradhanMantri Gram SadakYojna) roads had a positive impact on the agricultural infrastructure as habitations are now using motorized equipmentssush as tractors, threshing machines for cultivation leading to a more efficient, time saving and profitable process of cultivation.*

** The PMGSY roads have made it easier to transport chemical fertilizers, seeds and pesticides.*