

Global Development Compact

Why In News

- In a significant step toward strengthening the ties between Global South nations, Prime Minister Narendra Modi has proposed the creation of a comprehensive “**Global Development Compact.**” Announced during the closing session of the **Voice of Global South Summit**, this initiative seeks to foster human-centric, **multi-dimensional, and multi-sectoral development** across the Global South, grounded in India’s experiences and development journey.

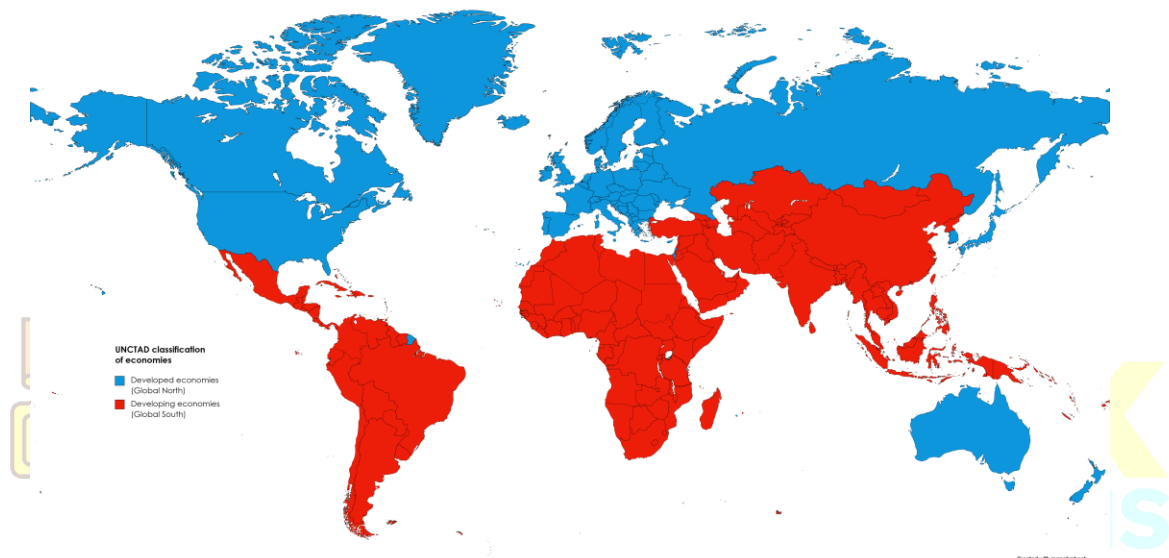


A Vision For The Global South

- **Global Development Compact**, as envisioned by Prime Minister Modi, aims to provide **development assistance** without the burden of debt that often accompanies traditional finance mechanisms.



- The focus will be on sustainable, balanced development, catering to the needs and **priorities set by the countries** of the Global South themselves.
- This approach is a departure from the conventional models of development finance, which can lead to significant financial stress for recipient countries.
- Under this compact, India plans to focus on several key areas, including trade for development, **capacity building for sustainable growth, technology sharing**, project-specific concessional finance, and grants.
- These initiatives are designed to help Global South nations achieve their development goals in a manner that is both equitable and sustainable.



Creation Of A US\$2.5 Million Fund

- To support the goals of the **Global Development Compact**, Prime Minister Modi in his closing remarks announced the creation of a special fund of US\$2.5 million.
- This fund will be used **to boost trade promotion activities**, a crucial aspect of the compact's framework. India will also provide training in trade policy and trade negotiations to build capacity in these areas, allocating an additional US\$1 million for this purpose.
- India's commitment to the Global South is further demonstrated by its participation in the SDG Stimulus Leaders Group.



- This group focuses on **addressing financial stress** and development funding challenges in countries across the Global South, ensuring that the compact's vision is realized in practical terms.



Focus On Health And Agriculture

- **Health and agriculture** are among the priority areas identified under the Global Development Compact. Prime Minister Modi highlighted India's role in making affordable **and effective generic medicines** available to Global South nations. Furthermore, India will provide support for the training of **drug regulators**, **ensuring** that these countries can maintain high standards in their healthcare systems.



- In agriculture, India plans to share its experiences and technology in “**natural farming,**” a **sustainable agricultural practice** that can contribute to food security and environmental protection. This initiative aligns with the broader goals of the compact, which emphasize sustainability and self-reliance in key sectors.



Addressing Global Challenges

- External Affairs Minister S Jaishankar, in his remarks during the summit, emphasized the need for strengthening economic resilience, **addressing climate change, revitalizing multilateralism,** and democratizing digital transformations. These themes are crucial for achieving **the Sustainable Development Goals (SDGs)** and advancing global progress, particularly for nations in the Global South.



- Jaishankar underscored the importance of reliable and resilient supply chains, a lesson learned **from the COVID-19 pandemic** and other global crises. He also highlighted the need for diversification in production to reduce risks in the international economy.



- On climate change, Jaishankar called for collective action among Global South nations to **secure low-cost financing and access to critical technologies**. He noted that during India's G20 Presidency, the country worked to highlight the importance of Just **Energy Transitions**, a concept that seeks to balance environmental goals with economic and social needs.

Revitalizing Multilateralism

- Jaishankar also addressed the challenges facing multilateral organizations, noting their **obsolescence and polarization** in the face of global crises. He advocated for reformed multilateralism and the reform of Multilateral Development **Banks, emphasizing the need** for the Global South to make its case for change.

Looking Ahead

- As the summit concluded, Prime Minister Modi urged the **Global South to continue working together** to address common challenges. He highlighted the upcoming UN Summit of the Future as an important platform for Global South nations to raise their issues and push for inclusive global governance.



- In proposing the **Global Development Compact**, India is positioning itself as a leader in fostering cooperation and sustainable development across the Global South.
- With a focus on **human-centric development** and a commitment to addressing the unique challenges faced by these nations, the compact represents a significant step forward in advancing global progress and ensuring a more equitable world.