

**10th Session of the Open Working Group on Sustainable Development Goals
31 March - 04 April, 2014**

Cluster 1: Poverty eradication and Promoting equality

Statement by Nicaragua and Brazil

Mr. Co-Chair,

Brazil and Nicaragua support the statement by Bolivia on behalf the G-77 and China.

The Rio+20 Conference recognized that poverty eradication is the greatest global challenge facing the world today and an indispensable requirement for sustainable development. In fact, the Rio outcome document can be seen as a watershed between development viewed essentially as a consequence of economic growth (with so called trickle-down effects providing the poverty eradication element) and sustainable development as a product of a combination of economic, social and environmental elements. In this context, it is understood that economic growth in and of itself will not lead to poverty eradication, equality, inclusiveness, sustainability.

Brazil, Latin America, many other parts of the developing world provide eloquent examples of the failure of policies centered on economic growth alone in reducing poverty. The so-called "lost decades" in Latin America are primarily the result of such misguided and ultimately ideological approaches that privileged economic growth over other factors.

The evidence-based approach points in another direction: in the absence of social program, government incentives and public policies that contribute to correct market distortions the most likely outcome will be concentration of wealth and persisting poverty with deepening inequality. The evidence in Brazil, Latin America and beyond leads us to the conclusion that poverty eradication is not a necessary or even probable outcome of economic growth in and of itself. Hence the paradigm shift which Rio+20 embodies, away from the so called "Washington consensus" - and its now better understood shortcomings - and in favor of policies which promote greater equality and social inclusiveness.

Nicaragua and Brazil welcome the multi-dimensional approach proposed by the co-chairs to tackle the issue of poverty, reflecting the cross-cutting nature of the challenges involved. Proposed focus area 1 concentrates on the essential aspects.

Notwithstanding our support to this basic structure, to be maintained for the time being, we have some considerations on items proposed in focus area 1.

Item "a" should clearly state that extreme poverty must be eradicated from developing countries, which is where it occurs;

Developed as well as developing countries should be the focus in item "b", on the reduction of relative poverty;

The list of vulnerable groups on item "c" (social protection floors) should also include women, which is the largest marginalized group of the planet;

Item "f", on inclusive economic growth, is closely related to poverty eradication, but it would be better placed under focus area 8.

Item "g" (developing evidence-based data) should be moved to the focus area on means of implementation, as it is relevant for all areas; not just poverty eradication. It will provide technical support for the political narrative that will follow up on the SDG's implementation.

Item "h", on means of implementation, needs to reinforce the central role of Official Development Assistance (ODA) in the fight against poverty. Eradicating extreme poverty in developing countries is a moral obligation of the international community.

Mr. Co-chair,

Regarding area 12, we welcome the distinction between inequalities within countries and inequality among countries. Those are two very different aspects that require equally distinct types of actions.

Studies made by different UN agencies show that the Gini Coefficient gap among countries is higher than the gap at the domestic level within almost every single country. In other words, States are more unequal at the international level than they are at the national level. For this reason, the greatest determinant of a person's social standing in life, or lack thereof, still is, today, the country birth; much more so than the social position of their families in their countries of origin. If we want to be universal in our aspirations and effective in reducing inequality among human beings such asymmetry and their root causes need to be addressed.

Therefore, while we welcome the items on inequality within countries, we consider that the subsection dedicated to tackling inequalities among nations lacks sufficient focus and attention. This will need correction in a follow-up revised text.

Item "c" needs to be more specific so that we know we are making a reference to "ending subsidies in developed countries that distort international trade, particularly agricultural export subsidies and equivalent measures, by 2020";

Due to its systemic nature and relevance, Reforming International Financing Institutions should be addressed under a new item. North-South Asymmetries in the governing bodies of the IFIs is anti-democratic and detrimental to developing countries. They deny the universality and equity of our actions at the international level.

Creating a development-friendly environment is key. The asymmetries of globalization require constant adjustments at the national level in developing countries for their economies to better integrate with an unstable, changing and crisis prone international financial and economic system, and to better exploit opportunities from an increasingly corporate controlled flow of trade and investments. Protecting "policy space" at the national level for developing countries is key to strengthening their institutional capacities to address their unique needs and circumstances in the pursuit of sustainable development.

"Policy space" should be firmly rooted in the principle of Common but Differentiated Responsibilities as a measurable target.

I thank you, Mr. Co-chair.