Economic and Social Council High-Level Segment General Debate

Statement of the Committee for Development Policy to the Economic and Social Council

by

Professor José Antonio Ocampo Chairperson of the Committee for Development Policy (CDP) New York, 16 July 2018

Madam President, distinguished delegates, ladies and gentlemen,

I am honoured to present the contribution of the Committee for Development Policy to this year's high-level segment of the Economic and Social Council.

The Committee met in plenary session in New York from the 12th to the 16th of March and addressed numerous development issues:

- It conducted the triennial review of Least Developed Countries, and continued its monitoring of countries that are graduating or have graduated from the list of Least Developed Countries.
- It addressed the need for improved assistance for graduating LDCs.
- It analysed the Voluntary National Reviews of the implementation of the 2030 Agenda for Sustainable Development presented to the High-Level Political Forum in 2017.

and

• It addressed multiple dimensions of the pledge to leave no one behind contained in the 2030 Agenda for Sustainable Development.

The Vice-Chair of our Committee, Professor Sakiko Fukuda-Parr, addressed this Council at the Coordination and Management Segment on the 12th of June and reported on the Committee's recommendations on the LDCs and on the Committee's analysis of the Voluntary National Reviews.

Today I will focus on the Committee's work on the pledge, contained in the 2030 Agenda, to **leave no one behind**, which we consider central in the transformation towards, and the support of, sustainable and resilient societies in urban and rural communities.

I would, however, like to begin my statement by welcoming the progress of a substantial number of Least Developed Countries towards the shared goal of advancing towards graduation from the category. The Committee recommended in its triennial review four countries for graduation: Bhutan, São Tomé and Príncipe, Solomon Islands and Kiribati.

Progress towards graduation can be a positive development for both the graduating countries and the international community. However, this requires support for these countries in the transition out of the category and in furthering their development progress, as they still face enormous economic, social and environmental challenges and vulnerabilities.

Madam President,

One of the pillars of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals is the pledge to "leave no one behind". While the concept was implicit in some of the targets of the Millennium Development Goals, the 2030 Agenda is transformative in making it an overarching, and crosscutting commitment. The Committee welcomes this advance and its reflection in the discussions at the High-Level Political Forum.

As part of its contribution to the work of this Council, the Committee has analysed "leaving no one behind" under multiple perspectives. It found that despite many successful experiences, overall current trends do **not** point to a degree or speed of advance compatible with the time frame of the 2030 Agenda in many critical areas, including education, health, housing and ending poverty. Extreme inequality persists within countries and cities as well as among countries.

Not only are people and countries being left behind, but in many different contexts they are being pushed further behind by a variety of forces, including technological developments and climate change.

Many countries, in particular least developed countries, still lack the productive capacity necessary to put them on a path towards sustainable development, and many have undergone a process of reprimarization in recent years, rather than one of structural transformation.

Fulfilling the pledge to leave no one behind requires fundamental changes. The Committee has underscored three issues in this regard:

First, to leave no one behind, it is not enough to address the problems of those at the bottom. It is also necessary to address the extreme inequalities and the concentration of income, wealth and political power at the top. Too often, economic and political systems, governance structures and business models are based on extremely unequal distributions of wealth and decision-making power and this stands in the way of transformation to sustainable and resilient societies.

On the one hand, segments of society that are excluded from the benefits of development are often also excluded from meaningful participation in decision-making, and are thus unlikely to see their interests safeguarded in policy and investment decisions. On the other, the most influential groups can resist changes when they represent a threat or perceived threat to their interests.

Leaving no one behind requires breaking the link between economic and social exclusion and decision-making power. This involves, among other measures, ensuring the respect, protection and fulfilment of human rights and reorienting institutions so that policy is driven from the bottom up by the needs of those who are deprived and disadvantaged. Governments need to remove barriers to political and civic participation and ensure that they are accountable to all citizens.

Second, policies to leave no one behind must be considered in the broader context of development strategies. Transformative social policies are essential, but are insufficient. While targeted interventions are necessary, they will often be ineffective if the principle of leaving no one behind is not reflected in strategic frameworks, in macroeconomic policies, and in production sector policies that facilitate the productive inclusion of all in the development process.

Third, while in the long run many goals and concepts contained in the 2030 Agenda converge, trade-offs in the path towards their achievement must be understood and addressed. It is important that decisions on policies, legislation and investments take into account their potential negative impacts on other sectors, groups of people and countries, as well as on future generations. For example, while technology has great potential to advance inclusive development it can also be at the root of national and international exclusion and inequality. This must be acknowledged and addressed.

Countries can learn from each other's experiences in addressing these issues. The analysis undertaken by the CDP on last year's Voluntary National Reviews, that is being presented this week in the "VNR Labs", found that the principle of leaving no one behind is recognized in almost all Reviews. However, the reviews would be more effective in their role as forums for the sharing of experiences if they provided more in-depth information on country strategies to reach the most marginalized and vulnerable groups. The Committee also found that more attention in the Reviews on how countries addressed complex policy trade-offs could significantly increase their value as instruments to support global implementation of the 2030 Agenda.

Madam President,

At the international level, the deep inequalities that persist among countries are not sustainable.

To leave no country behind and ensure sustainability and resilience, countries need to have the ability to build sound, efficient and redistributive tax systems and the policy space to define and implement their own sustainable development strategies. The insufficiency of tax cooperation at the international level, unregulated global finance, trade rules that do not facilitate market access for the poorest countries, intellectual property rights regimes that are skewed against the interests of the poor, and the absence of a mechanism for an orderly, timely and fair procedure for sovereign debt crisis resolution currently stand in the way of that ability.

Given the extremely limited fiscal capacity in the poorest countries, it is not enough to rely on measures that will merely remove obstacles to domestic action. The international community must enable rather than block channels through which income and wealth flow to the poorest in the world. These include trading regimes based on fair and equitable terms particularly for the poorest countries; the harnessing rather than the obstruction of the benefits of migration, remittances and diaspora engagement; and the prevention of illicit financial flows, including those associated with natural resource exploitation.

Leaving no one behind requires shifting development cooperation to a more comprehensive and representative framework that integrates new and traditional providers. The governance structure of this new framework must be representative of both donors and recipients. Development cooperation strategies should be formulated on the basis of country needs, rather than narrowly

targeted and isolated interventions. Beyond the important goal of fighting poverty, development cooperation policies should also contribute to guaranteeing minimum social standards for all people, reducing international inequality and providing international public goods.

Moreover, strengthened support to Least Developed Countries is a necessary dimension of the fulfilment of the pledge to leave no one behind at the international level. I note that according to OECD data, ODA flows from Development Assistance Committee members reached less than 0.1% of the GNI of those countries, and only six of the 29 DAC countries fulfilled the commitment of providing the equivalent of 0.15 to 0.2% of GNI in the form of ODA to LDCs.

Madam President, distinguished Delegates,

The Committee for Development Policy is committed to support the Council and Member States in the fulfilment of the 2030 Agenda. In its contributions to the work of the Council, the Committee will continue to address multiple aspects of the pledge to leave no one behind, including issues regarding its practical implementation at the national level and the support to least developed countries and graduating least developed countries.

I thank you for your attention.