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## Second Committee

### Summary record of the 2nd meeting

Held at Headquarters, New York, on Tuesday, 7 October 2014, at 10 a.m.

*Chair:* Mr. Sebastiano Cardi (Chair) ..... (Italy)

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*The meeting was called to order at 10.05 a.m.*

### **Opening statement by the Chair**

1. **The Chair** said that as development entered a new phase, the world faced formidable global challenges such as climate change, Ebola and high unemployment. The recent Ebola virus outbreak could well reverse gains made in achieving the Millennium Development Goals (MDGs) and illustrated the need for global action. The United Nations had taken swift action to fight the spread of Ebola, but it was important that all States and concerned organizations contribute as well.

2. The world had one final chance to achieve the MDGs by the deadline and formulate a new development agenda. Maintaining and accelerating development progress despite new and ongoing threats and ensuring a successful transition to a transformative, universal post-2015 agenda must be top priorities. The Second Committee was well placed to do that, as its agenda covered most key development issues. In that sense, the current session of the General Assembly was pivotal.

3. At the intergovernmental level, the outcomes of the Open Working Group on Sustainable Development Goals, the Intergovernmental Committee of Experts on Sustainable Development Financing and the General Assembly structured dialogues on a technology facilitation mechanism were all examples of cooperation towards shared objectives and provided a compass for the work ahead. Future discussions must address the need for adequate means of implementation and a strengthened global and inclusive partnership for development.

4. Globalization, rapid urbanization and climate change had revealed that development challenges and risks were highly interrelated, intergenerational and universal; policy decisions taken in one sphere could enhance or counteract outcomes in other areas. The Second Committee must break new ground in forging interlinkages between the different dimensions of policy choices. New tools must be developed for effective macroeconomic policies that could act as multipliers of growth, social inclusion and the responsible management of finite resources. Social Impact Bonds and Development Impact Bonds were one means of galvanizing new sustainable development financing.

5. More should be done to link normative work and operational activities for development. A new global partnership for development should be defined, incorporating various forms of cooperation. Attention should also be focused on the challenges of countries in special situations. The preparations for the second United Nations Conference on Landlocked Developing Countries, to be held in Vienna in November, as well as the upcoming twentieth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Lima, would be key opportunities to break new ground and send a strong message.

6. He hoped Committee members would make every effort to avoid duplication of work during the current session and to bring fresh approaches and ideas to the Committee's deliberations. The Committee should also continue to improve its working methods.

### **Statement by the Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs of the Department of Economic and Social Affairs, on behalf of the Under-Secretary-General for Economic and Social Affairs**

7. **Mr. Gass** (Assistant Secretary-General for Policy Coordination and Interagency Affairs of the Department of Economic and Social Affairs), delivering a statement on behalf of Mr. Wu Hongbo, Under-Secretary-General for Economic and Social Affairs, said that although the world had seen modest economic growth, it was also witnessing growing inequalities, disease, conflict and the impact of climate change. Despite moderate global economic expansion overall, major differences remained between national economies. Developing countries were expected to contribute significantly to the global economic growth forecast by *The World Economic Situation and Prospects* for 2014 and 2015. Nonetheless, their growth rates were markedly lower than before the global economic crisis and they were still facing many challenges. More effective international policy coordination; stimulation of global demand and output growth, while taking into account the environmental consequences of such growth; and promotion of secure and stable societies would therefore be key.

8. The rate of unemployment remained high in both developed and developing countries, and inequality between and within countries had been addressed unevenly. The framework of the Second United

Nations Decade for the Eradication of Poverty remained important; countries must invest adequate resources to fight poverty and foster sustained, inclusive and equitable economic growth, focusing on job creation, inequality reduction and equal access. In order to achieve the MDGs, countries must invest in agriculture, health care and access to credit while scaling up social protection.

9. Policy reform was needed to reduce the risk of another financial crisis, in part by providing incentives for long-term investment in sustainable development. The Department of Economic and Social Affairs would be monitoring the implementation of the actions prescribed in the Samoa Pathway — the outcome document of the third International Conference on Small Island Developing States — which demonstrated that the issues facing small island developing States were global in nature.. More ambitious than the MDGs, the sustainable development goals would call for sustainable energy for all, the reduction of global inequality and sustainable consumption and production patterns, while addressing the issue of climate change and its impact on the world's oceans and forests.

10. Tangible progress had been made in integrating issues relating to international migration, migrants and labour mobility into the development agenda. At the High-level Dialogue on International Migration and Development, held in 2013, the General Assembly had recognized the contribution of international migration to achieving the MDGs.

11. A robust monitoring and review framework and a revitalized partnership for global development were necessary to ensure the success of the post-2015 agenda. One major challenge would be arriving at a comprehensive financing framework to strengthen the means of implementation and a global partnership for development. The international community was expecting an ambitious outcome at the third International Conference on Financing for Development. Mr. Wu Hongbo, who had been appointed to serve as Secretary-General of the Conference, believed that the Second Committee could help prepare for the Conference, including through related special events, and that the regional commissions could provide valuable input.

12. Through capacity development, the Committee also provided operational linkages between global policy and normative frameworks and national policies

and strategies. As the manager of the United Nations Development Account, Mr. Wu Hongbo was mindful of the challenges posed by a transformative post-2015 agenda, and had thus narrowed the focus of the 10th tranche to. strengthening statistics and data collection, evidence-based policies and monitoring. However, many countries did not have well-functioning civil registration and vital statistics systems, and thus fertility, morbidity and mortality statistics were often unavailable. Many countries would need support to build robust national statistical systems. The Department of Economic and Social Affairs had thus prioritized improving data collection and supported the Secretary-General's Independent Expert Advisory Group on the Data Revolution for Development.

13. The success of the first substantive meeting of the high-level political forum on sustainable development under the auspices of the Economic and Social Council in July had demonstrated the world's commitment to complex issues. He urged Member States to continue nurturing that spirit of commitment.

**Keynote address by Ms. Janet Gornick, Professor of Political Science and Sociology, The Graduate Center, City University of New York and Director of LIS Cross-National Data Center, Luxembourg on “High and rising inequality: Causes and consequences”**

14. **Ms. Gornick** (Professor of Political Science and Sociology, The Graduate Center, City University of New York and Director of LIS Cross-National Data Center, Luxembourg), accompanying her statement with a digital slide presentation, said that during the past three years, unprecedented attention had been focused on high and rising inequality in the United States and elsewhere, fuelling social science research and journalism and impacting local electoral politics, such as the election of New York City's new mayor based on his promise to reduce inequality. A confluence of factors had sparked an international conversation about inequality, including the global financial crisis, the great recession, the ongoing recovery, the Occupy movements, new academic research and vivid journalistic accounts.

15. The core mission of LIS data archive was to enable cross-national comparative research on socioeconomic outcomes, including inequality, and the institutional factors that shaped those outcomes. LIS — which had a satellite office at The Graduate Center, City University of New York — acquired and

harmonized data sets (usually in the form of household surveys), enabling fine-grain research into national data. The organization had provided input to the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and the United Nations Research Institute for Social Development.

16. LIS had begun 30 years ago as a consortium of seven wealthy countries, but had recently expanded to include upper-middle-income and middle-income countries. It now represented data from almost 50 countries accounting for 62 per cent of the world's population and 85 per cent of global gross domestic product (GDP). However, LIS still lacked data from many countries and did not represent any low-income countries, in part because income was a less meaningful indicator than patterns of consumption in such countries and it was difficult to harmonize both indicators. In addition, data was not available for many countries due to national, legal or administrative restrictions. The capacity to build a worldwide repository was moreover limited by resource constraints. Data producers in many countries had been unable to join the project due to insufficient staff.

17. Inequality in affluent countries had implications outside that subset of the world, and it could be instructive for low-income countries to learn transnational lessons, both positive and negative, from high-income countries. Although inequality encompassed an enormous array of conditions and outcomes, her presentation would focus on income inequality within affluent countries. The Gini coefficient of post-fisc income varied widely across 32 countries, ranging from 0.24 in Sweden to 0.59 in South Africa. She drew attention to country clustering, with the most unequal countries being middle-income countries in Latin America and South Africa, and the most equal countries situated in Scandinavia. The liberal market economies of the United Kingdom and the United States were the most unequal among high-income countries, suggesting that national-level institutions had a very significant impact on inequality.

18. In a survey of the Gini coefficient across 10 countries, the overall trend was towards greater inequality, although inequality both rose and fell at different points. The trends reported by the Organization for Economic Cooperation and Development (OECD) confirmed the results, as two

thirds of OECD countries had witnessed a rise in inequality. In affluent countries, the gains of rich households had been largely responsible for that. In the United States and Germany, despite the overall upward trend, a decline in inequality had occurred during the economic downturn in 2007-2010, as both the top and the bottom of the income spectrum had fallen. According to the United States Census Bureau, inequality had risen again after 2010, with the recovery of income derived from capital at the top of the spectrum.

19. Although LIS was not yet able to track change over time for middle-income data sets, scholars had observed that inequality had been falling in Latin America. According to economics professor Nora Lustig, the Gini coefficient had fallen in 16 of the 17 Latin American countries studied. The decline had two roots: wage inequality had decreased and more progressive government transfers had occurred. Growth had been registered in both income and spending at the bottom.

20. The rise in inequality in rich countries threatened to hollow out the middle class. Among all 10 high-income countries studied, the dominant pattern of a shrinking middle had been observed. However, a strong, stable middle-class was highly important, since, as Antonio Estache and Danny Leipziger had stated, the economic success of the middle class was often seen as synonymous with welfare gains in societies in both developed and developing countries. There was a growing consensus that the hollowing out of the middle class would have problematic consequences, some of which had yet to fully take shape.

21. For technical reasons, the household surveys used by LIS were not well suited to analysing the very top of the income spectrum. An approach based on the new World Top Incomes Database had been developed to assess the trends in income share held by the top 1 per cent. During the past three decades, the share of the richest 1 per cent had increased in most OECD countries, capturing a disproportionate share of overall income growth. Tax reforms had reduced personal income tax rates in most OECD countries as well. Although the financial crisis had put a temporary halt on the upward trend, it had not undone previous surges in top income levels. The economist and author of *Capital in the Twenty-First Century*, Thomas Piketty, had sparked an international debate on how to halt the trend, suggesting the development of a global wealth

tax. Although the consensus was that such a tax would slow down the runaway top, its political feasibility was thought to be extremely limited.

22. There were many simultaneous and often overdetermined causes of high and rising inequality. The main factors included globalization; the growing importance of technical skills; the spread of financialization; the erosion of pay norms and increasingly high compensation of high earners through stocks and stock options; weaker protections for low-wage earners; a change in household structures and the rise of one-adult households; and both fewer and weaker redistributive policies that lessened market-driven inequality. According to OECD, declining tax rates at the top had increased inequality, especially in the United States.

23. However, there was at least one countervailing force at work: women's rising attachment to the labour market. Although public discourse, especially in the United States, had argued that women's rising employment was a disequalizing force, the opposite was true. Women's contributions to household income helped to mitigate income inequality because their contributions had pulled up the bottom more than they had pushed up the top.

24. High levels of inequality raised fundamental concerns about equity and justice. From the normative perspective, extreme inequality was intrinsically unacceptable. However, inequality was also problematic because it was correlated with, and sometimes the cause of: declining income, decreasing well-being at the bottom; rising poverty; depressed economic mobility; and stunted economic growth, as the rich could only consume so much. Richard Wilkinson, the author of *The Spirit Level*, had postulated that large income disparities within a country had harmful physical and mental effects on health, infant mortality, incarceration, social cohesion and a range of other factors. Likewise, political scientists and sociologists had observed that inequality had harmful effects on political processes, with elected officials being more responsive to their more affluent constituents. Economists such as Stiglitz and Reich had argued that democracy was imperilled by inequality.

25. Goal 10 of the proposed sustainable development goals on reducing inequality within and among countries through growth and not just greater distribution was closely related to the work of LIS.

Quoting the Secretary-General on the need to "tak[e] practical steps to remove this formidable barrier to development and human dignity." and echoing the words of former Secretary-General Kofi Annan that knowledge was power and information was liberating, she suggested that data could drive progress with regard to inequality.

26. Strengthening data capacity was necessary to drive sustainable development and reduce inequality. Theoretical and technical advances were needed to more meaningfully define and compare inequality across countries and regions. More data, higher-quality data and more fine-grained data on socioeconomic well-being and living standards would also be important. She stressed the need for greater data disaggregation according to ethnicity, race, geography, family structure, disability, gender, caste and class; standardization of data across countries and over time; more timely processing and releasing of data; and fewer legal and administrative restrictions on data-sharing beyond national borders. More resources were needed for national statistical offices and other producers of data, to support projects that acquired and harmonized data, and to make data and analyses available to political actors, policymakers and activists.

27. **Mr. Torrington** (Guyana) expressed disappointment that data from low-income countries was not well represented in the presentation. He asked what direction should be taken to understand inequality across countries rather than within countries. Since certain countries had seen smaller rises in inequality than others, what were the feasible and successful approaches and policies that had been used to ensure that inequality did not rise uncontrollably in those countries?

28. **Ms. Leiva Roesch** (Guatemala), referring to target 1 of proposed Goal 10 in the outcome document adopted by the Open Working Group on Sustainable Development Goals, asked how the research of LIS could help to measure the challenges of multidimensional poverty using tools other than GDP.

29. **Mr. Empole** (Democratic Republic of the Congo) wondered whether the link between inequality and poverty was not a chicken-and-egg situation, and whether inequality should be reduced first, in order to obtain a viable economic society, or a strong economy should be the starting point for the reduction of inequality.

30. **Ms. Gornick** (Professor of Political Science and Sociology, The Graduate Center, City University of New York and Director of LIS Cross-National Data Center, Luxembourg), responding to the representative of Guyana, said that, paradoxically, while inequality was rising within countries, there were some ways in which global inequality was declining, in part due to the marked economic development of highly populous India and China. The hollowing out of the middle was not observed at the global level, merely in affluent countries. Though not widely accepted politically, the view of Branco Milanovic at LIS was that global inequality could be further reduced through massive translational migration.

31. It was relatively well known which socioeconomic measures reduced inequality. Protective factors in affluent countries included a high minimum wage, activation policies and strong collective agreements, as well as redistributive tax and transfer programmes. Germany was cited as a cautionary tale; its shift towards deregulation of the labour market had triggered a steep rise in inequality.

32. She agreed with the representative of Guatemala that income was only one indicator of overall well-being. Attempts were being made to integrate equality, sustainability, climate protection and unpaid work to complete the picture. LIS was working towards increasing the number of multidimensional indicators, including health and material deprivation.

33. Responding to the representative of the Democratic Republic of the Congo, she agreed that the difference between inequality and poverty was a vital one, and that victims of inequality were not necessarily victims of poverty. However, there was no need to separate economic vitality from the reduction of inequality, or to wait for economic growth and prosperity before tackling the issue of inequality, as the two issues went hand in hand.

34. **Mr. Herlihy** (Ireland), referring to the issue of capacity-building for monitoring data, asked how the data collected by LIS was assessed and evaluated. He noted that a United Nations analysis of household surveys had revealed that surveys were incomplete and did not properly address gender dimensions.

35. **Mr. Ferami** (Islamic Republic of Iran) enquired about appropriate means of tackling the factors of globalization, the need for increased technical skills, financialization and changing pay norms in a post-2015

development agenda that sought to reduce inequality within and among nations.

36. **Mr. Gonchig** (Mongolia) said that geographical challenges had a strong impact on inequality. In that context, it would be fruitful to consider the challenges specific to landlocked developing countries.

37. **Mr. Dennis** (Liberia) asked whether the advent of the data revolution would impact growth generally, especially in least developed countries. His delegation believed that if poverty were adequately addressed, issues of inequality would be resolved.

38. **Ms. Gornick** (Professor of Political Science and Sociology, The Graduate Center, City University of New York and Director of LIS Cross-National Data Center, Luxembourg), responding to the representative of Ireland, noted that many data sets were attempting to add the dimensions of unpaid work and domestic labour currently missing from income surveys. However, as LIS relied on an international community of data providers, not all data sets were strong and ready for harmonization and LIS was required to check each set thoroughly and address questions to providers.

39. Responding to the representatives of the Islamic Republic of Iran, Liberia and Mongolia, she added that the data and research on inequality suggested that most solutions were country-specific, despite the persistence of a few transnational lessons. Although globalization was a worldwide phenomenon, many countries that were exposed to the same forces experienced different outcomes with regard to inequality. It was evident that within countries, national institutions were key for regulating labour markets, strengthening the voice of workers and redistributing wealth. What was especially frustrating about the United States, an extremely rich and highly unequal country, was that it possessed the institutional framework to move towards inequality reduction, but simply lacked the political will to do so.

40. **Mr. Mbodj** (Senegal) observed that there was currently no general measure of inequality. He asked whether the determination of an upward trend in inequality using the Gini coefficient had been based on the aggregation of several indicators, including income, employment and consumption, or solely on income.

41. **Ms. Gornick** (Professor of Political Science and Sociology, The Graduate Center, City University of New York and Director of LIS Cross-National Data

Center, Luxembourg) said that the figures used in her presentation only accounted for household income after taxes and transfers. However, the Gini coefficient was but one possible indicator. Although LIS data was focused on income, some data sets also included consumption or assets and debt indicators.

#### Organization of work (A/C.2/69/L.1)

42. **The Chair** drew attention to document [A/C.2/69/L.1](#) regarding the allocation of programme items to the Committee.

43. **Ms. de Laurentis** (Secretary of the Committee) announced adjustments to the Committee's programme of work contained in document [A/C.2/69/L.1](#), including the cancellation of the joint meeting of the Second Committee and the Economic and Social Council in collaboration with Project LINK of the Department of Economic and Social Affairs.

#### General debate

44. **Mr. Llorentty Solíz** (Plurinational State of Bolivia), speaking on behalf of the Group of 77 and China, said that the Group would labour constructively to enrich and deepen the discussions in the negotiations on the post-2015 development agenda, the preparations for the third International Conference on Financing for Development to be held in Addis Ababa in July 2015, the twentieth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change to be held in Peru in December and the Social Pre-Conference of the Parties in Venezuela that would precede it. It was also important to continue the follow-up processes on sovereign debt, the third International Conference on Small Island Developing States and the strengthening of the institutional framework for sustainable development, especially the high-level political forum on sustainable development.

45. It was expected that the third International Conference on Financing for Development would review progress in the implementation of the Monterrey Consensus and the Doha Declaration, reinvigorate and strengthen the financing for development follow-up process, and support both the implementation of the post-2015 development agenda and effective means to that end.

46. The Group of 77 and China reiterated the need for a coherent approach to the post-2015 development agenda that reinforced the commitment to eradicate

poverty and achieve the three dimensions of sustainable development in a balanced manner. The Open Working Group on Sustainable Development Goals, the Intergovernmental Committee of Experts on Sustainable Development Financing, and deliberations on financing for development and a technology facilitation mechanism should contribute to the process. The agenda should fully adhere to the Rio Principles, in particular the principle of common but differentiated responsibilities. The report of the Open Working Group on Sustainable Development Goals should not be renegotiated but rather preserved in its entirety to serve as the basis for integrating sustainable development goals into the post-2015 development agenda.

47. The eradication of poverty in all its forms must remain a central and overarching objective, bearing in mind that it was a multidimensional phenomenon; the new agenda should reinforce the international community's commitment to ending poverty by 2030. She called for a new phase of international cooperation through a new global partnership for development based on the quantified and time-bound targets set out in Goal 8 of the MDGs. The new partnership should address the provision of adequate financial resources to developing countries, official development assistance (ODA), debt relief and restructuring, trade, technology transfer and greater participation of developing countries in global economic governance. North-South cooperation must remain at the heart of the partnership, while South-South and triangular cooperation would serve as useful complements.

48. Technology was the most important driver of sustainable development. The current session should yield a conclusion regarding a technology facilitation mechanism and the proposals contained in the Secretary-General's report ([A/69/312](#)) and the summary of the first meeting of the high-level political forum on sustainable development by the President of the sixty-eighth session of the General Assembly ([A/68/588](#)).

49. As sovereign debt management remained a crucial issue, especially for developing countries, the Group welcomed the adoption of General Assembly resolution 68/304 on the establishment of a multilateral legal framework for sovereign debt restructuring processes. It would work with partners to that end, with a view to increasing the efficiency, stability and predictability of the international financial system and

achieving sustainable development in accordance with national circumstances and priorities.

50. The impact and adverse effects of climate change must be underscored, especially on developing countries. The outcome of the Lima Climate Change Conference would be crucial for preparing a road map for reaching an agreement at the 2015 Paris Climate Change Conference on a legally binding instrument fully respecting the principle of common but differentiated responsibilities.

51. A global implementation mechanism was required to achieve the actions outlined in the Samoa Pathway. The plan of action formulated at the second United Nations Conference on Landlocked Developing Countries in November should include a holistic approach to structural transformation and productive capacity-building. Aid to Africa should be doubled. In the context of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020, criteria for graduation from least-developed status should be carefully examined so as to facilitate the transition. The spread of diseases, such as the recent outbreak of Ebola, must be stopped, and continuous assistance must be supplied to affected areas.

52. Measures must be taken to end the economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the Occupied Palestinian Territory as well as of the Syrian people in the occupied Syrian Golan. The Group rejected all unilateral economic sanctions imposed, especially on Cuba, Sudan, Iran and Syria.

53. **Ms. Young** (Belize), speaking on behalf of the Caribbean Community (CARICOM), said that relatively buoyant economic activity during the past year had been reflected in regional sectoral out-turns for the Caribbean. Some Member States had seen recovery in tourism and agriculture, with positive spin-off effects on distribution, financial services, real estate and transportation. Notwithstanding the general strengthening of economic activity, however, the region continued to witness high levels of unemployment and increased indebtedness. Those challenges were compounded by the sensitivity of the Caribbean economies to extraregional source markets, the region's vulnerability to natural hazards and climate change impacts, and its dependence on imports for food and fuel.

54. CARICOM welcomed the conclusions of the Open Working Group on Sustainable Development Goals and the Intergovernmental Committee of Experts on Sustainable Development Financing, which reflected a strong commitment to an inclusive people-centred approach to development with poverty eradication and sustainable development at its core, and recognized the need to accommodate differences between countries in the new development agenda.

55. As small islands and low-lying coastal states experienced unique challenges for sustainable development, their agenda would be a critical component of the post-2015 development agenda. The Samoa Pathway represented a fundamental input to shape the agenda in a manner that addressed the unique challenges of concessional financing for development, debt relief, poverty eradication, climate change adaptation and mitigation, technology transfer and capacity-building. She called on the high-level political forum to give priority to issues facing small island developing States and ensure the necessary follow-up and monitoring of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States, ([A/CONF.167/9](#)), the Mauritius Strategy for its further implementation ([A/CONF.207/11](#)) and the Samoa Pathway. Anything less would be a dereliction of duty to the small island developing States.

56. Small island developing States epitomized the interconnection between climate change and sustainable development. CARICOM reiterated its support for reaching a legally binding climate change agreement in 2015. The adverse effects of climate change, some of which were already being felt, would significantly undermine poverty eradication and the achievement of sustainable development. Consequently, climate change must be treated in a manner commensurate with the serious threat it posed. In that connection, the Group of 77 and China looked forward to a successful outcome of the Lima Climate Change Conference and welcomed the initiatives launched at the United Nations Climate Summit 2014 convened by the Secretary-General. A further critical component of the climate change agenda was the question of finance and the capitalization of the Green Climate Fund. While grateful for the nearly \$1.5 billion pledged to the Fund at the recent Climate Summit, CARICOM nonetheless wished to underscore that \$10 to \$15 billion was the target for the aggregate of pledges



and November 2015 was the deadline for completion of the resource mobilization process. It was vital for the Green Climate Fund to be more accessible to interested countries.

57. In many ways, the finance debate in the context of climate change mirrored the larger issue of financing for the post-2015 development agenda. Financing for development was the lynchpin of the successful achievement of the internationally agreed development goals, including the MDGs. The mobilization of financial resources for development and their effective use would likewise be crucial to implementation of the new agenda. A new framework for sustainable development beyond 2015 must mature in tandem with the development of greater and more efficient financing mechanisms to address the evolving financing landscape.

58. CARICOM wished to emphasize the issue of external debt sustainability. Having attained middle-income status based on GDP per capita, many CARICOM States had lost access to concessionary financing. Given the unique challenges and vulnerabilities they faced as small islands, many States had undertaken significant debt to finance their resilience, resulting in high debt-to-GDP ratios. Consequently, the international community was urged to reconsider the metrics for determining access to financing and include a vulnerability index to ensure that those most in need of financing would have uninhibited access to it. She reaffirmed the support of CARICOM for the timely elaboration of a multilateral legal framework for sovereign debt restructuring processes.

59. During the current session, the Committee would once again consider the sustainable development of the Caribbean Sea, which had been recognized as an area of unique biodiversity and a highly fragile ecosystem in General Assembly resolution 67/205.

60. **Mr. Calvo Calvo** (Costa Rica), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that the world still faced difficulties related to the global economic and financial crisis, and that poverty, inequality, and increasing economic, social and environmental challenges must be addressed in order to help developing countries, including the least developed countries, small island developing States, landlocked

developing countries and middle-income countries to achieve sustainable development.

61. With just a few months remaining, efforts must be accelerated to achieve the MDGs and build on that experience to work towards finalizing the sustainable development goals. The report of the Open Working Group on Sustainable Development Goals must be the basis for integrating those goals into the new development agenda and should not be re-opened or re-negotiated.

62. The high-level political forum should go beyond academic discussion to provide political recommendations and guidance for Member States and the United Nations system in the elaboration of the post-2015 development agenda. Highlighting the importance of the regional dimension of sustainable development, he said that cooperation between the forum, the regional commissions of the United Nations and other relevant regional entities must be strengthened. CELAC reaffirmed the intergovernmental nature of the negotiations for the post-2015 development agenda while recognizing the important contributions of major groups, social movements and civil society.

63. CELAC supported the establishment of a global partnership for development, building upon the Monterrey Consensus, the Doha Declaration and the Rio+20 outcome document, and integrating all the issues that would be galvanized through the third International Conference on Financing for Development to be held in July 2015. CELAC would contribute to the regional dimension of that process during the March 2015 preparatory meeting for the third International Conference. While an effective financing for sustainable development strategy would require the mobilization and effective use of new and additional public, private, domestic and international financial resources, ODA still had a crucial role to play in achieving internationally agreed development goals by leveraging and sustaining financing for development in developing countries. Moreover, financing options proposed by the Leading Group on Innovative Financing for Development were voluntary and complementary in nature and should neither substitute nor negatively affect the level of traditional sources of development funding, including ODA.

64. The internationally agreed development goals — both current and future — must be linked to a strong

and genuine global partnership for development and effective means of implementation consisting of a mix of financial resources, technology development and transfer, as well as capacity-building. Implementation must be supported by concrete actions by developed countries, including through quantitative time-bound financial targets in addition to those established for ODA, in accordance with the principle of common but differentiated responsibilities and the universal scope of the post-2015 agenda.

65. International cooperation must take into account the different development stages, priorities, circumstances and capabilities of developing countries as well as the multidimensional nature of development. An enabling international environment to support national efforts would be the best way to achieve poverty eradication. As technology cooperation was the lynchpin for promoting sustainable development in the post-2015 context, the international community must start working on an effective mechanism to improve the flow and destination of knowledge, capacities and resources. The recommendations provided by the structured dialogues on possible arrangements for a technology facilitation mechanism had illustrated points of consensus for the way forward.

66. Although significant progress had been made through debt relief programmes to poor countries, including through the Heavily Indebted Poor Countries Initiative (HIPC) and the Multilateral Debt Relief Initiative (MDRI), more effective work needed to be done in order to address the highly speculative activities of so-called “vulture funds”, which posed a risk to all future debt restructuring processes. CELAC therefore welcomed the adoption of resolution 68/304 with a view to establishing a multilateral legal framework for sovereign debt restructuring processes that increased the efficiency, stability, transparency and predictability of the international financial system.

67. Transparency, supervision, regulation and good governance of the international financial system, in particular risk-rating agencies and mechanisms, must also be enhanced for the sake of international stability. Competition among such agencies should be improved and alternative instruments should be developed to measure the quality of credit, financial services and products; to diversify and expand the market; and to build national capacities.

68. CELAC welcomed the Samoa Pathway, the outcome document of the third International Conference of Small Island Developing Countries; many of its member countries had actively participated in the Conference. CELAC would actively support the preparatory processes for the second United Nations Conference on Landlocked Developing Countries and the establishment of a comprehensive plan of action for cooperation with middle-income countries.

69. All activities under a global partnership for sustainable development must respect the intergovernmental nature of the United Nations, the principles of the Charter of the United Nations and the programme priorities for the biennium. Partnerships should also respect nationally set priorities and be driven by Member States. Acknowledging the contribution and complementarity of the private sector in financing for sustainable development, he stressed that private engagement in partnerships must not replace the ODA commitments of developed countries.

70. CELAC expressed its support for all national and regional initiatives aimed at ending hunger; improving agricultural development, food security and nutrition in the region; ensuring the right to adequate food for all; empowering women; prioritizing family farming; and ensuring that regional food systems were sustainable and resilient. Urging Member States to support the multilateral formal negotiations that would follow the recent Climate Summit, he expressed the hope that progress in the areas of mitigation, adaptation, finance and technology transfer would form the basis for a legally binding agreement that could be finalized in Paris in 2015. It was also crucial to contribute to the Green Climate Fund and guarantee the world’s most vulnerable countries direct access to it. CELAC also looked forward to a constructive debate at the Venezuela social conference that would precede the gathering in Lima. Lastly, CELAC supported Ecuador’s proposal to host the United Nations Conference on Housing and Sustainable Urban Development in 2016.

71. **Mr. Percaya** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that the world was at a tipping point where global transformations must occur to achieve sustained and equitable prosperity. Sustainable development lay at the core of those efforts.

72. ASEAN welcomed the adoption of the Open Working Group proposal on sustainable development goals, which should be the main basis for the integration of those goals into the post-2015 development agenda.

73. ASEAN was resolutely committed to achieving the MDGs and was in fact one of the best-performing regions in MDG achievement. Nevertheless, ASEAN was lagging on certain targets, which reflected a pervasive global problem in achieving the MDGs. To address the gaps, ASEAN had focused on five key areas: advocacy and linkages; knowledge; resources; expertise; and regional cooperation and regional public goods, as set out in the Joint Declaration on the Attainment of the MDGs in ASEAN and the ASEAN Roadmap for the Attainment of the Millennium Development Goals.

74. Poverty eradication must be the overarching objective of the post-2015 development agenda. It was a prerequisite for sustained and inclusive economic growth, in particular in developing countries, and would help to integrate the three dimensions of sustainable development. The agenda must be transformative and able to address global challenges, including global systemic reforms that would remove impediments to development and would secure an equal and accommodative international environment for sustainable development. A transformative development agenda must convincingly embody a collective vision for humanity to progress and coexist without destroying the planet.

75. ASEAN noted with satisfaction that the report of the Open Working Group cited technology as an essential means of implementation. It welcomed the recommendations that had emerged from the structured dialogues on possible arrangements for a facilitation mechanism to promote the development, transfer and dissemination of clean and environmentally sound technologies.

76. While the Monterrey Consensus remained a valid reference point for setting a post-2015 development agenda, there could be further opportunities to identify the financial resources available and map a strategy for creating a comprehensive financing framework while addressing international systemic issues.

77. ASEAN welcomed the Secretary-General's initiative to hold the 2014 Climate Summit and reiterated the principle of common but differentiated

responsibilities in the pursuit of a new climate regime in 2015. Developed countries should take the lead role in reducing emissions and strengthening climate resilience.

78. For ASEAN, 2015 would be a pivotal year, as the ASEAN Economic Community was expected to become a reality. The ASEAN Economic Community would observe the principles of an open, outward-looking, inclusive and market-driven economy consistent with multilateral rules. Since 2006, ASEAN had sustained its economic growth of more than 5 per cent. With almost half of global seaborne traded goods transported through the region, total trade volume on ASEAN markets had reached more than \$2 trillion. The economic integration of ASEAN countries in 2015 would allow the Association to contribute even more to the global objectives of poverty eradication and sustainable development that would be emphasized in the post-2015 development agenda. ASEAN was ready to act as regional machinery to support and unite with other world nations to realize the economic and social advancement of all peoples as envisioned by the Charter of the United Nations.

79. **Mr. Msosa** (Malawi), speaking on behalf of the Group of African States, said that the international community was well placed to commence the long-awaited intergovernmental negotiation process for the post-2015 development agenda. The African Group noted with satisfaction that the proposal of the Open Working Group on Sustainable Development Goals would be the basis for integrating the sustainable development goals into the post-2015 agenda. Those proposals should be fully preserved, taking into account the other inputs recognized in General Assembly resolution 68/309. Poverty reduction must remain the overarching goal of any future transformative development agenda. Despite efforts to achieve the MDGs, a billion people remained trapped in extreme poverty; many others, including children, were malnourished or died from preventable causes. He called on both developing and developed nations to accelerate progress in implementing the MDGs before their 2015 deadline and to ensure that the new development agenda incorporated any unfinished business from the MDGs.

80. According to the Food and Agriculture Organization of the United Nations (FAO), about 805 million people were estimated to have been chronically undernourished in 2012-2014. Sustained

political commitment at the highest level was a prerequisite for eradicating hunger. According to *The State of Food Insecurity in the World 2014*, issued by FAO, Africa, Latin America and the Caribbean had strengthened their commitments to food security and nutrition.

81. In the recently adopted Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods, African leaders had reaffirmed their commitment to the principles of the Comprehensive Africa Agriculture Development Programme (CAADP) and to enhancing investment finance, both public and private, for agriculture, including the allocation of 10 per cent of public expenditure to agriculture. Leaders also sought to accelerate growth by doubling current agricultural productivity levels and sustaining agricultural GDP growth of at least 6 per cent. They also undertook to triple intra-African trade in agricultural commodities and services by 2025, and to fast-track the establishment of the Continental Free Trade Area (CFTA) and transition to a continental Common External Tariff (CET) scheme. If implemented successfully, Africa would have enough food for its entire population and would not have to spend US\$35 billion a year on food imports. The agricultural initiatives being implemented on the continent would increase employment opportunities, especially for youth, and thus contribute to poverty eradication. He called on the international community to support CAADP and other programmes under the New Partnership for Africa's Development (NEPAD).

82. In 2014, African leaders had committed to speeding up the implementation of the African Union Productivity Agenda, an engine for accelerated industrialization that would progressively build and enhance the continent's competitiveness in the global economy. The Group also reaffirmed its support for the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation ([A/RES/64/222](#)).

83. As two thirds of the African continent was desert or drylands, the region was most vulnerable to the adverse impacts of climate change, owing to its low adaptive capacity. Although the land was vital for agriculture and food production and many people were dependent on natural resources for their livelihoods, nearly three fourths of African land was degraded to varying degrees. Drought, poverty, desertification and

land degradation were challenges facing many African countries striving to achieve economic growth and social progress. Increasing sustainable land management and building drought resilience would have profound positive impacts. In that connection, Member States' strong support for implementation of the United Nations Convention to Combat Desertification and the 10-year strategic plan and framework to enhance the implementation of the Convention would be invaluable.

84. Africa would work with all partners to ensure the successful adoption of a legally binding climate agreement in Paris in December 2015. The climate change agreement should reinforce a multilateral rules-based climate regime informed by science and the fairness provisions of the United Nations Framework Convention on Climate Change, in which developed countries would take the lead in a global response to climate change. Developed countries were likewise called upon to provide adequate means of implementation and, in particular, to fulfil their commitment of mobilizing \$100 billion per year for the Green Climate Fund by 2020.

85. It was imperative to continue strengthening old forms of partnerships in the spirit of Goal 8, and embrace new and emerging forms of partnerships, including public-private partnerships. Partnerships were critical in addressing the causes of conflicts and in fighting deadly pandemics, such as the recent Ebola outbreak, which was already having a negative impact on some African economies. The Committee should contribute to finding solutions to those challenges, including the thorny issue of sovereign debt restructuring.

86. **Ms. Moses** (Nauru), speaking on behalf of the Alliance of Small Island States (AOSIS), said that while the post-2015 development agenda was pivotal, it was important to be mindful of other post-2015 processes, such as the post-2015 framework for disaster risk reduction, the third International Conference on Financing for Development and the negotiations for a 2015 climate agreement. The follow-up to the third International Conference on Small Island Developing States must be part of those processes.

87. Both the Samoa Pathway and the Alliance of Small Island States Leaders' Declaration, 2014 urged the international community to incorporate the

priorities of small island developing States into the post-2015 development agenda. In their Declaration, AOSIS leaders stressed that the sustainable development goals should continue to recognize the unique vulnerabilities of small island developing States and advance the priorities of those States in the post-2015 agenda. A global enabling environment inclusive of national and regional dimensions should be established, including a robust follow-up system to strengthen accountability at all levels and ensure timely analysis of the implementation of the Barbados Programme of Action, the Mauritius Strategy for its further implementation, and the Samoa Pathway.

88. The post-2015 development agenda must mainstream sustainable development at all levels, integrating economic, social and environmental aspects and recognizing their linkages, in order to achieve sustainable development and prosperity for all small island developing States. The AOSIS Leaders' Declaration called for the development of a global compact reflecting the collective political will of small island developing States to support their sustainable development by building resilience, increasing competitiveness and expanding the flow of funds for sustainable development financing. Small developing island States must have ownership of strategies concerning the sustainable development of oceans and seas, adequately benefiting from ocean-based economies without being disproportionately burdened with responsibility for conservation and management. The significant gaps that remained in the implementation of the Barbados Programme of Action and the Mauritius Strategy should be addressed in implementing the Samoa Pathway.

89. As small island developing States faced special challenges in achieving sustainable development, the Declaration called for the provision of new, additional and predictable financial resources, capacity-building and the development and transfer of appropriate technologies. All countries were urged to fulfil their commitments to small island developing States. The United Nations system and the international community should help small island developing States strengthen their national institutions so that the latter could become implementing agencies. As small island developing States possessed a wealth of culture and traditional indigenous knowledge, which were drivers and enablers of sustainable development, the Declaration called for the development of national,

regional and international mechanisms to promote and protect cultural heritage, indigenous practices and traditional knowledge. It reiterated the need for special and differential treatment for small island developing States in trade and economic agreements, including the extension of trade preferences and more flexible rules of origin.

90. AOSIS underscored the crucial importance of addressing climate change. Sea-level rise and other adverse impacts of climate change posed a significant risk to small island developing States and their efforts to achieve sustainable development, including through the loss of territory. In order to ensure the survival of small developing island States, AOSIS emphasized that the outcome of the process launched under the Durban Platform for Enhanced Action should be a protocol under the Convention and must be legally binding and applicable to all Parties, to be adopted no later than 2015. It should strengthen the multilateral, rules-based and legally binding regime, be based on science and the principles of the Framework Convention, and ensure the survival of all small island developing States.. The Alliance urged all parties to work with an increased sense of urgency and purpose towards an ambitious, comprehensive and meaningful outcome.

91. **Mr. Vrailas** (Observer for the European Union), speaking on behalf of the European Union and its member States; the candidate countries Albania, Iceland, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Georgia and Ukraine, expressed the hope that consensus would be reached on a single overarching post-2015 development agenda that was universal, comprehensive and transformative and ensured a rights-based approach. The work towards the agenda should integrate the efforts related to the final phase of the MDG process. He said that proposed sustainable development goals set an ambitious universal agenda for sustainable development that would integrate its social, economic and environmental dimensions in a balanced manner. The European Union and its member States would fully support and contribute to the work ahead and would engage in the discussion on means of implementation, including financing, to make the post-2015 agenda a reality.

92. As agreed upon in General Assembly resolution 68/6 calling for the 2015 summit, the

intergovernmental process must include inputs from all stakeholders, including civil society, scientific and knowledge institutions, parliaments, local authorities and the private sector. The report of the Intergovernmental Committee of Experts on Sustainable Development Financing was a crucial input for the discussion on the global partnership. The report acknowledged that the Monterrey Consensus and the Doha Declaration provided the conceptual framework for the mobilization of resources and the effective use of financing required for sustainable development. All reports and inputs would be synthesized in a report by the Secretary-General.

93. With regard to climate change, the global challenge was to put all economies on the path to low-emission and climate-resilient development, and to use climate action as a catalyst for sustainable development. Progress must continue to be made towards the adoption at the Paris Climate Change Conference of a single global and comprehensive legally binding agreement applicable to all parties, limiting the rise of global average temperatures to less than 2 degrees Celsius compared with pre-industrial levels. The post-2015 development agenda should also recognize the changes in the nature and magnitude of global challenges such as migration, their causes and effects and countries' respective capabilities to address them. The European Union and its member States acknowledged the particular situation, needs and concerns of the most vulnerable countries. The least developed countries, landlocked developing countries, small developing island States and other fragile countries must be supported in the implementation of the Istanbul Programme of Action, the Samoa Pathway and the outcome of the second United Nations Conference on Landlocked Developing Countries.

94. Gender equality and women's economic empowerment were of fundamental importance for achieving sustained and inclusive economic growth, poverty eradication and sustainable development. The European Union was committed to the promotion, protection and fulfilment of all human rights and to the full and effective implementation of the Beijing Platform for Action, the Programme of Action of the International Conference on Population and Development and the outcomes of their review conferences, in particular regarding sexual and reproductive health and rights.

95. The Second Committee should make every effort to avoid duplicating or pre-empting the work being carried out in parallel intergovernmental processes. That could best be ensured by proposing procedural updates to resolutions on issues to be covered in substance in the intergovernmental post-2015 processes. The European Union and its member States also hoped that during the current session, the Second Committee would continue to improve its working methods by consolidating best practices that had emerged since the last formal decision on the matter.

96. **Mr. Zinsou** (Benin), speaking on behalf of the Group of Least Developed Countries, said that as the world was recovering from the devastating international financial, energy and food crisis, a number of the least developed countries were also battling the Ebola virus, in particular Liberia, Guinea and Sierra Leone. The impact on both public health and economies had surpassed government capacity to respond and posed a great risk to all neighbouring countries. His delegation called upon the international community to provide urgent financial, in-kind and technical support to stop the Ebola epidemic. Given the vulnerability of least developed countries in the face of such new challenges, his delegation called upon the United Nations to set up a system-wide emergency public health response mechanism and requested that the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States prepare a concept paper on the subject.

97. The least developed countries bore the least responsibility for climate change. Nonetheless — and despite their high vulnerabilities, and low capabilities — their particular needs were often overlooked in search of policy solutions and responses at the international level. The international community must agree on a prudent and ambitious target of emission reductions and ambitious means for adaptation. The post-2012 agreement should also include legally binding commitments to serve the adaptation needs of least developed countries, particularly low-lying coastal and small island States. Adaptation financing should supplement the historical ODA commitment of 0.15 to 0.20% of gross national product to least developed countries. Least developed countries must have guaranteed access to appropriate mitigation and adaptation technologies and know-how at affordable terms.

98. Despite modest recovery in economic activity, with an uptick in GDP from 4.3 per cent in 2012 to 5.6 per cent in 2013, few least developed countries had expanded by 7 per cent or more, which was the target set in the Istanbul Programme of Action. According to *The World Economic Situation and Prospects*, least developed countries were expected to expand by 5.6 per cent in 2014; nevertheless, poverty was still pervasive, with half of those situated in least developed countries living on less than \$1.25 a day.

99. Progress in improving political, economic and corporate governance in many of the least developed countries remained fragile and was often subject to temporary relapse. Least developed countries continued to be underrepresented in global governance structures, an issue which had to be addressed. Highlighting the need to mobilize additional means of implementation, including ODA, he expressed concern that aid from Development Assistance Committee members had declined by 9.4 per cent in 2012 and country programmable aid was expected to decrease by 5 per cent in 2014. Development partners must fulfil their existing ODA commitments and work towards allocating at least 50 per cent of their ODA to least developed countries. But even that was not enough; an ODA-plus agenda would have to be developed.

100. The export of goods and services from least developed countries had totalled \$232.7 billion in 2012, only 0.7 per cent higher than in 2011. Developed countries must therefore improve their existing duty-free and quota-free coverage for products originating from least developed countries, so the latter could achieve 100 per cent market access. More aid-for-trade resources should also be provided to those countries in order to eliminate production and supply bottlenecks.

101. Although the Multilateral Debt Relief Initiative (MDRI) was a welcome tool, the real solution lay in debt write-offs, debt workouts and debt standstill. The full amount of both multilateral and bilateral debt of least developed countries should be written off immediately. Future development assistance should be grant-based to avert the recurrence of debt unsustainability. Access to concessional and non-concessional resources for infrastructure and development investment would also be crucial. The Cotonou Agenda for productive capacity building in the least developed countries offered an opportunity to forge new partnerships.

102. Access to energy, including renewable energy, and affordable eco-friendly technologies would be essential for achievement of the MDGs. The Group of Least Developed Countries enthusiastically supported the creation of a Technology Bank, which would help to transform their economies through technological leapfrogging, and the establishment of an investment promotion mechanism for least developed countries. As a vital complement to such a mechanism, the CONNEX Initiative on strengthening assistance for complex contract negotiations had been proposed by the Group of 77 and China at the Ministerial Conference on New Partnerships for the Development of Productive Capacities in the Least Developed Countries, held in Cotonou.

103. The third United Nations Conference on Financing for Development must pinpoint the shortfalls in the achievement of the Monterrey Consensus and Doha Declaration on Financing for Development and come up with concrete recommendations for decisive action. It was also time to review past performance in implementing the Istanbul Programme of Action. A formal decision on its midterm review must be taken during the current session of the General Assembly.

*The meeting rose at 1.10 p.m.*