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Committee for
Development
Policy

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Building back better towards inclusive, sustainable, and just economies for recovery: Re-designing the contract between people and planet

Professor José Antonio Ocampo, Chair of the Committee for Development Policy

Mr. Vice-President, Mr. Chair,

Excellencies,

Distinguished participants,

I will draw from the recent work of the Committee for Development Policy to reflect on some of the issues raised for discussion in today's panel.

The Committee made several recommendations for action to address the current crisis and its aftermath in its report to the Council, including measures in public health, finance and effective debt relief, labour rights and social protection. I will focus here on the issues most pertinent to the topic of today's session, but I want to stress the importance of stepping up the immediate global response to ensure everyone everywhere has access to vaccines, diagnostics and treatment; and to deliver on effective debt relief and financing for developing countries. Related to these issues, we are encouraged by recent progress on the issuance of new special drawing rights and endorse the proposals submitted to the WTO Council for Trade-Related Aspects of Intellectual Property Rights by India and South Africa, and supported by about 100 countries, for a waiver from certain provisions of the TRIPS Agreement, for the prevention, containment and treatment of COVID-19.

The pandemic found Governments and the multilateral system unprepared to deliver on the fundamental objectives of protecting people's lives and ensuring their economic safety, which exacerbated already severe inequalities and vulnerabilities.

A central message from the CDP's work this year is that the aim of the recovery from this unprecedented and multidimensional crisis should not be to return to pre-crisis development patterns but to reframe the development paradigm towards equality, resilience and environmental sustainability.

In this context, the Committee underscored the need to strengthen the link between production structure and human development in the narrative and policy advice on meeting the Sustainable Development Goals. A country's production structure is the strongest determinant of its level of income, its income distribution, the quality of employment, the quality of the environment, the development of its institutions and its prospects for future growth and development. Countries need to actively promote the development of productive capacities in a way that will ensure flexibility and resilience in a rapidly changing global industrial and technological context.

In their efforts to recover from the crisis, Governments can steer the direction of economic growth, reshaping public-private relations in order to produce a dynamic economic system where innovation and investment are geared towards meeting people's needs and the protection of the planet. The financial benefits of publicly-funded research and development should not be restricted to the firm engaging in the innovation; where the financing and risks are shared with the public, so must the rewards be. Vaccines and access to education-enabling technology are cases in point in the COVID-19 context.

Policy space and support to the endeavours of countries to secure the kind of structural transformation that will enable them to meet the Sustainable Development Goals need to be at the core of multilateral priorities.

The Committee continues to support the reform of multilateral rules to establish a system that promotes social and economic stability, shared prosperity and environmental sustainability.

Excellencies,

The CDP's Comprehensive study on the impacts of COVID-19 on the LDC category, conducted at the request of ECOSOC, showed that these countries have been hit extremely hard by the socioeconomic crisis. Insufficient fiscal space, pre-existing high debt levels and dwindling private external financing have severely limited their fiscal response. With economic growth weakened and inequalities rising, the SDGs have become even more elusive. This calls for giving particular attention and priority to LDCs in the international response to COVID-19, including in access to vaccines and strengthening public health systems, providing debt relief and scaling-up financial support. Countries that are graduating from the LDC category in these challenging times require specific support.

We cannot talk about inclusive, sustainable and a just global economy after COVID-19 without significantly increasing support for a sustainable and inclusive transformation of the economies of LDCs. This includes building productive capacities in the health and education sectors, investing in digital infrastructure, developing science, technology and innovation capabilities, designing and implementing green industrial policies, and pursuing the diversification of economic and export structures. The Committee advocates that productive capacity should be the framework for the next programme of action for least developed countries.

Finally, regarding leveraging the role of ECOSOC – one of the issues presented for discussion in today's meeting – the Committee recommended that the Council take stock of the lessons learned from the shortcomings of the multilateral and regional responses to COVID-19. Responding to the need for an inclusive and networked multilateralism, ECOSOC should put in motion an open and transparent process to identify and implement the changes that will ensure that the system supports equitable, sustainable and resilient development through structural transformation.

Thank you very much for your attention.