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### High-level segment

#### Summary record of the 46th meeting

Held at Headquarters, New York, on Thursday, 9 July 2015, at 10 a.m.

*President:* Mr. Oh Joon (Vice-President) . . . . . (Republic of Korea)

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*In the absence of Mr. Sajdik (Austria), Mr. Oh Joon (Republic of Korea), Vice-President, took the Chair.*

*The meeting was called to order at 10.10 a.m.*

**Annual ministerial review: Managing the transition from the Millennium Development Goals to the sustainable development goals: what will it take (E/2015/68)**

*Panel discussion: "Lessons from the Millennium Development Goals for the future"*

1. **Mr. Lagumdžija** (former Prime Minister of Bosnia and Herzegovina and Member, Club de Madrid), delivering the keynote address, said that the sustainable development goals were an extension of the ideas and values set out in the Charter of the United Nations and the Millennium Development Goals (MDGs). The most critical lesson that had been learned from the pursuit of the MDGs was that results were possible. Another key lesson was that reducing high poverty levels and improving access to education and health services, in particular for women, ethnic minorities and other marginalized groups, could not be effectively achieved without identifying and addressing the root causes of poverty, including double standards, injustice and societal segregation and hypocrisy. A third key lesson was that the sustainable development goals must be holistic, integrated and transformative.

2. The present challenge was to proceed to the next level of moral, political, social and economic development. That could be achieved through a paradigm based on shared values and the pillars of environmental preservation and sustainable production; strong economies and employment; education; democratic governance and the rule of law, supported by multilateral and State institutions; social structures; access to information and communications technology; and cooperative security. Rich and poor must work together; inequality was at the root of injustice and poverty, which inevitably led to segregation, intolerance, exclusion and ultimately, violent extremism.

3. The sustainable development goals could be achieved through the "7-M mechanism": modelling, motivating, mobilizing, moving, measuring, monitoring and managing. In addition, the goals should be implemented within a framework of a common vision and shared values; the pursuit of market-based

economies alone was limited and insufficient to achieving stability and well-being.

4. Noting that later that week he would be attending a ceremony in Sarajevo to commemorate the twentieth anniversary of the Srebrenica genocide, he recalled that a court established by the United Nations had recognized the failure of the international community and its institutions, including the United Nations itself, to take appropriate action to prevent the genocide. That was an important lesson in the context of the sustainable development goals: the international community had a moral, political and legal obligation to face the truth of its common failures and demand justice in order to avoid repeating the worst moments in history and to envision a better future.

5. The concept of shared societies and shared values should underpin efforts to build prosperity and achieve the sustainable development goals at the global, regional and local levels. In that regard, for over 10 years, the Shared Societies Project, a flagship project of the Club de Madrid, had aimed to promote dialogue, diversity and social inclusion and build a world that valued differences. The promotion of shared societies and values should be fundamental to the implementation of the sustainable development goals agenda in Bosnia and Herzegovina and the broader European region, which must demonstrate by example that it had learned from its history.

6. Twenty years after the Srebrenica genocide and the General Framework Agreement for Peace in Bosnia and Herzegovina (Dayton Agreement), people promoting war between civilizations were once again active, utilizing violent extremism as a tool to create segregated, radical and exclusive societies. A firm commitment to shared, tolerant and inclusive societies and the determined implementation of the sustainable development goals agenda would be the ultimate defence against those false prophets. A world that did not learn to foster respect between societies and celebrate diversity had no future.

7. The President said that the lessons learned from the pursuit of the MDGs would inform discussions on the post-2015 development agenda. For example, the MDG experience had revealed that poverty reduction was effectively achieved through dedicated and targeted programmes and sustainable, inclusive and equitable economic growth. However, many countries continued to struggle to achieve the levels of growth

needed to reduce poverty. Moreover, in many countries, economic growth had not been sufficiently inclusive or equitable to reach the poor. Expenditures on health, education and gender empowerment in pursuit of the other MDGs had filled a critical need for investment in human capital, social institutions and social integration, with successful results.

8. The MDG experience had also shown that concerted action, supported by effective policy coordination between and among different levels of government and a range of development actors, had been critical to the achievement of results. Policy documents such as national sustainable development plans and poverty reduction strategy papers had contributed to the improvement of policy coordination among different levels of government. The engagement of civil society, academia, the private sector and other stakeholders had been a critical complement to government efforts to enhance accountability for the MDGs.

9. He asked the panel members to consider the successes and missteps in the MDG agenda implementation process; the challenges to promoting implementation of the post-2015 development agenda at the national level, given its great complexity; lessons relating to policy integration that could be drawn from the MDG experience and how those could be applied to the post-2015 development agenda; the role of stakeholder engagement in the implementation of the MDG agenda; and the role that stakeholder groups, including young people, could play in the implementation of the new agenda.

10. **Mr. Martínez-Solimán** (Assistant Administrator and Director, Bureau for Policy and Programme Support, United Nations Development Programme (UNDP)), panellist, said that the MDGs had yielded successful results, but the sustainable development goals required a more integrated approach and greater collective action. A key question was how human prosperity and well-being could be sustained in the face of conflict, dangerous climate change, pandemics, economic shocks and unforeseen crises that had hampered or undone efforts to achieve the MDGs. The drivers of instability must be addressed by strengthening social cohesion; establishing the rule of law; strengthening capacity for the peaceful resolution of disputes; and making governance more inclusive and effective. Most critically, actions must have a pre-emptive component in order to prevent

development gains from being undone by sudden unforeseen events. Many recent tragedies could have been avoided through risk-informed planning and the adequate application of technology.

11. Based on its experience working in 144 countries and territories, UNDP understood the need to improve policy coordination through capacity- and institution-building. The new development agenda involved difficult policy decisions. In that regard, there were particular challenges at the national level to promote policy coherence among the various levels of government and sectors of society; promote decision-making that ensured synergy between policy and action; and develop inclusive processes.

12. Measuring progress at the national level was another important priority. The MDG experience had demonstrated that goals and targets that were easily measured and communicated could guide concerted action. The challenge lay in defining the data required and establishing monitoring and reporting mechanisms that were non-intrusive and credible. UNDP had served as the technical assistance platform to support Member States around the world in analysing and publishing their MDG-related achievements and producing over 400 national MDG reports, which contained a wealth of information on both successful and unsuccessful approaches. Monitoring at the regional and global levels also depended on efforts at the national level.

13. Discussion of the new agenda should take into account the fact that implementation of the MDG agenda had varied between countries; some had fully aligned their national development planning with the framework, while others had confined their MDG-related actions to the activities of development assistance partners. Therefore, cooperation between national Governments and regional and international partners was the primary challenge.

14. **Mr. McArthur** (Senior Fellow in Global Economy and Development, Brookings Institute and Senior Fellow, United Nations Foundation), panellist, said that the pursuit of the MDGs represented an extraordinary global success achieved over a generation. The world in 2015 was characterized by tension between two competing forces. It was experiencing the fastest rate of progress in human history, exemplified by the decline in extreme poverty, gains in living standards, economic advancement and technological breakthroughs, while also facing a set of

grave problems that were evolving and growing at an even faster pace. That tension between rapid progress and even more rapidly evolving challenges should not be overlooked.

15. It was important to recall that the MDGs had emerged after a decade-long process of discussions and global conferences. Even after the Goals had been set, it was not until five years later, at the 2005 World Summit, that States had signed international agreements to align their national strategies with them. The Goals had addressed the major gaps at the time, which included stagnant economic growth in many countries, failures in health systems and high levels of extreme poverty. The MDGs had become a powerful strategy only when institutions had aligned their policies with them, set clear targets, and developed a common ambition.

16. The greatest achievement of the MDG agenda had been in the area of global health. According to estimates, between 10 million and 20 million people currently in the world today would not have been alive without MDG-related efforts. Another major achievement was in the area of education, where profound changes had occurred in ways of thinking about primary education, although better ways of measuring learning were still needed. Good progress had also been made in the area of agriculture and food security.

17. A major gap in the MDG agenda, which discussions of the sustainable development goals were seeking to fill, was the question of the physical aspects of economies and societies. Those were encompassed under the broad concept of “environment”, which included the climate system, oceans, city planning and many of the other ways societies used the physical world.

18. The biggest challenge ahead was the achievement of the primary objective of the MDGs, namely the eradication of extreme poverty. The fact that that objective had always been accepted as an essential component of the sustainable development goals framework was commendable and the international community should not lose sight of how remarkable and historic the achievement of that goal would be. Another major challenge for the new agenda was determining ways to measure performance, not only for Governments, but also for partnerships, businesses, universities and civil society organizations. The good

news was that the quantified metrics in respect of the sustainable development goals were much more developed than they had been for the MDGs at the current stage of negotiations.

19. **Ms. Onano** (Young Leader, Women Deliver, Education Spokesperson, Moremi Africa, and Member of UN Women Global Civil Society Advisory Group), panellist, said that the message that had come out of the Youth Forum hosted by the Council in February 2015 was that young people wanted to be part of the change taking place, participating not only as ambassadors but also as key partners in the implementation of the new development agenda. The key issues for young people were education, employment, gender equality and peace and security. The gender parity that had been achieved at the primary school level was not enough to empower young people to be competitive in the global market place; ambitious goals for secondary and tertiary education must therefore be a priority. Furthermore, the majority of the 57 million children out of school in the world were girls. Without placing gender equality at the centre of the new agenda, sustainable development could not be said to be inclusive.

20. Young people, who represented the largest demographic segment in the world, were most affected by unemployment and underemployment. They must have access to decent jobs and safe environments to nurture their skills in order to play an active role in the future. Investment in employment and vocational training for dropouts was also needed. The problem of unemployment was closely tied to the issue of peace and security. Militia and terrorist groups took advantage of unemployed and uneducated young people by enticing them to join their violent groups. Education and employment were the way to ensure that young people would have agency and feel included in their communities and countries.

21. The Millennium Development Goals Report 2015 had revealed that while there had been global success in reducing the number of people living in abject poverty, many people in sub-Saharan Africa still faced extreme poverty, in particular women. Similarly, while there had been gains in women’s political representation, such achievements should not render the world complacent; gender equality was not yet a reality and should therefore be a major priority in the new agenda. Lastly, in order to achieve the sustainable development goals by 2030, information must be

disseminated in a transparent manner across classrooms, workplaces and rural communities for young people to become engaged in the implementation of development plans.

*Interactive discussion*

22. **Ms. Mxakato-Diseko** (South Africa) said that the extraordinary successes achieved through the MDGs had legitimized the initiative and underscored the need to approach global development efforts as a continuum. At the time of adoption of the Goals, the situation in Africa had been dire. Today, incredibly, the continent was home to seven of the fastest-growing economies in the world, because since that time many conflicts in the continent had been resolved and the African Union had reconstituted itself and cohered.

23. She asked the panellists to address the important role of the capable State in such achievements and the need to capacitate States to continue to advance, taking into account issues such as ensuring space for the private sector and civil society and negotiating the monitoring and evaluation of programmes in light of the political context.

24. **Mr. Otto** (Observer for Palau) asked the panellists to more explicitly address the issue of the environment and the sustainable development goals, particularly in the context of climate change. Specifically, he wished to know whether the panellists believed that the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Paris at the end of 2015, would be successful in reaching an effective agreement, and what would happen if the negotiations were not successful.

25. **Mr. Chowdhury** (Observer for the Inter-parliamentary Union), noting that achievement of the sustainable development goals would require national parliaments to enact facilitating legislation and provide robust oversight and appropriate resources, asked the panellists to comment on the role of parliaments in the new development agenda.

26. **Mr. Alum** (Observer for Partner in Population Development) asked how the new development agenda would take into account advances in the capacity to share knowledge across boundaries. In particular, he wondered how knowledge-sharing and technology could be rationalized and used to benefit countries, with the cooperation of the private sector and the

participation of communities at the grassroots level. He also asked the panellists to comment on how South-South cooperation had contributed to the achievement of the MDGs.

27. **The President** said that, despite the progress made in reducing poverty, inequality had grown exponentially, with one per cent of the world's population possessing nearly half of the world's wealth. The gap between rich and poor was the widest it had been in history. He asked the panellists how that inequality should be addressed in the new development agenda.

28. **Mr. Lagumdžija** (former Prime Minister of Bosnia and Herzegovina and Member, Club de Madrid) said that the fundamental development vision and goals should remain unmovable and not subject to double standards, while mechanisms for monitoring and evaluation and stakeholders should be viewed as changing and movable. Hotspots across the world often detracted from the pursuit and achievement of development goals. The fundamental message of the new agenda should be that the survival of all depended on the achievement of the sustainable development goals, which would require a profound transformation at the societal and individual level.

29. **Mr. Martínez-Solimán** (Assistant Administrator and Director, Bureau for Policy and Programme Support, United Nations Development Programme (UNDP)) said that the role of the capable State and its institutions had been critical to the success of the MDG agenda. Social protection, fiscal distribution, infrastructure, food security, shelter, public health and education systems all depended on the existence of a capable State; institution-building would therefore be fundamental to the development framework. Decisions were made legitimately and democratically within State institutions, which were also responsible for implementing those decisions and settling differences. Private sector partnerships were needed, not so much to privatize development work, but to access the private flows available for investment in developing countries and to achieve the ambitious goals of the new agenda.

30. The vision of success was set out in the sustainable development goals: to create a society without poverty, without people living in hunger or children out of school. The indicators, benchmarks and rate of advancement were now to be defined as part of

public policy. With regard to the question of inequality, it should be noted that while inequality between States had decreased — the Africa and Asia regions in particular having grown their economies — inequality had increased within States and between citizens. Poverty eradication would not be achieved without reducing such gaps in inequality.

31. **Mr. McArthur** (Senior Fellow in Global Economy and Development, Brookings Institute and Senior Fellow, United Nations Foundation) said that, paradoxically, the MDGs had been successful because discussions had focused on the goals rather than on the methods. Divisive debates following the era of structural adjustments had thus been avoided. By focusing solely on results, flexibility had been created to explore strategies to achieve them. However, the sustainable development goals required more discussion of implementation methods. Three key components were service delivery, accountability and assessment of the role of governance and justice. While peer learning, regional cooperation and a global dialogue were all necessary, each State would need to approach its problems on its own terms.

32. With regard to inequality, while global inequality was being reduced between States, the rise of the super-rich did represent a dramatic new phenomenon, owing in part to the increasing size of the global marketplace. Each State was responsible for promoting a discussion on what sectors were contributing to development, while local governments also had a role to play in ensuring that nobody was left behind.

33. With regard to climate change, while intergovernmental discussions were important, the role of private investment must not be underestimated. Decisions made by the private sector regarding energy systems, such as the building of power plants, would have long-term effects on carbon emissions for decades. Organizations such as the Asian Infrastructure Investment Bank and the New Development Bank represented examples of effective South-South global leadership, which would help define the environmental and development agenda.

34. **Ms. Onano** (Young Leader, Women Deliver, Education Spokesperson, Moremi Africa, and Member of UN Women Global Civil Society Advisory Group) said that while the role of parliament would be important in implementing the development agenda, decision-making must involve many stakeholders.

Citizens should be empowered to hold parliaments and other institutions accountable.

**High-level policy dialogue with international financial and trade institutions (E/2015/50 and E/2015/73)**

*Panel discussion: “Headwinds in the global economy”*

35. **Mr. Montiel** (Assistant Secretary-General for Economic Development, Department of Economic and Social Affairs), moderator, said that the action agenda of the third International Conference on Financing for Development in Addis Ababa aimed to align development financing with sustainable development and would help to counter some of the headwinds in the global economy. He would like the panellists to discuss the global macroeconomic and trade situation for 2015-2017 and its impact on the least developed countries over the same period, and to give their views on what the international community could do to promote economic and financial resilience, stability and growth.

36. According to the most recent forecasts, while the modest rate of global economic growth recorded in 2015 would improve gradually in 2016, it would remain well below the level recorded prior to the global economic and financial crisis in virtually all regions. In many countries, the rate was too low to allow for significant gains in employment creation or poverty reduction. There was widening divergence among the developing regions due to global factors such as lower oil and commodity prices and volatile international capital flows, as well as regional specificities such as macroeconomic imbalances, governance issues and armed conflict.

37. The subdued performance of the world economy had also been accompanied by relatively weak growth in global trade. It was important to determine whether trade could once again become an engine of economic expansion or whether the shift to lower growth rates was more permanent. Slow progress in the multilateral trade negotiations of the World Trade Organization had encouraged the proliferation of regional trade agreements with greater systemic consequences, resulting in the fragmentation of the international trading system.

38. Redoubled efforts were needed to conclude the Doha Development Agenda. Average growth in the least developed countries, which would slow

moderately before strengthening in 2016, remained much lower than before the crisis. It also masked significant differences. Some economies had shrunk as a result of lower commodity prices, internal conflicts and natural disasters, while others were experiencing robust growth due to significant investment in agricultural development and infrastructure. As more of the least developed countries met the criteria for graduating from that category, smooth transition would become an increasingly important policy issue. Graduating countries would continue to require fair market access and financial support, including concessionary forms for climate finance, which should be based on vulnerability and need, not on status.

39. It was equally important to ensure a smooth transition from the MDGs to the sustainable development goals and to enable the success of the post-2015 development agenda. Given the interconnectedness of the global economy, realizing the ambitious post-2015 development agenda would require stronger international cooperation, in order to build resilience to economic shocks and contagion, promote economic growth and stability, and ensure adequate and predictable long-term development finance.

40. **Mr. Kituyi** (Secretary-General, United Nations Conference on Trade and Development (UNCTAD)), panellist, said that for the fifth straight year, international trade had expanded more slowly than global gross domestic product (GDP). Moreover, even the phenomenal growth in trade during the two decades prior to the global financial crisis had been unable to eradicate poverty. In a phenomenon known as the “least developed country paradox”, least developed countries with GDP growth rates of roughly 20 per cent had remained marginalized, because much of the growth had been driven by high commodity prices and quantitative expansion of commodity exports, often the same stock of raw materials with limited value addition. As a result, growing exports volumes had not had any effect on monetary value and the rest of the economy, with millions of people still living in extreme poverty.

41. Since 2009, international trade had barely kept pace with world economic growth, such that it could not have been a lever for lifting people out of poverty. It was therefore important to focus more on regional integration, particularly in the developing world, as a basis for greater coherent and integrated development.

That was particularly important because regional trade in the developing world reflected much higher value-added trade than export trade from those regions to the developed world. To increase the impact of trade on innovation, productive capacity and structural transformation, there must also be greater emphasis on science, technology and innovation. It was also necessary to increase direct foreign investment stocks in structurally weak economies, which could have a major impact on investment and help to strengthen linkages between trade and the productive sectors of the economy.

42. Trade in services would increasingly play a larger role in the international impact of trade on development. Coherent policies, innovation, education and investment in the services sector could unlock the potential of services as a driver of development. More attention should be paid to the agenda of the Trade in Service Agreement negotiations, and in general, many countries should make greater demands in negotiations on trade in services. Services that were not integrated into the national economy or across borders should be integrated. To meet the challenges of the post-2015 development agenda, developing countries must also address issues involving the cross-border liberalization and integrated expansion of services. He urged all countries to contribute to the fourteenth session of UNCTAD in 2016, which would present the first opportunity to tackle implementation of the sustainable development goals.

43. **Mr. Min Zhu** (International Monetary Fund), panellist, said that the global economic and financial crisis had left a bigger scar on the global economy than the International Monetary Fund had anticipated, with lower GDP across the board. Potential output growth had declined in both the advanced economies and the emerging economies as a result of weak capital growth and, thus, weak labour growth, although the emerging economies had seen the greatest loss. Lower oil and commodity prices combined with tight financial conditions would further depress growth in the low-income countries. It was hoped that with proper macroeconomic policy and sufficient international support, growth would pick up and gradually recover during 2016-2017.

44. Traditionally, when an economy was under capacity, monetary and fiscal policies were used to boost demand. However, with the global government debt-to-GDP ratio at more than 100 per cent,

Governments and central banks were left with very little monetary or fiscal space to make a difference in consumer and investor behaviour. All-time low interest rates, which temporarily provided more fiscal space, had consequences for pensions and low-incentive investment and consumption.

45. In the financial sector, banks were healthier, and asset management companies, otherwise known as “pseudo-banks”, had continued to expand. The growth of those pseudo-banks and the pseudo-banking system created much uncertainty as well as very tight liquidity in the financial markets. While the size of the bond market had grown, dealer inventories had shrunk, decreasing market liquidity and setting the stage for high volatility. The continued appreciation of the dollar would bring tight liquidity and would generate uncertainty in capital flows and national balance sheets. If the United States Federal Reserve raised interest rates, the dollar would strengthen and risk premiums would rise, further fuelling market volatility.

46. In the above-described economic context, it was vital for countries to work together to boost aggregate demand and maintain macroeconomic stability, and to implement structural reforms such as agricultural, tariff, legal and banking-sector reforms in low-income countries or technological innovation and industrial regulation in advanced economies. Global cooperation must also include support for low-income countries, which explained why the International Monetary Fund attached great importance to the third International Conference on Financing for Development.

47. **Mr. Agah** (Deputy Director-General, World Trade Organization (WTO)) panellist, said that trade growth would remain slow, largely because of the continued sluggish growth in global GDP. With numerous downside risks, including global geopolitical tensions, divergent monetary policies, exchange rate fluctuations and slower growth in emerging economies, the general outlook was not encouraging. Nevertheless, trade remained a powerful tool for economic growth and development and should be given a more prominent place in the post-2015 agenda, which should integrate economic growth with social inclusion and environmental protection. That agenda needed to be transformational and help to create jobs, develop infrastructure, raise productivity, improve competitiveness and promote sustainable production and consumption. WTO was pleased to see more attention being paid at the international level to

integrating countries into local, regional and global value chains for both industrial and agricultural products.

48. The least developed countries continued to be heavily dependent on a few export products, particularly in Africa. Measures should be taken to help them increase their share of world trade, but they also needed assistance in diversifying their production and export base and strengthening their trade-related infrastructure. Furthermore, they must implement suitable domestic reforms. WTO provided support to those countries through its Aid for Trade initiative and various initiatives in its “Bali package”, including the duty-free and quota-free market access schemes, the preferential rules of origin for least developed countries, and the least developed countries services waiver.

49. The least developed countries would also be aided by implementation of the Agreement on Trade Facilitation, which should be linked to the Aid for Trade initiative. Development partners should be encouraged to maintain and increase their efforts to provide support to least developed countries in line with those countries’ national priorities. WTO was working to facilitate WTO membership for least developed countries and to ensure that the rules governing the multilateral trading system continued to be supportive of them as they moved towards graduation to developed country status. Graduation should not lead to the sudden disruption of concessions already granted, and both the new megaregional free trade agreements and Aid for Trade should ensure that it did not.

50. Lastly, the global economy remained susceptible to external shocks, as illustrated by the Greek financial crisis. Accordingly, countries must move on several fronts to build resilience to global economic shocks. They must keep protectionism at bay; in 2015, WTO had recorded an average of 15 new restrictive measures a month, including increases in tariffs, customs procedures, taxes and quantitative restrictions. Nonetheless, those measures were counterbalanced by trade-liberalizing measures such as anti-dumping investigations and stop gaps and accountability measures to offset suspected subsidies. Countries should also work to provide a predictable, transparent environment for trade. They must make every effort to conclude the Doha Development Round, implement the Agreement on Trade Facilitation and ensure the



availability of trade finance, an issue that should be given special attention during the forthcoming International Conference on Financing for Development.

51. **Mr. Panzer** (World Bank), panellist, said that the divergence in growth among the United States, Japanese and European economies was narrowing. Growth should continue in the United States, although it was still unclear when the Federal Reserve would begin gradually to increase interest rates. In Japan, the economy was improving. In Europe, the recovery was gaining traction, and deflation risks had receded. Since the quantitative easing that started earlier in the year, demand had been strengthening, credit had been picking up and the recovery was becoming more entrenched.

52. On the other hand, most developing countries would experience weaker growth in 2015, with the biggest disappointments being in Latin America, developing Europe and sub-Saharan Africa, owing to low commodity prices and mounting fiscal pressures. The three largest African economies — Angola, Nigeria and South Africa — were making fiscal adjustments necessitated by unsustainable patterns of growth and expenditure. Latin America had been hit hard by the drop in commodity prices and the economic malaise in Brazil, its largest economy. While East Asia was experiencing slower growth, owing largely to the slowdown in China, it remained the second-most dynamic region in the world, surpassed only by South Asia, where growth was propelled by India, whose strong performance due to very important ongoing reforms underscored the importance of productivity- and growth-enhancing reforms in the post-crisis environment.

53. Developing countries faced the challenge of a likely tightening of global financial conditions if and when the United States Federal Reserve raised interest rates. An increase in rates could be accompanied by periods of volatility and unexpected difficulties in adjustment. Developing countries that had been relying on commodities for their growth and investment would also need to adjust to an era of lower commodity prices. However, with higher current account deficits, higher fiscal deficits and less flexible exchange rates than before the crisis, they had very little room to manoeuvre, and their choices would be critical.

54. The future rested on three pillars: faster, sustainable and inclusive growth; continued investment in people; and safety nets and mechanisms to provide resilience in the face of disaster. The transition to the sustainable development goals would require an ambitious financing plan. While official development assistance (ODA) remained a fundamental source of financing for the poorest countries, it was far from enough. Cognizant of the need to leverage ODA more strategically and to catalyse trillions of dollars in public and private investment, the World Bank, the other multilateral banks and the International Monetary Fund were working together to an unprecedented degree. In full partnership with its clients and development partners, the World Bank would continue to help developing countries to identify their needs; to support the implementation of the resulting programmes and to create innovative financing mechanisms.

55. **Mr. Torres** (International Labour Organization (ILO)), lead discussant, said that the jobs crisis was deepening, with continuing high levels of unemployment and greatly increased job precariousness in the advanced economies and slower progress on reducing working poverty in developing countries. Unemployment was projected to grow through 2016, and it was starting to have long-term consequences, as more and more job seekers were dropping out of the labour market, thereby reducing potential output. Also, by impeding labour reallocation in and across enterprises, the jobs crisis made it very difficult to seize new opportunities to increase productivity.

56. The good news was that decent work policies could make economic growth much more sustainable, resilient and inclusive. For example, one reason why rapid trade growth had had limited impact on development was that when there was a very large informal sector, the connections between the dynamic, modern sector and the rest of the economy were weak. Policies encouraging transition to the formal economy and formal employment were therefore needed. The decent work agenda might help to create a more resilient and sustainable economy by relieving the pressure on macroeconomic policies to boost output. By restoring the balance between labour growth and productivity growth, decent work policies would help to stimulate internal demand. By formalizing employment, they would help to broaden the tax base.

57. Lastly, ILO was aware of the constraints on the decent work agenda. The agenda required policy coherence, since it called for more coherence between trade policy, macroeconomic policy, development and employment and social policies. Implementation capacity was also of the essence, since decent work policies required important labour market institutions and tax collection mechanisms. Despite the perception that including equity considerations in macroeconomic policy might be to the detriment of economic growth, most organizations agreed that decent work and equity were prerequisites for rather than impediments to sustainable growth. Decent work should be at the core of the post-2015 agenda.

*The meeting rose at 1.05 p.m.*