Our Common Agenda
Policy Brief 3
Meaningful Youth Engagement in Policy and Decision-making Processes
APRIL 2023

Our Common Agenda
Policy Brief 4
Valuing What Counts: Framework to Progress Beyond Gross Domestic Product
MAY 2023
Introduction

CHAPEAU

The challenges we face can only be addressed through stronger international cooperation. The Summit of the Future in 2024 is an opportunity to agree on multilateral solutions for a better tomorrow, strengthening global governance for both present and future generations (General Assembly resolution 76/307). In my capacity as Secretary-General, I have been invited to provide inputs to the preparations for the Summit in the form of action-oriented recommendations, building on the proposals contained in my report entitled “Our Common Agenda” (A/75/982), which was itself a response to the declaration on the commemoration of the seventy-fifth anniversary of the United Nations (General Assembly resolution 75/1). The present policy brief is one such input. It elaborates on the ideas first proposed in Our Common Agenda, taking into account subsequent guidance from Member States and over one year of intergovernmental and multi-stakeholder consultations, and rooted in the purposes and the principles of the Charter of the United Nations, the Universal Declaration of Human Rights and other international instruments.

PURPOSE OF THIS POLICY BRIEF

In the 2030 Agenda for Sustainable Development and Our Common Agenda, it is recognized that a harmful anachronism exists at the heart of global policymaking, which is that our economic models and measurements overlook many aspects that sustain life and contribute to human well-being, while perversely placing disproportionate value on activities that deplete the planet. The intention of the proposals presented in the present policy brief is not to replace gross domestic product but to outline a path to develop complementary metrics in which what matters to people, the planet and the future is more fully recognized.

Today, the world is facing catastrophic and interconnected crises – including climate change, deteriorating ecosystems and biodiversity loss, devastating conflicts and violence, increasing poverty, hunger, inequalities, unsustainable debt burdens and heightened costs of living – which show no sign of abating. The Sustainable Development Goals are badly off-track. Gross domestic product (GDP) has become a proxy for how we determine value, how we measure wealth creation and development progress and how we allocate resources on that basis.
As mentioned in paragraphs 38 and 39 of my report entitled “Our Common Agenda” (A/75/982), GDP does not account for human well-being, environmental sustainability, unpaid household services, such as care work, and the biased distributional dimensions of economic activity. Moreover, it fails to capture the human and environmental destruction of some economic activities. Harmful practices, such as deforestation, overfishing and the burning of fossil fuels, often contribute to increases in GDP. To achieve the targets that we have set to address the triple planetary crisis and other crises, a fundamental shift in how we measure progress is urgently needed.

Discussions on moving beyond GDP have been under way for decades. These efforts have laid the foundation for establishing a shared language and community of practice to go beyond GDP. Examples of recent initiatives include:

a) The 2030 Agenda for Sustainable Development and the Sustainable Development Goals, with their economic, social and environmental dimensions;

b) The United Nations Development Programme human development index, which supplements GDP with measures of well-being and agency, inequality and multidimensional poverty and takes into account the interconnectedness of socioeconomic and planetary systems;

c) Gender-specific indicators across thematic areas that go beyond the Goals and adequately measure and compare the situation of women and men in all areas of life, including measures of time spent on unpaid care and domestic work and its distribution and economic value, along with other measures, such as the social and economic cost of violence against women;

d) Work focused on inclusive growth and efforts to go beyond GDP undertaken by the Organisation for Economic Co-operation and Development, the European Commission, the World Bank and the International Monetary Fund;


Of these initiatives, the Sustainable Development Goals and their indicators, universally adopted by Member States, were consciously crafted to address the shortcomings of GDP. Indeed, the Goals and their indicators are the most comprehensive “Beyond GDP” framework agreed to and measured today. Moreover, in target 17.19 of the Goals, Member States are specifically called upon to build on existing initiatives to develop measurements of progress on sustainable
development that complement GDP and support statistical capacity-building in developing countries by 2030.

This call was taken up in Our Common Agenda and in the report of the High-level Committee on Programmes entitled Valuing What Counts: United Nations System-wide Contribution on Progress Beyond Gross Domestic Product, which serves as the technical foundation for the present policy brief. The brief is also aimed at building on ongoing processes, including the multi-year update of the 2008 United Nations System of National Accounts by 2025 and the implementation of the System of Environmental-Economic Accounting and the System of Environmental-Economic Accounting – Ecosystem Accounting.

Building on that work, I hereby present proposals to help to develop a universal and comprehensive measurement of progress and sustainable development to complement GDP. There are three concrete recommendations for Member States to consider:

a) A renewed political commitment to create a conceptual framework that can accurately “value what counts” for people, the planet and the future, anchored in the 2030 Agenda and the commitment set out therein to leave no one behind;

b) The elaboration of a robust technical and scientific process, informed by sound and disaggregated data, resulting in a United Nations value dashboard of a limited number of key indicators that go beyond GDP;

c) A major capacity-building and resourcing initiative to enable Member States to use the new framework effectively.
Why do we need to move beyond gross domestic product?

GDP is the most widely used benchmark to measure a country’s economic progress and the value of its domestic production of goods and services. It is part of the System of National Accounts that sets out a common language for statisticians, economists and policymakers across all countries. GDP can be considered a success story insofar as it has enabled thousands of national accountants worldwide to be trained to produce reliable, consistent, comparable and replicable national accounts. It also provides a useful way to tell a compelling economic narrative.

It has, however, been used in unintended ways. By using GDP or income as a proxy for development, we fail to recognize that sustainable development is multidimensional and affected by multiple factors, such as access to resources, productivity traps, social and environmental dependencies, inequalities, vulnerabilities, challenges related to institutional capacity, and the significant vulnerabilities that may exist in countries with high levels of GDP. Similar levels of national GDP can obscure the very different development realities, vulnerabilities and challenges that exist in different countries.

Nevertheless, GDP continues to play a key role as a yardstick for providing international support, including in criteria for countries classified as least developed or eligible for support by the International Development Association, leaving some countries with high vulnerabilities without access to concessional financing. It oversimplifies and obscures the complex needs of countries in special circumstances, including middle-income countries, small island developing States and landlocked developing countries.

GDP emerged as a tool to address the crises of the twentieth century but fails to sufficiently address the environmental and social concerns of the world today. A number of examples are provided below:

- GDP does not account for air pollution, natural resource depletion, environmental degradation and biodiversity loss. Rather, these negative externalities often drive increases in GDP without consideration of the broader, longer-term socioeconomic and environmental damage involved. Global GDP has doubled since 1970, while the depletion of resources has more than tripled, with disastrous consequences for the natural environment. GDP contributes to the perception that permanent economic growth, without reference to environmental and social considerations, can reasonably continue indefinitely within planetary boundaries.

- GDP does not capture the full extent of the informal economy, such as unpaid care work in households, nor does it capture the social value of activities, such as health care, or the value of security. For example, unpaid care work, carried out largely by women, is often invisible and undervalued. This was particularly pronounced during the coronavirus disease (COVID-19) pan-
demic, when women spent an estimated 512 billion hours globally doing additional unpaid childcare work that sustained our economies.10

• GDP does not offer a lens on distributions to identify and address inequalities, including inequalities between women and men and those faced by refugees, migrants and minorities, nor does it account for the targeted interventions needed to address the needs of people facing intersectional forms of inequality. The social and environmental exclusion inherent in GDP perpetuates the misallocation of resources in ways that further exacerbate inequalities.

• As a result of serious compilation and measurement challenges, GDP still often insufficiently captures new economic phenomena, for example, digitalization and the use of free digital services, the use of crypto assets and the development of data. These particular issues are being addressed in the current discussions on the 2025 revision of the System of National Accounts.

Over time, it has become clear that there are intrinsic limitations to what GDP can measure. It does not fully capture the complexities of the urgent challenges we face today. Despite these evident shortcomings, GDP continues to be used – or misused – as the benchmark for important national and international policy settings, in particular in respect of development financing. This notably includes criteria of eligibility for official development assistance and decisions on debt relief and concessional financing, as well as such matters as graduation from the status of least developed country. This excessive dependence on GDP has created damaging bottlenecks and grave inequities in the functioning of the international financial architecture, with serious consequences for the sustainable development of all countries, in particular middle-income countries and small island developing States.

These problems need to be addressed urgently, including through the application of the "Beyond GDP" metrics that I propose. The use of metrics in the context of financial decision-making will be dealt with more fully in the forthcoming policy brief on the international financial architecture. This will also need to build on the forthcoming recommendations of the High-level Panel on the Development of a Multidimensional Vulnerability Index, which can also make a significant contribution to correcting the longstanding inequitable treatment resulting from the uncritical use of GDP as a predominant policy benchmark.

Going beyond GDP, to accurately measure what is valuable, and to enhance decision-making in the best interests of people, the planet and the future, can fundamentally change the way Governments make policies and spur investments to accelerate the achievement of the Sustainable Development Goals and the realization of the commitment to leave no one behind. The figure below illustrates how going beyond GDP can build on and support the achievement of the Goals.

There are a number of opportunities ahead of us to identify and develop “Beyond GDP” metrics. The System of National Accounts, in which GDP is embedded, was revised in 1968, 1993 and 2008 and is being revised again, with a view to completion by 2025. The effort to go beyond GDP should capitalize on the opportunity of this update to the System of National Accounts, which will be focused on the measurement of digitalization and globalization, in order to better account for well-being and sustainability, including through the measurement of distributions, the informal economy and unpaid household service work.
In addition, many countries are developing statistics for the System of Environmental-Economic Accounting to analyse and measure not only how the economy affects the environment but also how ecosystems function and contribute directly to our well-being. Current socioeconomic statistics and data from population and housing censuses, compiled on the basis of international statistical standards, should also be part of the foundation to go beyond GDP.

In addition to compiling headline indicators, Member States will need to maintain and develop comprehensive national data systems to analyse and provide disaggregated data to assess progress made towards the commitment to leave no one behind. Indeed, the current multiple crises, including the escalating climate emergency, have revealed that our statistical systems need to move away from current, traditional ways of operating to be able to effectively support countries’ sustainable development and transformation agendas.
### MOVING BEYOND GROSS DOMESTIC PRODUCT TO ACHIEVE THE SUSTAINABLE DEVELOPMENT GOALS

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
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<tbody>
<tr>
<td>1. No Poverty</td>
<td>Inequality in health, education, income, wealth and access to resources and opportunities persist. Metrics should inform efforts to end all forms of discrimination.</td>
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<tr>
<td>2. Zero Hunger</td>
<td>More robust, disaggregated data on rural and urban areas, population groups and local communities are essential for assessing sustainability and resilience. These are needed as a tool for urban and regional planning to tackle vulnerabilities, air pollution and waste management.</td>
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<td>3. Good Health and Well-being</td>
<td>Our global material footprint is increasing at a faster rate than population and economic output. Measures of progress must go beyond GDP to consider income, wealth and consumption and must offer granular data on distributions to assess inequalities and provide stronger metrics on responsible use of natural resources.</td>
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<td>4. Quality Education</td>
<td>An annual cut in emissions, as in 2020 during the coronavirus disease (COVID-19) pandemic, would move us towards the goals of the Paris Agreement. However, in 2021, the use of coal and oil skyrocketed, contributing to record high carbon emissions. New metrics that target climate action and related finance are needed to address increasing vulnerabilities and to support disaster risk reduction, adaptation and mitigation.</td>
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<td>5. Gender Equality</td>
<td>The chemical burden carried by the oceans is growing. Marine plastic pollution has increased tenfold since 1980, affecting at least 267 species. Implementing thematic metrics on a range of areas, including sustainable agriculture, forestry and fisheries, energy, material flows and water would support better policy decisions to address these growing concerns.</td>
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<td>6. Clean Water and Sanitation</td>
<td>We should consider natural resource use, degradation and biodiversity in all economic decisions, including the impact of such decisions on vulnerable people. Since 1970, global populations of mammals, birds, fish, amphibians and reptiles have declined by 68 per cent, and more than a million species are at risk of extinction. Measures of progress should go beyond GDP to adequately reflect the current cost of production and economic development that has been left largely unaccounted for and unnoticed until now.</td>
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<tr>
<td>7. Affordable and Clean Energy</td>
<td>We want a new social contract of solidarity and inclusiveness in which economic benefits are shared. Measures of progress should go beyond gross domestic product (GDP) to consider distributional impact and uphold the principle of leaving no one behind.</td>
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<td>8. Decent Work and Economic Growth</td>
<td>Weak rule of law and respect for human rights are increasing insecurities, with historic declines in human development. Metrics and policies should focus on “participatory governance and stronger institutions” to prevent backlashes to efforts to establish just and peaceful human and planetary conditions.</td>
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<td>9. Industry, Innovation and Infrastructure</td>
<td>To support all decision-making related to going beyond GDP, we need stronger statistical capacity to invest in the right metrics in order to guide strengthened multilateralism and solidarity in distributing the costs, benefits, rights and burdens fairly and to help to make illicit, illegal and harmful practices visible in order to curb them.</td>
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<td>10. Reduced Inequalities</td>
<td>Innovation and technologies, including artificial intelligence, are developing rapidly. This calls for new metrics to inform policies that would harness these developments and build more resilient infrastructure, optimize food production, minimize waste, monitor pollution and curb emissions with a view to developing sustainable industry.</td>
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<tr>
<td>11. Sustainable Cities and Communities</td>
<td>Inequalities in health, education, income, wealth and access to resources and opportunities persist. Metrics should inform efforts to end all forms of discrimination.</td>
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<tr>
<td>12. Responsible Consumption and Production</td>
<td>More robust, disaggregated data on rural and urban areas, population groups and local communities are essential for assessing sustainability and resilience. These are needed as a tool for urban and regional planning to tackle vulnerabilities, air pollution and waste management.</td>
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<td>13. Climate Action</td>
<td>An annual cut in emissions, as in 2020 during the coronavirus disease (COVID-19) pandemic, would move us towards the goals of the Paris Agreement. However, in 2021, the use of coal and oil skyrocketed, contributing to record high carbon emissions. New metrics that target climate action and related finance are needed to address increasing vulnerabilities and to support disaster risk reduction, adaptation and mitigation.</td>
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<tr>
<td>14. Life Below Water</td>
<td>The chemical burden carried by the oceans is growing. Marine plastic pollution has increased tenfold since 1980, affecting at least 267 species. Implementing thematic metrics on a range of areas, including sustainable agriculture, forestry and fisheries, energy, material flows and water would support better policy decisions to address these growing concerns.</td>
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<tr>
<td>15. Life on Land</td>
<td>We should consider natural resource use, degradation and biodiversity in all economic decisions, including the impact of such decisions on vulnerable people. Since 1970, global populations of mammals, birds, fish, amphibians and reptiles have declined by 68 per cent, and more than a million species are at risk of extinction. Measures of progress should go beyond GDP to adequately reflect the current cost of production and economic development that has been left largely unaccounted for and unnoticed until now.</td>
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<td>16. Peace, Justice and Strong Institutions</td>
<td>To support all decision-making related to going beyond GDP, we need stronger statistical capacity to invest in the right metrics in order to guide strengthened multilateralism and solidarity in distributing the costs, benefits, rights and burdens fairly and to help to make illicit, illegal and harmful practices visible in order to curb them.</td>
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<tr>
<td>17. Partnerships for the Goal</td>
<td>Inequalities in health, education, income, wealth and access to resources and opportunities persist. Metrics should inform efforts to end all forms of discrimination.</td>
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A framework to “value what counts”

Moving beyond GDP is fundamental to building an economic system that gives value to what counts – human well-being – now and in the future, for everyone. Effectively valuing what counts can have a transformative impact by better informing decision-making for a more just, inclusive and sustainable development path. To that end, I present three proposals.

A STRONG POLITICAL COMMITMENT

First, I propose that Member States make an explicit commitment to go beyond GDP by agreeing on a conceptual framework, firmly anchored in the 2030 Agenda, by the time that the Summit of the Future is held in 2024. The report of the High-level Committee on Programmes provides a basis for the framework, as it draws on research carried out across the United Nations system and beyond, including discussions on GDP – its strengths, limitations and uses – and the identification of issues at stake to formulate a framework for the development of policies and metrics.

The framework should be designed to achieve three main outcomes:

- **Well-being and agency.** Putting the focus on people and promoting meaningful participation to ensure that decisions reflect people’s needs and enable everyone to contribute to transformational change;

- **Respect for life and the planet.** Safeguarding the planet and ensuring possibilities for life and well-being in the future;

- **Reduced inequalities and greater solidarity.** Making efforts towards a more equal distribution of well-being.

The framework should also be based on three additional elements to pave the way for transformation:

- **Participatory governance and stronger institutions.** Steering us towards equitable, inclusive and safe societal conditions in which everyone is empowered to participate and contribute and from which everyone can benefit safely and effectively (the social dimension);

- **Innovative and ethical economies.** Serving people and the planet through innovative approaches as a way to find collective solutions to our challenges, involving responsible and ethical actions to deliver positive outcomes that uphold people’s rights (the economic dimension);

- **From vulnerability to resilience.** Focusing on our interaction with the natural and built environment to strengthen preparedness and ensure well-being in a context of multiple risks and uncertainties (the environmental dimension).
A ROBUST TECHNICAL AND SCIENTIFIC PROCESS

Second, the political commitment to develop a conceptual framework to value what counts must go hand in hand with a technical and scientific process to develop the metrics that inform the framework. In this regard, I propose the establishment of a high-level expert group of independent experts with a mandate to produce by March 2024 an initial value dashboard of a limited number of key indicators (ideally not more than 10–20 indicators) that go beyond GDP. This should be presented for consideration by Member States in preparation for the Summit of the Future.

The expert group should be multidisciplinary and comprise national and international experts, including policymakers, statisticians, civil society actors and academics. The technical work of selecting and verifying data indicators should be undertaken through the Statistical Commission, which also hosts the global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda, to ensure the robust and scientific accuracy of the metrics.

One of the strengths of GDP is its conciseness. While GDP is anything but simple, it manages to summarize information in an intuitive manner that tells a story. The framework to “value what counts” must retain these strengths. It must be concise, widely accepted, comparable and applicable to decision-making.

At the same time, well-being, equality and environmental sustainability are complex multidimensional phenomena that cannot be addressed by a single summary indicator such as GDP. This warrants the development of a broader measurement framework to monitor and analyse the multiple aspects of progress and enable a better understanding of trade-offs and consequences.

Therefore, the aim should not be to establish a single composite indicator that goes beyond GDP. An indicator of everything would summarize too much and reveal too little to be able to adequately inform policy. Instead, I propose the selection of a set of core metrics that would be assessed, developed and selected through a scientific, multidisciplinary process and that would need to be:

- Comparable across time and countries, well-established and trusted
- Country owned
- Universally applicable
- Able to convey strong and clear messages that are actionable and intuitive
- Scientifically robust and statistically sound
- Iterative and dynamic, based on what exists, while allowing for the addition of new indicators, as relevant

The methodology and process to develop these indicators should build on current capacities and ongoing work and incorporate appropriately the results of the High-level Panel on the Development of a Multidimensional Vulnerability Index, as well as existing indices and indicators, including the Sustainable Development Goal indicators, the human development index and other relevant indicators that account for human rights and gender equality.
A MAJOR CAPACITY-BUILDING INITIATIVE

Third, I propose a major strengthening of United Nations support to countries in stepping up statistical capacity development and enabling country-owned use and reporting of progress beyond GDP. Such national capacity development will also help to develop and propose new metrics to complement GDP in a participatory process and to fill persisting gaps in reporting on the Sustainable Development Goals. GDP succeeded in becoming universally recognized and the main benchmark for measuring a country’s economic progress and the value of its domestic production of goods and services because it was accompanied by massive investment and support to develop statistical capacity at the national level. The effort to go beyond GDP will require similarly ambitious international investment in capacity development if it is to be successful.

The United Nations system must help statistical offices to shift priorities towards new metrics, including a more comprehensive accounting of stocks and flows, distributions, sustainability and intergenerational perspectives, vulnerabilities and aspects related to innovation, governance, stability, participation and human rights.

In addition to a dashboard, Member States will need to be empowered to have comprehensive data sets that allow for disaggregation. As metrics will need to be developed to reflect elements beyond today’s needs, they cannot be limited by the data we have today. Building strong and dynamic statistical systems and strong statistical capacity will also be key to enabling agility to measure what counts as and when new challenges arise.

With the provision of adequate capacity-building, the dashboard will eventually form a high-quality, widely available and comparable body of information based on global and national official statistics and new sources and technologies.

The pandemic posed challenges to statistical offices that led to innovative solutions, affecting the way in which they collect data from multiple sources, including big data and geospatial data, and how they share and compile data to provide timely insights. Many statistical offices serve as national data stewards, ensuring that data are used as an asset to society. New capacity development efforts should involve innovative approaches and ensure that the use of new technologies is accessible to all countries.
Recommendations for Member States

Action to go beyond GDP must be driven by a clear and shared political commitment and underpinned by strengthened technical capacity and expertise.

I urge Member States to:

a) Confirm their political commitment to develop a conceptual framework to “value what counts”, anchored in the 2030 Agenda. The framework should be designed to achieve the following outcomes: (i) well-being and agency; (ii) respect for life and the planet; and (iii) reduced inequalities and greater solidarity. Moreover, it should be based on the following elements to pave a way for transformation: (i) participatory governance and stronger institutions; (ii) innovative and ethical economies; and (iii) from vulnerability to resilience;

b) Agree to the establishment of an independent high-level expert group to develop a value dashboard of a limited number of key indicators (not more than 10–20) that go beyond GDP, using the report of the High-level Committee on Programmes as a starting point, and to present the result for consideration by Member States by March 2024, in preparation for the Summit of the Future. The expert group should be multidisciplinary and comprise such experts as policymakers, statisticians, civil society actors and academics, and should ensure that the methodology and the selection of indicators builds on current capacities, the ongoing work to develop the multidimensional vulnerability index and existing indices and indicators, including the Sustainable Development Goal indicators, the human development index and relevant thematic indicators that account for human rights and gender equality;

c) Provide resources for and strengthen statistical capacity-building and data collection, in particular at the national level, to support efforts to go beyond GDP and to fill gaps in reporting on the Sustainable Development Goals. Going beyond GDP will require significant investments in data and statistical capacities at the national level, in particular in developing countries. In addition to compiling headline indicators, Member States will need to maintain and develop comprehensive national data systems to analyse distributions, disaggregated data and the progress made towards the commitment to leave no one behind.
Conclusion

Discussions on going beyond GDP have been under way for decades. Now is the time for action.Primarily relying on GDP as a metric of progress does not accurately reflect the world as it is—nor the world that we want future generations to inhabit. We need a paradigm shift in what we measure as progress, so that we can capture data on the activities and outcomes that a society truly values and then use the data to better inform our policy and financial decisions. We have an opportunity to shape our future into one that is more equal and resilient to crises and in which the benefits of social and economic progress are shared by all. By moving beyond GDP, we can measure what we truly value, reconsider what we mean by progress and, on that basis, re-evaluate how we distribute resources and commit to real change.
Endnotes

1. For example, the Brundtland report (A/42/427) of 1987, the Stiglitz, Sen and Fitoussi report of 2009 and the Organisation for Economic Co-operation and Development listing of 500 initiatives to go beyond GDP (2019).


3. See https://unsceb.org/topics/beyond-gdp.


7. See www.un.org/development/desa/dpad/least-developed-country-category/ldc-criteria.html.


11. The outcomes should be based on the principles outlined in the report of the High-level Committee on Programmes and draw from the human development approach, the Brundtland report, the aspirations set out at the Rio and Rio+20 conferences and the 2030 Agenda.