

## *11<sup>th</sup> Session of the OWG on SDGs:*

*Economic Growth, Employment and Infrastructure; Energy*

### **Intervention delivered by Ambassador Guillermo Rishchynski on behalf of United States, Israel, and Canada**

Thank you Mr. Co-chair,

I am pleased to address this Group on behalf of our troika on the important topics of Economic Growth, Employment and Infrastructure, which in our view represent the core elements of the economic pillar and which are the driving force behind poverty reduction. We will then speak to the important and transformative role that Energy can play in support of growth and poverty alleviation.

Mr. Co-chair, we agree with the G77 and other colleagues on the centrality of economic issues to our agenda. In particular, a goal on promoting job-rich, sustainable and inclusive growth, anchored in a strong set of targets, can be a crucial engine of sustainable development and serve to drive progress across the whole post-2015 development agenda. We must therefore prioritize targets that will have the greatest impact on poverty and inclusive growth. We further believe that this framework must emphasize private sector-led growth, which generates 9 out of 10 jobs according to the World Bank, and targets that:

- promote decent jobs and employment;
- a healthy investment climate and entrepreneurship, innovation and business growth, especially for small and medium-scale enterprises;
- factors that contribute to diversification and structural transformation of economies;
- infrastructure finance and development;
- investments in human capital and skills relevant to the labour market; and
- targets that contribute to women's economic empowerment.

As we and others have proposed, this means emphasizing strong economically relevant targets in other key areas across our framework, beyond Focus Area 8 itself.

We see particular value in six target areas.

First, we support targets that tackle the inclusivity of growth. We are therefore attracted to Target 8A that focuses on income growth in the bottom 40% of the population. This is similar to the target we supported under poverty on “reducing the percent of people below countries’ national poverty lines”.

Second, we support a target on productive and decent employment. More and better employment and higher earnings are the primary means by which people can raise their standard of living and transform their lives and prospects. Target 8B is virtually identical to Target 1E under Poverty so, again, we welcome further discussion about the most measurable and cross-regionally relevant formulation of this target. Any target on employment could also incorporate a reduction of precarious of employment and protection of occupational and labor rights (target 8h).

Third, we can support Target 8c on “reducing the number of youth not in employment, education, or training.” This is a clear, concrete target that relates directly to the opportunity and challenge of the “demographic dividend.” The number of global youth not in education, employment, or training was estimated to be 6 million in 2012, so this is also a viable ambition. We do welcome discussion on why to set the number at 50 percent and why the time frame of 2020 has been used versus 2030. A target on increasing the number of young and adult women and men with the skills, including technical and vocational, needed for work (currently target 4e under Education) is obviously related.

Fourth, a healthy investment and business climate that encourages and rewards private initiative is crucial. Therefore, we see great value in a target like Target 8E or Target 9D that can promote business start-ups, entrepreneurship, innovation, and value added as well as increase the number of businesses with access to financial services, technology and markets Target 15k. Target 8E could be better formulated to account for all these considerations by rephrasing “Create an enabling business environment, boost entrepreneurship, and increase value added from new products by x.”

Fifth, we welcome a strong target on infrastructure, alongside infrastructure-related targets that would also be under a Water goal and an Energy goal. We think Target 8G could be strengthened by reframing it to “increase access and the value and quality of infrastructure by x% with a focus on the needs of the marginalized and vulnerable”. The World Bank tracks the value of infrastructure stock so this is measurable, though important further technical work could also be spurred by such a target. The sole emphasis on rural populations, as distinct from an emphasis on vulnerability, is not ideal.

Sixth, we see the attraction of a target on high productivity sectors and productive capacity. We also see scope for a target that emphasizes the knowledge economy and the factors that underpin innovation, economic dynamism, and value added such as “Increase the ratio of research and development workers per x people by y percent.” Data on this is currently already measured by the World Bank and we think it could reinforce the call we have heard from the African Union, among others, for new investment in science, technology, and knowledge-driven economic growth. This could also fit under an Education goal. We realize this is a new proposal and welcome colleagues’ reaction.

We feel that these targets concretely and directly promote structural transformation, economic diversification, increased competitiveness and higher-value production.

Finally, we would like to highlight an issue that should have a prominent role in the new development framework beyond 2015: namely, women's economic empowerment, which is paramount to both our gender and our growth agendas. We thus strongly support targets that aim to build women's employment, businesses and skills, as well as their participation in economic decision-making and the elimination of discrimination. This would have catalytic effects in the lives of women and girls and accelerate progress towards all other development goals.

## **Energy**

Co-chair, let me now briefly present our views on Energy. We strongly support a dedicated goal on Energy as profoundly transformational for eradicating poverty, reducing inequality (including between countries), and promoting sustainable and inclusive growth.

We broadly support all the targets in the current document for reasons we have articulated in previous discussions, especially A, B, C, and E.

Target B we would suggest refining by reference to "doubling the share of renewable energy through development of **diverse** energy sources" which could address the concern of some countries for sensitivity to diverse contexts.

Target E on fossil fuel subsidies we would propose be refined to refer to "inefficient" fossil fuel subsidies that would therefore allow continued subsidies that target support for the poorest. We note that it is estimated by most accounts roughly 8% of fossil fuel subsidies are so targeted.