

**General Assembly Open Working Group on Sustainable Development Goals**  
Fifth Session  
25-27 November 2013, UNHQ

**Summary**

The fifth session of the General Assembly Open Working Group (OWG) on Sustainable Development Goals (SDGs) was convened at United Nations Headquarters in New York from 25 to 27 November 2013. The session covered sustained and inclusive economic growth, infrastructure development and industrialization, macroeconomic policy questions (including international trade, international financial system and external debt sustainability) as well as the topic of energy.<sup>1</sup>

***Opening session***

On Monday 25 November, Co-Chairs of the OWG, H.E. Mr. Macharia Kamau of Kenya and H.E. Mr. Csaba Körösi of Hungary, jointly reported the work progress so far and the way forward. Amb. Kamau emphasized the urgency of the problem at hand and the need to address it with concerted global action. He summarized the four sessions so far, which have covered mainly the social (MDG-related) agenda of SDGs. The consensus so far is that the goals need to build on MDGs, be few in number, easy to communicate, and universal while recognizing different national priorities. They should also address social, economic and environmental dimensions in a balanced way. The discussions to date demonstrated broad support for goals to address poverty, hunger, health, water and sanitation, education, employment and social protection. Eradication of extreme poverty must be the overarching objective. Amb. Körösi reviewed the series of inter-sessional activities in support of SDGs and post-2015 development agenda that took place worldwide following the previous OWG session, highlighting the Global Compact Leadership Summit, the Glen Cove retreat, the GRULAC retreat and the inter-sessional meeting with Major Groups. Amb. Kamau continued the presentation laying out a roadmap for the way forward in parallel with other relevant processes such as the Expert Committee on a Financing Strategy for Sustainable Development and the SIDS Conference in Samoa in 2014. Based on the report of the OWG and other inputs, the Secretary-General is expected to deliver a synthesis report by end-2014 to inform deliberations on a post-2015 development agenda. The new development agenda, with SDGs at its core, is expected to be adopted in 2015. Continuing, Amb. Kamau pointed out that the upcoming four sessions will deal with much more challenging issues such as economic growth, means of implementation, climate change, inequality, the right to development, human rights and governance. He re-emphasised that the OWG should remain focused on its mandate going forward, which is to duly complete the remaining stock-taking sessions up to February 2014 and to propose a set of SDGs for consideration and appropriate action by GA by September 2014.

**I. Sustained and inclusive economic growth, macroeconomic policy questions (including international trade, international financial system and external debt sustainability), infrastructure development and industrialization**

*The OWG started the substantive discussion of segment I immediately after the introduction of the Programme of Work by the Co-Chairs, which continued till noon on Tuesday. This segment consists of three keynote speakers, three panellists, and an interactive exchange of views with the panellists.*

***Professor Jagdish Bhagwati, Columbia University,*** observed that to a degree “inclusive and

sustainable” have become politically correct catchwords, to which we should strive to give meaning. He stated that the MDGs had been drafted as if variations among countries do not matter. The SDGs should move away from the MDGs approach, recognizing these variations. Prof. Bhagwati underlined his view that MDG 8 was not a goal, but an instrument to achieve goals. Accordingly, the SDGs should differentiate goals from instruments (means) and focus on results. He emphasized that growth matters and is necessary, because it offers opportunities and at the same time generates revenues and taxes for a country to be able to afford social spending. Addressing the brain drain, he did not regard this as a problem, stating that people will eventually go back to their home countries when these grow rapidly and conditions improve. He stressed that, while some aid was driven by concern for solidarity, it had to be recognized that donors took an increasingly strong result-oriented approach. In addition, ODA need not necessarily be spent in Africa to be beneficial to Africa, e.g. the development of vaccines. Finally, he argued that publicly-financed intellectual property to address climate change and green growth should be made freely available to the public.

**Mr. Li Yong, Director-General, UNIDO**, stressed that, based on experience of countries that succeeded in fully eradicating extreme poverty, great social development cannot be achieved without industrial development. He called for global goals based on inclusive and sustainable industrial development, creating shared prosperity for people within and among countries, balancing economic and environmental aspects with the right choices of technologies and policies. Mr. Li pointed out that it is still a learning process for many countries to address the environmental aspect. According to UNIDO’s recent studies, countries that are more connected globally perform better in their industrial development. He stated that we need a new global partnership for inclusive and sustainable industrialization. The partnership requires a holistic approach and the involvement of all relevant stakeholders. Predictable long-term funding is also required to meet the investment needs for sustainable infrastructure development.

**Professor Jeffrey Sachs, Earth Institute, Columbia University**, began by stating that a set of well-designed SDGs is our last best hope for a promising future. A holistic approach is required, according to Prof. Sachs, to address the three big challenges Rio+20 has recognized, i.e. ending extreme poverty, building an inclusive world and finding a way to combine the aspiration of economic development with the need to manage environmental risks. He underlined that international laws, such as the three Rio Conventions, are not sufficient in tackling these challenges. Broader public engagement and the moral sentiment of young people should be the fundamental direction to aim for to drive transformative changes. He noted that the SDGs could be a powerful brand.

Prof. Sachs also presented the Sustainable Development Solution Network’s (SDSN) recommendations on what a new set of SDGs could be and how they might be organized. According to the SDSN report, SDGs should be limited in number, sharp and clear, easy to communicate, understandable, motivational and operational. There should be no more than 10 goals that should fit within 3 pages when fully elaborated. The set of goals could include: 1) end extreme poverty; 2) the economic pillar, which includes jobs, continued development within planetary boundaries; 3) social inclusion; 4) education for all; 5) universal health coverage; 6) food security and sustainable agriculture; 7) climate change and sustainable energy; 8) conservation of biodiversity and ecosystems including fresh water resources, major biological and eco-systems; 9) resilient and sustainable cities; 10) good governance, including that of governments, companies and various organizations. The SDSN approach has SDGs address the economic, social and environmental pillars of sustainable development, with good governance as the underpinning foundation.

**Mr. Mukhisa Kituyi, Secretary-General, United Nations Conference on Trade (UNCTAD)**, reaffirmed the achievement of the MDGs in focussing development efforts on a set of clearly defined goals. He pointed out that, in addition to eliminating extreme poverty, the SDGs face a daunting challenge with respect to addressing climate change. He highlighted three issues to keep in mind: 1) Economic growth and social progress should go together. Building productive capacity is the basis for promoting inclusive growth and structural transformation; 2) Ambitious goals and targets, both international and domestic, need to have matching actions; 3) Reflecting on past successes and failures, a new global architecture is required, including a development-friendly international trade system, a global strategic framework that effectively mobilizes resources and channels private sector resources to achieve maximal development impact. Mr. Kituyi argued that deregulated financial markets have limited impact on development due to the inherent short-termism. He called for concerted action of the international community to build a supportive environment for SDGs. He reassured the OWG that UNCTAD, with its integrated approach, stands ready to support the work of the Group.

**Mr. Amadou Sy from Brookings Institution** made a presentation on Financing for Development, drawing on experience from the Sub-Sahara Africa region. He highlighted the stability of the international financial system as an important factor in reallocating global investment towards sustainable development. According to Mr. Sy, private capital flows such as FDI, portfolio investments and remittances have overtaken ODA as the most important source of financing. Illicit financial flows from tax optimization activities of MNCs are large and need to be addressed. To create an enabling environment for local economic growth, mobilize domestic finance, deepen and strengthen domestic financial markets, Mr. Sy pointed out five priorities: 1) the transfer of knowledge and skills through FDI for capacity building; 2) the reduction of illicit financial flows; 3) further strengthening of South-South cooperation; 4) engaging diasporas; 5) redefining and rethinking the role of aid, particularly in catalysing private investments.

**Mr. Amar Bhattacharya, Director, G-24**, pointed out that the global economy today is in the midst of profound transformation. The developing world has been consistently outgrowing the developed world and this growth was not based on aid but on domestic savings. Nonetheless, many challenges remain: 1) lack of inclusiveness: many people were left behind; 2) inequality within countries has increased; 3) increasing risk of environmental degradation. Mr. Bhattacharya highlighted many systemic challenges confronting the global economy today: 1) lack of global aggregate demand and the need to enhance the robustness of the global financial system; 2) increased volatility of commodity prices; 3) volatility of capital flows; 4) structural unemployment in both the developed and the developing world, particularly the unemployment of women and youth; 5) debt sustainability issues and the limitations of the recent rise of conservative macroeconomic policies.

Mr. Bhattacharya stated that private sector led growth can be an important engine for global growth. He called for domestic and international financial restructuring, inclusive growth, as well as sufficient support for the private sector to pursue green growth. He also underlined that the biggest challenge to the public sector is a new approach in public finance. Improving tax performance, avoiding misallocation of resources, addressing tax evasion and illicit financial flows are required to ensure sufficient resources for social spending, such as the access to and quality of healthcare and education.

Mr. Bhattacharya highlighted infrastructure development as a central piece in sustainable development, as infrastructure is required at massive scale to support urbanization and 70 per cent of the incremental investment in the developing world is related to infrastructure. He stressed that

building the infrastructures right can set the world on a sustainable path, while doing it wrong will destroy the planet.

*A number of key points emerged from the interactive exchange of views:*

- Economic growth is a prerequisite for poverty eradication, which remains our overriding priority. Growth needs to be inclusive, sustained and sustainable. Reducing inequalities within and between countries facilitates the goals of poverty eradication and shared prosperity.
- Rapid and lasting growth in many emerging economies has resulted in new realities and possibilities in the world economy.
- Industrialization is a key driver of productivity growth and job creation. Inclusive growth and sustainable industrialization was proposed as a goal. The importance of resource efficiency, decoupling and green growth was highlighted.
- Many countries particularly in Africa highlighted the need for economic diversification, moving from reliance on primary commodity exports to value addition. For this, productive capacities and technological capabilities need to be strengthened. Small- and medium enterprises (SMEs) are engines for job creation, requiring better integration into national and global value chains.
- Infrastructure underpins industrialization, rural and urban development. Access to quality infrastructure for all is essential, including transport, energy, water, and communications. Efficient internal financial resource mobilization underpinned successful industrialization policies in newly industrialized countries.
- Sound domestic macroeconomic policies are essential for sustained, inclusive and sustainable growth and development. They need to be supported by means of implementation, including a revamped global partnership, as well as an enabling international environment.
- External debt sustainability remains a concern for a number of countries, despite progress with debt relief, and requires continued attention.
- Trade is a growth driver and, in this regard, an open, fair, rule-based, predictable, and non-discriminatory trading system needs to be maintained and enhanced. There was emphasis on the need to curb illicit financial flows and tax havens, to enhance domestic revenue mobilization including from the extractive sector in developing countries.

*Several issues were highlighted but remained unresolved, which deserve further clarification in the group's deliberation going forward:*

- Given the relevant processes following up on the Rio Conventions, how to address global commons and public goods in the context of SDGs and post-2015 development agenda?
- The need to differentiate goals from instruments in formulating SDGs was widely supported. However it was also noted that such as differentiation is sometimes challenging.
- It was recognized that the topic under discussion could be linked to education, social stability, gender, health, sustainable consumption and production, decent jobs, rule of law, human rights, and governance. Questions were raised on how the OWG addresses the inter-linkages between topics in its work to develop a set of SDGs.
- How to strengthen multilateral governance for sustainable development?

## **II. Energy**

*The OWG began its consideration of the issue of energy on Tuesday afternoon. Presentations by two speakers were followed by an interactive discussion, and continued discussions were held on Wednesday morning and afternoon. One other speaker delivered his presentation on Tuesday morning due to logistical reasons.*

**Mr. Adnan Amin, Director-General, International Renewable Energy Agency**, observed that energy is central to every aspect of the modern economy and human development. He stated that humanity has reached a pivotal point in history where unprecedented changes, including massive demographic change, are underway, and transition to a different energy reality is necessary. There will be a 30 percent increase in global energy demand by 2030, and renewable energy is rapidly becoming more widely accessible, affordable, and in demand by many countries whose economies are expanding.

At the regional level, he said the future of renewable energy is in “finding scale”. Renewable energy is suitable for large-scale investment, but systems and structures must first be put in place. In Eastern Africa, for example, some of the best plans for investment in wind, solar, and biomass have recently emerged. “Clean energy corridors” stretching across Africa could potentially transform national economies, but there must be a robust long-term policy framework for investment. Noting that different regions have different needs, he also examined examples from island States, where renewable energy is more viable on the grid as opposed to off-grid.

Finally, he discussed the declining costs of renewable energy technologies, noting that business models are evolving and better targets for renewable energy are emerging, and highlighted the feasibility of achieving the targets of the Sustainable Energy for All initiative (SE4ALL).

**Professor Vijay Modi, Columbia University**, raised the question of how to provide sustainable, cost-effective and long-term access to energy to populations of countries in energy-poor situations. He noted that such populations still rely heavily on traditional biomass for cooking and frequently lack electricity. Connecting electricity networks and investing in energy infrastructure are critical, so that the diverse resources can be interconnected. This cannot be done without fossil fuels for the short term; natural gas resources in the Africa region should be used and not exported. He concluded that most people living in energy-poor situations are willing to pay for energy services, if the service is predictable and reliable, and then demand can grow rapidly using a “pay as you go” model. Also, advances in mini-grid technology are making decentralized access for rural communities more economical and enable eventual interconnection of such grids in future.

**Professor Daniel Kammen, University of California, Berkeley**, emphasized that energy poverty is pervasive and projected to be persistent. It is closely linked to human development. He pointed out that there are many dimensions of energy isolation – economic, geographic and political – which leads to a lack of access to centralized energy service systems. A continuum of decentralized power technology can upend the centralized power paradigm by reducing isolation barriers and close the “access gap”. Solar and LED off-grid lighting products can provide affordable and good quality lighting to un-electrified populations, empowering communities and truly improving the life of the bottom billion. Hybrid strategies of on- and off-grid coordination are vital for the achievement of sustainable energy for all.

*The ensuing interactive discussion provided a useful exchange of views, questions, and answers.*

- There was broad agreement that energy acts as an enabler for sustainable development, and is critical to tackling poverty eradication while decarbonizing energy is central to mitigating

climate change —two major challenges of our time. It was therefore agreed that energy must be clearly integrated into the SDGs and the post-2015 development agenda.

- A majority of countries underscored the interlinkages between energy and other development issues, including food security, water, health, women’s empowerment, and education.
- A majority of countries showed support for a dedicated goal on energy in the post-2015 development agenda, incorporating the targets of the Sustainable Energy for All Initiative (SE4ALL) on achieving universal access to energy, doubling the share of renewables in the global energy mix, and doubling the rate of improvements in energy efficiency by 2030.
- Many developing countries, including LDCs and SIDS, emphasized that “one size does not fit all” and stated that transforming our energy systems requires an integrated approach, taking into account the energy needs of different groups and different development pathways in different countries.
- Achieving universal access to energy was highlighted as a priority for many developing countries, including LDCs, while pointing out the importance of renewables and energy efficiency systems. Renewable sources would necessarily be integrated with traditional energy sources, including fossil fuels, notably during a transition to low-carbon energy systems.
- Countries also stressed the need to address climate change and consider the negative impacts that growing energy demands will have in the future. Some highlighted that the imperative of addressing climate change brings an opportunity to transform current energy systems toward a low-carbon and sustainable energy pathway with renewable energy resources, including great potential for solar, wind, and geothermal power in many parts of the world.
- The importance of social inclusion and assuring that the future SDGs will be inclusive of the poorest and the most marginalized, particularly women and children, was strongly emphasized. The crucial role of decentralized and small-scale energy options to meet the needs of the 2.6 billion who are energy poor, the majority of whom live in rural areas and beyond the grid, was also discussed in this regard.
- Issues of technology transfer, capacity building, access to innovative funding mechanisms and the “right policy framework” were mentioned as crucial elements for developing countries to make the transition toward low-carbon development pathways and provide access to energy for the poor. Many agreed that there should be no trade-off between providing modern energy access to the poor and greenhouse gas mitigation.
- The discussion also highlighted the challenges encountered by indigenous peoples due to major alternative energy projects, including displacement, destruction of livelihoods, and human rights violations. Long-term impacts on the environment and on local communities must be considered, community participation and ownership is crucial, and energy projects should respect human rights and include full participation of all stakeholders. In this context, an integrated and holistic approach to sustainable development was also emphasized.

### **Closing session**

On Wednesday afternoon, the Co-Chairs jointly presented their closing remarks, summarizing the discussions and recommendations of the fifth session of the Open Working Group.

Member States reacted to the Co-Chair's summary, highlighting elements that they felt should be further emphasized and taken into consideration. Means of implementation, finance, a renewed global partnership for sustainable development, mechanisms for compliance and monitoring were mentioned. It was also stated that an intergovernmental process should not be guided by other initiatives.

Others underscored the need for living in harmony with nature, support for small holder farmers, and further exploration of requirements for economic growth in rural areas. Many suggested trade distorting measures, including harmful subsidies, should be included "even if they are politically controversial". The need for stability of the global financial system, engaging the private sector, preventing speculation on agricultural commodities, phasing out inefficient and harmful energy subsidies, and mitigating and adapting to climate change were also mentioned.

Before closing the session, Co-Chair Amb. Kamau introduced the upcoming sixth session of the OWG, which will take place in the Trusteeship Council Chamber from 9 to 13 December 2013. The sixth session will address the following topics: Means of implementation (finance, science and technology, knowledge-sharing and capacity building); Global partnership for achieving sustainable development; Needs of countries in special situations (African countries, LDCs, LLDCs and SIDS as well as specific challenges facing the middle-income countries); Human rights, the right to development, and global governance.

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<sup>i</sup> Presentations and statements delivered during the fifth session of the OWG on SDGs have been archived and made available through the below link:  
<http://sustainabledevelopment.un.org/index.php?page=view&type=12&nr=481&menu=1665&event=481>