

10th Session of the Open Working Group on the Sustainable Development Goals
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Cluster 4 - Economic Growth, Infrastructure and Industrialization
2 April, 2014

Statement by Brazil and Nicaragua

(Economic Growth)

Mr. Co-chair,

In relation to economic growth, Nicaragua and Brazil believe that there is a need for a systemic target for tackling imbalances and gaps in global governance structures, particularly with regard to the international financial institutions. Such a target would complement item "a", macroeconomic policy coordination, contributing to improve the relationship between fiscal and monetary policies. It should read as follows: "concluding reforms for increasing effective participation of developing countries in international financial institutions, including the implementation of the quota and governance reforms of the International Monetary Fund".

Regarding item "b", any target on regulatory and fiscal systems should clearly support institutional progress of developing countries, respecting national priorities and preserving necessary policy space for implementing development policies. In this regard, we would suggest adopting the following formulation: supporting institutional development in developing countries in accordance with national priorities and development strategies.

Such an item could be even further strengthened and detailed in order to replace items "a", "d" and "e" under focus area 19, allowing for a development-oriented approach to institutional challenges facing developing countries.

Targets on productivity of jobs, as mentioned in item "f", should be devised in line with the ILO's agenda and terminology on decent work. Economic growth and industrialization play a central role in the promotion of decent, qualified and well-paid jobs. Targets under these three focus areas should be further integrated.

Item "g" is crucial to draw attention to investment needs in infrastructure. Nicaragua and Brazil suggest devising a target on promoting investments in infrastructure also under focus areas on energy, water and sanitation, health, education and industrialization. Monitoring the increase of investment in these areas will be crucial to follow up on the implementation of sustainable development goals.

The promotion of an open, rules-based, non-discriminatory and equitable multilateral trading system, under item "i", must contribute to growth, sustainable development and employment

generation in all sectors". There must be a reference to the fact that "development concerns form an integral part of the multilateral trading system.

Such an item should be further strengthened and detailed, taking into account that agriculture remains a fundamental and key sector for developing countries. Specific targets should be adopted regarding "the elimination of all forms of protectionism, substantial improvement in market access, substantial reduction in trade-distorting domestic support and the parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect".

In item "k", on external debt, we would recommend the use of more concrete terms. The idea of "sustainability" must result in tangible improvement of conditions for developing countries, without reference to targets that could interfere with the respect for national ownership, strategies and sovereignty. A better formulation would be: supporting developing countries without conditionalities, in particular least developed countries, to improve debt management, support debt relief and promote more favorable conditions for external debt renegotiations.

(Infrastructure)

Mr. Co-chair,

Nicaragua and Brazil believe that three aspects related to infrastructure should be further improved, namely: building infrastructure for public services; making technologies available for developing countries; and providing adequate credit and financing management for infrastructure.

In this regard, when devising targets under item "a", the three elements therein should be disaggregated into "access to modern energy services", "improving reliable and sustainable transport networks" and "enhanced access to and use of information and communications technologies" in order to give due consideration to the specific contribution that each of those three elements can bring to sustainable development.

There is need for an item on building necessary infrastructure for public services, in areas such as health and education, in developing countries.

Regarding technology, target "f" under MDG8, on making technologies available, should be updated. Based on Rio+20 outcome document, we would suggest an item on facilitating access to environmentally sound technologies on favourable terms to developing countries.

Still in relation to technology, there should also be a target on increasing the share of investments on science research and development (R&D) as percentage of GDP in developing countries.

Those proposals are based on the principle of CBDR and reflect different historical responsibilities, needs and capabilities of developing and developed countries.

Finally, we would also suggest an additional item on disaster risk reduction, which would read: facilitating access to technologies necessary identify, assess and monitor disaster risks and enhance early warning.

(Industrialization)

Mr. Co-chair,

Regarding focus area on industrialization, it is essential to develop growth strategies based on social and macroeconomic policies specifically aimed at and capable of creating decent, qualified and well-paid jobs and distributing the benefits of growth throughout our societies.

Item "a" should be complemented, reflecting the fact that development policies are crucial for industrialization of developing countries. Therefore, it should read: ensuring adequate policy space for industrial development, especially in developing countries".

In item b, we suggest using the concept of "sustainable and socially inclusive industrialization". Furthermore, we would prefer a shorter formulation for the item, such as: "advancing sustainable and socially inclusive industrial development with technology cooperation and transfer to support such development". The need of resource or energy efficiency, chemicals, waste and pollution are contextual, and does not take into account other environmental and social aspects of industrialization.

In our view, item "c" should be divided into two separate items in order to emphasize the importance of technological upgrading and value addition; the first one would read "strengthening institutions that promote industrial production"; and the second one: "promoting technological upgrading and value addition in developing countries".

Integration to global value chains should be pursued, in the context of a new item "c bis", as a mean to promote technological upgrading and value addition, especially in developing countries. Integration to global value chains through bilateral and regional trading arrangements in a complementary manner with the multilateral trading system.

We believe further clarifications are necessary regarding item "d", which could be improved if focused on increasing the participation of long-term sound investment in total share of investments in developing countries.

In order to integrate industrialization and education, item "h" should be amended to read "enhancing science and math, engineering and technical skills, including through the intensification of technical and vocational education".

Finally, favorable market access must be granted to industrial goods from developing countries, in particular least developing countries, as a means to promote wealth creation and value addition in these countries.