

# **Remarks by Ambassador Guillermo Rishchynski, PR of Canada, for the Canada/Israel/US Team, 10<sup>th</sup> Session of the SDG Open Working Group, on Economic Growth, Industrialization, Infrastructure and Decent Work; Energy**

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Thank you Mr. Chairman.

I have the pleasure to speak today on behalf of our team on the important items of Economic Growth, Industrialization, Infrastructure, as well as Decent Jobs, which relate to the heart of the economic pillar of sustainable development. We will of course also speak to Energy which relates to Economic Growth and has significant transformative potential across our entire agenda.

Let me begin, Co-Chair, by stressing that we join the voices of many member states who have noted in the course of the past two days that sustainable economic growth is an essential and primary driver of poverty reduction, and a missing link of the MDGs, that needs to feature prominently in the post-2015 development agenda. In order to play this role, growth must be inclusive, sustainable, and job-rich, and our targets need to focus on those issues that can drive the policies, investments, and other actions that can advance specific Post-2015 Goals

In this area, in particular, we will need to be thoughtful about targets that can have the most impact in this development agenda, and that can add unique value to this context. It is very helpful that policies, investments, and actions that promote each of these Focus Areas tend also to promote the others so that creates important scope to make smart choices.

At this stage, we will highlight targets we see as having the most transformative possible impact based on strong evidence about the drivers and critical enablers of inclusive and sustainable growth.

We need to prioritize targets that capture the factors that underpin private sector-

led growth, that increase productivity, that promote social inclusion, environmental sustainability, and have the greatest impact on poverty and the livelihoods of the most vulnerable.

This means emphasizing targets that relate to **decent jobs and employment; an investment climate that promotes entrepreneurship, innovation, and business growth** especially for small and medium-scale enterprises; the **factors that contribute to diversification and structural transformation** of economies; **infrastructure** finance and development; and investment in **human capital and skills** relevant to the labour market.

Adding to our previous remarks, we should approach **decent work and employment** with a focus on both the quantity of jobs and the quality of jobs in terms of the percent of the working age population engaged in productive employment, especially women, youth, and other vulnerable groups; the quality and precariousness of employment; and the protection of health and safety standards and fundamental rights of work.

Regarding **investment climate and private-sector-led growth**, key areas include sound economic and fiscal management; open trade and markets governed by prudent policy and sound regulations; a competitive business enabling environment; and access to infrastructure such as energy, transport, and information communication technologies.

We see promise in focusing on **encouraging business start-up, entrepreneurship, small and medium scale enterprise formation**, innovation, growth and longevity, diversification into new products and services, productivity and profitability, and access to financial services;

Structural transformation – what in the Focus Areas document is referred to as Industrialization – is key to wider economic development since rising productivity is by far the main source of sustained growth. The question is how best to capture it in this framework. “Industrialization” has to an extent become overtaken by more emphasis on high-productivity activities that may well extend beyond traditional manufacturing to include other economic activities, particularly those enabled by increased connectivity. We need to give careful thought to a dynamic way to reflect the need for structural transformation that is informed by evolving 21<sup>st</sup> century economic opportunities. It is worth noting that the policies and institutions that promote faster, more sustained, and more broad-based economic growth are virtually identical to those that promote faster structural change.

Infrastructure is also critical and part of the reason for our team's strong support for a dedicated Energy goal and for the approach we take to Water and Sanitation. It is important to note that the growth impact of infrastructure investments varies tremendously, depending on many factors that will need to inform our deeper deliberations. We do see promise in a target that would **encourage infrastructure development for access to modern services that serve the public good, including energy distribution, road and rail links, ports and ICT connectivity**. A well-crafted target in this area would serve to advance a number of goals.

In terms of **skills and labour market training**, we believe we should focus on demand-driven **skills and technical vocation training**, particularly for **youth**. We see value in a target such as for example, **decreasing the number of young people not in education, employment, or training by x%**.

We would also like to stress that we favor identifying targets on growth and employment that are crosscutting with other goal areas. For example, targets that focus on women's economic empowerment by giving women access to productive assets, building women's employment, businesses and skills, and increasing their participation in economic decision-making are mutually reinforcing and support both our objectives of gender equality and economic empowerment. Regardless of its placement in the overall framework, we believe this issue needs to be well reflected.

## **Energy**

Turning now to energy: **our team strongly supports a dedicated goal in this area** – a goal that reflects the critical role of modern energy services in development progress and economic growth. We have asked that this group identify key developmental bottlenecks, and we believe this to be one.

Modern energy services underlie productive industry, trade networks, effective delivery of services, efficient agricultural food supply chains and the revolutions in information and telecommunications which have shaped today's global economy.

For these and other reasons, access to energy and electricity is thus a fundamental driver of economic growth and poverty reduction. As an example, in Africa, it is estimated that only 29% of Africans have access to electricity. On average,

businesses experience power outages 56 days a year, resulting in revenue losses of somewhere between 6% and 20% in some sectors.

We see potential in some of the target areas proposed by the co-chairs – **universal access to modern energy services; increased share of renewable energy in the global energy mix; improved energy efficiency in buildings, industry, agriculture, and transport; phased out inefficient fossil fuel subsidies; and deployment of cleaner, low-emission energy technologies.**

We also wish to propose that this group give serious consideration to **transparent, inclusive, and sustainable management of the energy sector – including the exploration and development of energy resources and revenues.**

Regarding the **phase-out of inefficient fossil fuel subsidies**, with a well-managed transition, this has the potential to have the single greatest impact of all activities listed here. Subsidies inflate oil prices globally and exacerbate energy shortages by artificially raising inefficient energy consumption. They stress national budgets and weigh on countries' trade balances. In 2011 alone, such subsidies are estimated to have accounted for \$480 billion globally.

These subsidies undermine sustainability and climate imperatives and discourage renewable energy investments. We believe that eliminating such subsidies could reduce global greenhouse-gas pollution by 10 percent by 2050.

Finally, the reliability of many countries' energy supplies remain vulnerable to market and political disruptions. Sound policy and regulatory frameworks that reduce private sector investor risks and mobilize expanded financing and investment will, we believe, Mr. Chairman, be critical to our energy efforts.

I thank you, merci beaucoup.