

**Remarks by Ambassador Elizabeth Cousens, U.S.
Representative to ECOSOC, for the US/Canada/Israel Team,
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Industrialization and Sustainable Cities

May 7, 2014

Thank you, Mr. Co-Chair.

First, our team would like to underscore the importance we attach to addressing inequality in strong, actionable ways throughout this agenda. We earlier argued for strong equality-promoting targets under Poverty and Economic Growth, Employment, and Infrastructure; we also see strong goals and targets on specific aspects of infrastructure – like Energy and Water – as a powerful instrument to reduce inequality between countries and underpin sustained and increasing opportunities for shared prosperity. That is among the reasons that we agree with Brazil and others that infrastructure should not be reduced to just one target.

Structural transformation and economic diversification – what is referred to in Focus Area 9 as “industrialization” – is clearly critical. Economic growth is widely recognized to be the most powerful engine for reducing poverty and improving the lives of billions of people at scale, and increased productivity is by far the greatest source of sustained, inclusive growth, so clearly our agenda should identify a strong suite of targets in this area. The question is which targets will have the most transformative impact. As we have argued in other areas, we believe that this means targets that prioritize outcomes over inputs, that emphasize known drivers of economic transformation and structural change, and that reflect the dynamism of markets and economies as they may evolve over time.

Target 9A, for instance, could be strengthened by focusing on entrepreneurship, enterprise formation, and SMEs in general, not only those in the industrial sector – especially since all countries will want, precisely as the target indicates, the policy space to define their own economic plans and priorities and growth models, as CARICOM just noted. “Industrialization” is sometimes used as short-hand to refer to the development of high-productivity sectors, yet a number of additional sectors showing growing promise in the 21st century - such as renewable energy services, technology, health care, education, and ICT and the knowledge economy.

Our framework will be strengthened less picking specific sectors than by focusing more on the strategic fundamentals of economic growth that adds value and creates jobs, that leads to innovation and diversified, dynamic economies – and that raises incomes and expands economic opportunity.

We see particular promise therefore in targets focused on investment in infrastructure and Research and Development, enabling business environments, high-quality and demand-driven education and training, and vibrant labor markets – whether included in this or other focus areas.

First, building more extensive, stronger, and modern infrastructure is the *sine qua non* of development. From water and waste management facilities to electrical grids to paved roads to broadband – infrastructure connects people and markets, brings essential services to homes and businesses, and provides for safety, prosperity, and resilience.

Catalyzing financing for infrastructure – especially for projects such as municipal water treatment that directly benefit the poor but may not attract financing on their own – is a prime need and a ripe opportunity for engaging the private sector in global partnership. Likewise, expanding access among low-income and marginalized communities – to electricity, the Internet, financial services – is of the highest priority. A target to “Ensure access while increasing the value and quality of infrastructure, with a focus on the needs of the marginalized and vulnerable” could drive the outcomes we need.

Likewise, entrepreneurs and small and medium-sized businesses are often the catalysts of inclusive growth – creating new jobs, spurring innovation, diversifying economies. We would recommend therefore a target such as “Create an enabling business environment, boost entrepreneurship, and increase value added from new products.”

Another crucial area is research and development. R&D is a contributor to – and meaningful measure of – increased value addition within any of our economies. We believe a target to “Increase the ratio of R&D workers per million people” is worth exploring. We have not heard much discussion on this target area, but we believe it could address the demand we have heard from many colleagues for increased investment in science and technology

and strengthening of human capital, and we welcome others' thoughts and feedback.

As we mentioned earlier today, we see scope for a target to “decrease the number of young people not in education, employment, or training by x%.” Economic opportunity, including property rights, access to finance, and anti-corruption, as well as the provision of free and universal legal identity are also fundamental to growth, and we have already or will address them in the context of other goal areas.

Turning to Focus Area 10, sustainable cities and human settlements, we are open-minded. We appreciate the growing role of cities as drivers of innovation and development, the fact that we are living in an urban century, and the need therefore for robust inclusion of issues relevant to cities in our post-2015 framework. We are also sympathetic to concerns about rural and peri-urban development and to the risk of artificial separation of the differing geographies in which people live. We believe further discussion on this is promising, and continue to see promise in integrating urban issues into other relevant goals and targets. For example:

We see promise in a target on “Reducing the rate of road traffic deaths by x.” We note the point expressed by Nicaragua, Brazil, and others, that traffic accidents are not a strictly urban phenomenon – and so we should not necessarily qualify the wording of this target.

We also propose a target to “Increase water efficiency in agriculture, industry, and urban areas by x%.” Water is crucial for life – but, with the status quo, water stress is likely to pose a problem in every region of the world, and may prove crippling in some. Addressing the urban dimension of water scarcity should be a priority.

Finally, we propose a target to “Reduce non-biodegradable waste and marine debris, especially plastics, by 50%.” Waste has substantial environmental, health, and even social externalities, especially in urban areas. This is not only true on land, but litter threatens food security and livelihoods in coastal areas as well.

As we have noted, targets for both industrialization and cities could be incorporated in various ways, and we are open to views on the optimal way

to approach these issues so long as we strive for clear, measurable, outcome-based targets.

Finally, let me briefly express appreciation for our Indian colleague's point about the rhetorical inflation of the word "sustainable." We agree that we should use the term "sustainable" strategically, purposefully, and much more economically, and not as short-hand for undefined aspirations or concepts.