



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY H.E. MR. SACHA LLORENTI, AMBASSADOR, PERMANENT REPRESENTATIVE OF THE PLURINATIONAL STATE OF BOLIVIA TO THE UNITED NATIONS, CHAIR OF THE GROUP OF 77, AT THE 11TH SESSION OF THE OPEN WORKING GROUP ON SUSTAINABLE DEVELOPMENT GOALS (SDGS) ON "INDUSTRIALIZATION AND PROMOTING EQUALITY BETWEEN NATIONS, AND SUSTAINABLE CITIES AND HUMAN SETTLEMENTS" (New York, 7 May 2014)

Distinguished Co-Chairs,

1. I have the honor to deliver this statement on behalf of the Group of 77 and China.
2. As the Group has stated before, industry today accounts for over 31 percent of global GDP and is a creator of jobs and an engine for growth and prosperity. As such, industrialization must be decoupled from increased raw material use and negative environmental impact by becoming inclusive and sustainable. Inclusive and sustainable industrialization strategies need to be supported by an enabling environment and adequate policy space, which are also essential to achieving poverty eradication and sustainable development overall.
3. The Group again underscores that technology plays a key role in promoting inclusive and sustainable industrialization. Developing countries require increased access to technology transfer on favourable terms, including through concessionary and preferential terms, in order to shift to a more sustainable development path. It is imperative that the international community takes urgent actions to bridge the technological divide so as to promote endogenous technology development and domestic innovation for the objectives of industrialization and inclusive growth across the developing world. These actions include reforming the international Intellectual Property regime with a view to facilitating technological catch-up for developing countries, as well as concerted efforts to establishing the technology transfer mechanism, including the creation of a Technology Bank for the LDCs.
4. The Group stresses that it is not only industrial diversity that is fundamental to achieving sustainable development, but rather economic diversification more broadly. The ability of developing countries to move from commodity production to industrial production by raising the share of manufacturing and upgrading industrial technology and capability is paramount. Thus "economic diversification towards industrialization" is a more accurate phrasing, taking into note that few if any countries have reached developed status without a sustained period of economic diversification and industrialization.
5. The Group strongly believes that industrialization should be addressed in a differentiated manner that takes into account the varying industrial capacities and resources between developed and developing countries that imply significantly different degrees of resource use and pollutants. Due to the fact that many developing countries do not currently have a significant industrial base, it is important to emphasize the economic component of industrial development, not only the resource and environmental aspects of industry, which are also important but not sufficient.
6. Regarding the means of implementation, this is a crucial component. To achieve industrial development, developing countries require several types of means of implementation. This includes

international financial resources including aid especially for low income countries and concessional loans for developing countries in general; market access for industrial products originating from developing countries; access to various types of technologies at affordable prices; access to environmentally sound technologies also at affordable prices; and trade and IPR rules that are consistent with and not hinder the process of industrial development of developing countries.

7. The Group reiterates from its previous statement in November 2013 that there is a strong case to have a SDG on reducing inequality and adopting social protection policies and measures. Inequality is fundamentally linked to poverty eradication, which is the central and overarching goal for the Group of 77 and China.

8. Studies show that income inequality among countries is higher than within countries. There should be international action to reverse the trend and thus to reduce international inequality. Other aspects of international cooperation, namely means of implementation and global partnership for development, should also be agreed on under the goal of reducing inequality.

9. Reversal of the universal trend of growing income inequality calls for reversing the secular decline in the share of labor income in most countries. For the Group, this goal could be pursued through various means to establish a level playing field between labor and capital, including greater international mobility of labor, regulation of international financial markets and capital movements, more equitable taxation of wage income and incomes from capital and financial assets, prevention of tax competition and a code of conduct for Transnational Corporations.

10. In developing countries, inequality needs be tackled by pursuing policies of inclusive economic growth. This needs to be coupled with enhanced investments in socio-economic infrastructure and human resource development, in particular, education, health, housing and sanitation.

11. The Group of 77 and China would like to express and insist that sustainable cities and human settlement will be a major development challenge over the next several decades. Humanity is now half urban, with projections that some 70 per cent of the world's population will live in cities by 2050, with rural-urban drift occurring largely in developing countries. The grim reality of approximately one billion people living in urban slums highlights the gravity of the challenges. Poor people living in slum houses in unhealthy environments, which co-exist with modern high-rise buildings in many developing countries, is a stark contrast that depicts poverty and inequality - two important issues that should have priority in the post-2015 development agenda.

12. We would like to recall that Sustainable urban development and human settlement require transformative policies at multiple levels of governance. It requires a multi-sectorial, multi-stakeholder approach that engages all relevant stakeholders in a transparent and inclusive manner. In this regard, we call for new modalities of interaction between nations at the international level, as well as between central and local governments at the national level, in order to fulfill their respective roles as governmental stakeholders in global efforts on sustainability. Other non-state actors also play important complementary roles. At the local level, city planners should tackle urban development challenges through inclusive policies that favour people-centred objectives and participatory decision-making that include the disadvantaged and marginalized members of society

I thank you.