

Trade and Development Board, sixtieth session
Geneva, 16–27 September 2013

Plenary on Item 11b:
Report on UNCTAD assistance to the Palestinian people

Speaker: G77 and China

Tuesday, 24 September 2013

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**Statement by Ecuador, on behalf of the Group of 77 & China, at the sixtieth session of the
Trade and Development Board Trade and Development Board**

Item 11(b) - Report on UNCTAD assistance to the Palestinian people

Tuesday, 24 September 2013

Ambassador Triyono Wibowo, President of the Trade and Development Board.
Mr. Petko Draganov, Deputy Secretary-General of UNCTAD,
Mr. Mahmoud Elkhafif, Division on Globalization and Development Strategies,
Excellencies,
Ladies and Gentlemen.

1. UNCTAD is probably the major multilateral organizations devoted to development issues. From this perspective, its work is aimed primarily at supporting members who have higher vulnerability to develop an inclusive and sustainable economy. Within these members and due to many conditions, especially political, Palestine occupies an important place.

2. Being Palestine a prominent member of the Group of 77 and China, I have the honor to express the views of developing countries about the situation in this country today, a situation that makes Palestine and the Palestinian people of the most vulnerable as reflected by the content of the UNCTAD report, I would also take the opportunity to reflect on the role that UNCTAD has played and can still play in its development.

Mr. President,

3. The structural conditions of the Palestinian economy, strongly influenced by political factors, have narrowed its policy space. This makes this country vulnerable in two spheres: on the one hand to the conditions of the international economy and on the other hand to their domestic economic and political conditions, in particular due to the prolonged Israeli Occupation. This prolonged occupation is the main obstacle faced by Palestine in its road to development and has led to many other obstacles and challenges including:

- High costs of production.
- Gradual isolation from external markets.
- Lack of public services.
- High cost of transport.
- Shortage of land, which is affecting agriculture.
- Low levels of productivity, especially in services and agriculture.
- Decreasing foreign aid (needed to finance social spending).
- Limited level of exports and dependency on imports, which causes a high trade deficit.
- Decrease of direct investments and increase in unemployment
- Deterioration of infra-structure including those related to health, education and sanitation.

4. The combination of these features contributed to make 2012 a difficult period for Palestine. In the economic field, the growth experienced in previous years slowed down and the unemployment raised, especially among young people. The lack of independence in their fiscal management has also make more difficult the management of public finances in Palestine.

5. In this context, it is urgent to deepen the cooperation actions with Palestine, not only through international organizations, but mainly through bilateral and triangular cooperation. However as the report underlines, the donor support is necessary but not sufficient. It rightly concludes that in the Palestinian case, the main cause of donor fatigue is occupation, not the delivery of aid to a people denied the opportunity to develop and to freely exercise its right to self-determination. Therefore the end of occupation is the only way to alleviate the adverse economic and social conditions imposed on the Palestinian people.

6. Within this process, it is also important to provide resources for UNCTAD to continue its technical assistance programs. This organization has provided cooperation to Palestine for more than three decades in a wide range of topics, and the contribution of UNCTAD is becoming more relevant under the conditions of the prolonged occupation and lagging of donor support. We welcome the projects that have been conducted in 2012, despite the critical conditions for execution, but we regret that the funds allocated for this important work are limited, which reduces its impact.

Mr. President,

7. We need to take the necessary steps to fulfill the Doha mandate with regard to Palestine. According to Doha Mandate, UNCTAD should continue to assess the economic development prospects of the occupied Palestinian territory and examine obstacles to trade and development, and should strengthen its programme of assistance to the Palestinian people with adequate resources and effective operational activities, as part of the international community's commitment to building an independent Palestinian State, and with a view to alleviating the adverse economic and social conditions imposed on the Palestinian people, in this regard the G77 calls on donors to continue their support for UNCTAD to ensure the continuity of cooperation and support program and the implementation of the existing programs.

8. This commitment was agreed by all members of UNCTAD that is why it is necessary to call the attention in this occasion that it must be honored, in order to allow one of its most vulnerable members to meet its goal to reach sustainable and inclusive development. As the report underlines, the Palestinian economic development will continue to be an illusion as long as the current occupation remains. Therefore we believe that the end of occupation is the only way for Palestinians to achieve the goal of development.

Thank you very much Mr. Chairman.

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