



**GROUP OF 77 & CHINA
G E N E V A**

As of 15 February 2022

**Statement by His Excellency Mr. Chad Blackman
Ambassador and Permanent Representative of Barbados on behalf of the
Group of 77 and China at the 71st Executive Session of the Trade and Development Board**

Draft statement on item 2: Interdependence and development strategies in a globalized world

16 February 2022

President of the Trade and Development Board Ambassador Maimuna Tarishi of Tanzania,
Secretary-General of UNCTAD, Ms. Rebeca Grynspan,
Director of the Division of Globalization and Development Strategies, Mr. Richard Kozul-Wright,
Distinguished delegates,
Ladies and gentlemen,

1. At the outset the Group of 77 and China would like to express its appreciation to the Secretariat, in particular Director Kozul-Wright and his team, for their work on the Trade and Development Report 2021, ***“From recovery to resilience? The perils of uneven and fragile rebound”***.

Madame President,

2. Last week, the Secretary-General of UNCTAD spoke about the issue of resilience, and how it is now considered to be key to achieving sustained growth, development and structural transformation. In the past however, resilience was considered only the younger sister of sustainability. The Secretary-General in fact quoted a key passage of the Bridgetown Covenant: *The pandemic underscored the uneven resilience and capacities of countries to deal with crises*. The 2021 edition of the Trade and Development Report brings our attention to this gap in a timely manner.

3. The year 2021 saw the global economy rebound with growth of 5.3%, the fastest in nearly five decades. We however note that despite such welcomed growth, recovery remains fragile, uneven and likely to be short-lived, as early forecasts from UNCTAD as it relates to 2022 reveal that global growth is expected to slow to 3.6% while global output will only resume its 2016 to 2019 trend by 2030.

4. Moreover, these figures conceal the deeper problem that, the average annual global growth in the decade after the global financial crisis of 2007 to 2009, was the slowest since 1945. Retuning to normalcy, however tempting politically, would mean a return to a fractured and fragile economic system. Such systems are particularly vulnerable to complex shocks that are bound to arise.

5. Although, the pandemic is a global phenomenon, its effects are polarizing and asymmetric. Due to climate-related disasters and the impacts of climate crisis in developing countries, the relative economic losses from the pandemic are three times greater than in developed economies. In 2020 and 2021, many countries in the South were hit much harder than during the 2007 to 2009 crisis, while their now-heavier debt burdens shrank their fiscal space. In contrast, in developed economies, the policy response to the pandemic was based on unprecedented fiscal and monetary measures and has activated a resurgent state.

Madam President,

6. This polarity and asymmetry is accentuated at the international level, where rules and practices continue to lock developing countries into pre-pandemic responses and a semi-permanent state of economic stress. In the area of climate governance, most of the agenda-setting discussion has focused on mitigation, leaving the long-term problem of climate adaptation relegated to an afterthought.

7. As a result of inaction, adaptation costs for developing countries have doubled in the last decade. These costs will only rise further as temperatures increase, reaching USD 300 billion in 2030 and USD 500 billion in 2050. Our Group therefore concurs with the argument of the 2021 edition of the Trade and Development Report that, in contrast to many mainstream approaches to managing climate change, adaptation is less a matter of risk management and more one of development planning.

8. Our Group further believes that the only lasting solution for developing countries is to establish more resilient and inclusive economies through a process of structural transformation, while considering for country specific circumstances. This will reduce the dependence on a small number of climate-sensitive activities. We see a sustainable developmental state, empowered to implement sustainable industrial policies, strategic financing and attuned to local environmental and economic circumstances, as the best way forward.

9. Nationally and internationally, the experience of the past two years has demonstrated the indispensable role of the state in sustaining national economies in times of systemic stress, and in ensuring the much-needed international cooperation during complex, global shocks. To ensure that also developing states can fulfil this indispensable role, they need to have access to sufficient financing and liquidity. Additionally, while the general allocation of Special Drawing Rights (SDR) in August 2021 is a welcomed step, more needs to be done to ensure that liquidity reaches vulnerable countries. Unused SDR must be channelled from countries with strong external positions, to those in greater need of liquidity – via established and new mechanisms at the International Monetary Fund (IMF), as well as via Multilateral Development Banks – and, as the Secretary General mentioned, a new general allocation of SDR should be considered.

10. Recently, G7 countries stressed the need to revitalize western democracy and build a new partnership with developing countries around infrastructure investment, including through an initiative for clean and green growth. Their call for a “building back better world” does strike a hopeful note. Our Group recalls and reaffirms the commitment made by developed countries, to the goal of mobilizing jointly USD 100 billion climate finance per year by 2020 and annually through 2025 to address the needs of developing countries and stress the importance of meeting that goal fully as soon as possible. Our Group also believes that a promise to treat health and education, among other things, as global public goods, a commitment to a sufficiently financed sustainability revolution and an infusion of liquidity through a new allocation of SDRs – additional to the general allocation of August of 2021 - are all welcome departures from pre-pandemic practice.

11. Our Group also believes that as post-pandemic economy brings up new challenges. The resolve to rebalance the global economic system and reform the international economic and financial architecture is waning. The biggest risk for the global economy is that a rebound in the North will divert attention from long-needed reforms, including the need to reform the international debt architecture, without which developing countries will remain in a weak and vulnerable position and continue to be omitted from decision-making processes on certain issues that directly impinge on our countries.

12. Madam President, we must ward against a situation where a lack of attention to the plight of developing countries undermines the resilience of the global economy as a whole. It is therefore our duty to ensure this does not become our reality. We count on UNCTAD to continue to be a voice for developing countries.

The Group of 77 and China has been an ardent supporter of deliberating on draft agreed conclusions for each substantive item of the agenda of the Trade and Development Board and its subsidiary bodies. In this regard, we would like to inform that our Group has proposed draft agreed conclusions on this item, that is, “Interdependence and development strategies in a globalized world” as well as on items 3 and 5, which are set to be taken up during this executive session. We look forward to engaging with Member States in a productive and constructive manner.

I thank you, Madame President.