

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Trade and Development Board Seventieth session

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EU written statement (check against delivery)

Agenda Item 3: General Debate

Mister President, dear Secretary General, Excellencies, distinguished Delegates,

I have the honour to speak on behalf of the European Union and its Member States.

At the outset, we would like to thank the outgoing President, Ambassador Hasans, for his work and guidance since his election in June last year. At the same time, we would like to congratulate you, Ambassador Hashmi, for your election as the President of this 70th session of the Trade and Development Board. As well as to all other members of the Bureau. We look forward to work with you and with the rest of the membership in advancing UNCTAD's impact across its broad mandate.

The world continues to be faced with grave challenges. The 2030 Agenda and its SDGs are off track. We need to work closer together to attain these goals as the lives of millions of people depend on us. The EU remains fully dedicated to these objectives and will remain a frontrunner on implementation.

We are halfway through the year and we have already had several undesirable events linked to climate change. According to the World Meteorological Organisation, global temperatures are likely to surge to record levels in the next five years, fuelled by heat-trapping greenhouse gases and a naturally occurring El Niño event.

The EU is steadfast on delivering on our climate commitments. Be it at home through our far-reaching Green Deal policies, or abroad by raising the ambition in multilateral talks, as well as by supporting our partner countries. Including through the EUR 300 bn investment package delivered by our Global Gateway strategy, which is already showcasing green investment projects across all continents. For instance boosting green energy production and access in Africa through the Africa-Europe Green Energy initiative, supporting transboundary water management in Africa with clear impact on improving food security in Africa, preventing deforestation in the Amazon Basin or improving green energy interconnectivity in the ASEAN countries. Global Gateway is EU's

quality offer for narrowing the global investment gap, reducing strategic dependencies, and supporting the twin digital and green transition globally.

Last month, WHO declared an end to COVID-19 as a public health emergency. This pandemic caused shockwaves through the global economy, which reverberate to this day. Debt levels are squeezing already limited fiscal space. Inflationary pressures are putting pressure on the most vulnerable and stifling investments. And global trade, while rebounding strongly, remains suppressed in some places.

This precarious situation is being grossly exacerbated by Russia's illegal and unjustified war of aggression against Ukraine. As recognised by the General Assembly Resolution ES-11/6 adopted on 23 February 2023, not only is Russia's aggression waging continuous attacks against critical infrastructure across Ukraine with devastating consequences for civilians and causing a high number of casualties, internally displaced persons and refugees in need of humanitarian assistance, it also results in global impacts on food security, energy, finance, the environment and more.

We strongly support the work of SG Grynspan and her team on the Global Crisis Response Group, including by contributing financially to their operations, as noted in the Annual Report. We also strongly support the continued implementation of the Black Sea Grain Initiative, making it operational at its maximum potential and for as long as necessary. It is concerning to note on the Black Sea Grain Initiative Joint Coordination Centre (JCC) database, the reduction in inspections over the recent months.

The Black Sea Grain Initiative and the EU-Ukraine Solidarity Lanes have kept the Ukrainian grain flowing to the global markets and helped to bring food and cereals prices down to the 2021 levels. Indeed, regardless of the destination of Ukrainian grain exports – the biggest of which, according to JCC database, has been China – the impact on bringing down global food prices has been instrumental. Also worth noting is that two thirds of the wheat and half of grain for human consumption have been exported to developing countries. In addition, last year EU's wheat export to Least Developed Countries increased by more than 50%.

Therefore, Russia's continuous undermining of this deal is highly regrettable and deplorable. Every time Russia threatens to pull out of it, FAO Food Price Index quivers. With the most vulnerable food importing developing countries paying the highest price.

Russia's actions have clear consequences for the predictability and stability of global food trade.

Indeed, the continuous cynical attempts by the Russian Federation to employ false narratives in search of other culprits for their actions is based on information and data manipulation and propaganda.

As well registered in publicly accessible data sources, the EU has exempted and continues to exempt food and agricultural inputs (including fertilisers) from its sanctions imposed on the Russian Federation. The EU issued relevant assurances to economic operators, which have allowed – and there are verifiable registries of this – for such trade and related payments to be made. Regardless of these demonstrable facts, Russia continues to falsely claim that “Western” sanctions are blocking its food and fertilizer exports.

The available statistics and publicly available information, including those of Russian origin, demonstrate that Russian exports of grain and fertilisers have remained very high, sometimes even hitting record levels. According to FAO, Russian grain exports for 2022/2023 are forecast to reach record levels (18% above the five-year average volume), while the exports of fertilisers to third countries remained quite stable compared with previous years, with only a limited reduction in volume (around 10%) due mainly to reduced exports to the EU and other developed countries. What is more, Russia continues to restrict its grain and fertilizer exports. For instance, by imposing more than 20% export tax on all fertilisers, if their price exceeds USD 450/tonne – which it already does for nitrogen and potassium – thus contributing to high global prices.

Indeed, the growing control of the Russian state over its food and fertiliser trade, and how geopolitical motives increasingly weigh on the destination of its exports, continue to have detrimental impacts on global food security.

The only way to remove this additional and significant pressure on the global economy is for the Russian Federation to immediately, completely and unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders, as demanded by the General Assembly Resolution ES-11/6.

Turning now to the Annual Report and the review of the Bridgetown Covenant implementation. Unfortunately, the late availability of the Annual Report did not allow us to make a thorough assessment.

This being said, we appreciate the observed mainstreaming of climate considerations across all UNCTAD activities. This is in line with the orientations of the Bridgetown Covenant. In parallel, we would have expected a similar emphasis to be given to gender considerations. Indeed, UNCTAD carries out many valuable activities that empower women, as well noted in the Annual Report. Yet we believe that such activities can be further enhanced across the three pillars of work.

We also welcome the work done on the results framework that was presented to us a few months ago. Pending to see its final outline and how it is used in practice, it is this sort of efforts that can improve UNCTAD's output in terms of strategic orientation and use of resources, as well as in terms of results and credibility of its work.

On the other side, the revitalisation of the intergovernmental machinery remains the Achilles' heel of our joint efforts. We note the attempts made by the Secretary General. Yet it is us, the member States that need to deliver on this commitment. Including on making sure that expert meetings result in concrete impact. We call again on all to deliver on this Bridgetown Covenant commitment, thus restoring and enhancing the value of UNCTAD's intergovernmental deliberation.

In terms of UNCTAD's contribution to other relevant summits and conferences, we would like to commend the work of the Secretary General. Your personal engagement and contributions to many key fora has raised the visibility of UNCTAD. This week's Summit for a New Global Financing Pact in Paris is a good case in point.

To maximise UNCTAD's contribution to such fora, we wish to underscore the importance of collaboration, complementarity and coherence with relevant outcomes and membership deliberations. In this way, UNCTAD's voice can be heard with due credibility and weight.

Before concluding, just a few words on some of the substantive agenda items of this Board.

We very much support the choice of the topic for the High Level Segment. If global blue economy were compared to a national economy, it would be the seventh largest economy in the world. It operates in the planet's vastest ecosystem holding 80% of all life forms.

These two facts alone confirm the importance of the oceans. Oceans are crucial for our economies and for our environment.

We are also encouraged by the return of the trade agenda item to the Board meetings. Indeed, UNCTAD, as the name indicates, is to have trade at the core of its work. We trust we can build on the experience this year. Especially as the late availability of the announced background paper did not give us much time to prepare for the exchange.

Last but not least, we welcome the potential that the Productive Capacities Index brings. And we follow with interest its further evolution and operational applicability.

Thank you.