

14 June 2021

Second UN Trade Forum 2021: Towards a green and inclusive recovery. Notes for Remarks by The Rt Hon Patricia Scotland QC, Secretary-General of the Commonwealth

Question: What are the priorities and deliverables in climate action and green recovery on the road to UNCTAD15 and the WTO 12th Ministerial Conference?

Excellencies, Distinguished Participants

Let me start by thanking the Acting Secretary-General of UNCTAD, Isabelle Durant, for the invitation to participate in this second UN Trade Forum.

As we look around, there is no doubt that the world has changed dramatically since the inaugural Trade Forum in Geneva in September 2019.

Another thing is clear: our post-COVID recovery efforts should not revert to “business-as-usual” practices. We must use this moment to strategise, re-engineer and plan towards objectives that are truly sustainable. A key message of this Trade Forum - and shared by the Commonwealth - is that trade offers positive solutions to manage the pandemic and will be an essential tool for economic recovery and building back better.

As some economies start to recover, the climate crisis remains of great concern, with time rapidly diminishing for restorative action. Ahead of COP26 in November, countries are expected to submit revised Nationally Determined Contributions with more ambitious targets to ensure the rise in global average temperature is kept below 1.5 degrees celsius. The initial NDC Synthesis report shows that the national climate plans submitted so far do not put us on the path to meeting the Paris Agreement goals. There is still an opportunity to reverse this trend - and we need to act fast, including using UNCTAD15 to garner momentum.

UNCTAD15, MC12 and COP26 are historic opportunities for us to take stock and translate the pandemic's lessons into ambitious actions. This requires urgent decisions to address the increased risks and challenges of climate change, natural disasters, environmental sustainability and biodiversity loss; and to consider what role trade policy can play.

For example, fish stocks are being depleted at unsustainable rates, affecting economic growth, food security and livelihoods in many coastal countries, especially small states and small island developing states. A negotiated agreement on ending harmful fisheries subsidies is long overdue and should hopefully be adopted at MC12.

Beyond MC12, WTO members could consider enhancing co-operation on trade in environmental goods and services, enabling a sustainable energy transition and promoting investment in environmentally friendly technologies. We need to tackle plastics pollution through more circular and sustainable plastics trade, particularly to find solutions that work for small island developing states and least developed countries. And so I am encouraged by the proactive initiative of some WTO members to launch a "Trade and Environmental Sustainability Dialogue" ahead of MC12.

Digitalisation and new digital technologies can play a pivotal role in contributing to the development of green, climate resilient economies. Yet, persistent digital divides threaten to widen inequalities within and between countries. Trade policy should help close this divide, build digital trade capacity and increase digital engagement. Aid for Trade can make a major contribution, particularly through a newly invigorated Aid for Digital Trade initiative.

Question: How can UNCTAD and the Commonwealth Secretariat work together to better assist developing countries to face this challenge?

The Commonwealth Secretariat and UNCTAD already enjoy a strong partnership, backed by a history of fruitful collaboration, which can be harnessed to help tackle these issues. We have an existing MOU, which provides a ready platform for our two organisations to

deepen our partnership. Our Commonwealth Blue Charter, Connectivity Agenda, Sustainable Energy Transition Agenda and trade policy work programme supporting small states, small island developing states, least developed countries and those graduating align strongly with and complement UNCTAD's work.

Looking ahead, we can provide expert analysis, policy advice and technical assistance to enhance the effectiveness of member countries' policies to fight climate change, harness momentum for collective action, and further raise awareness of trade, environmental and climate issues. Through our convening power, we can help to promote policy co-ordination across countries and advocate for enhanced measures and greater support to increase the resilience of climate-vulnerable countries in the face of a changing climate and increased frequency of natural disasters. We can work together to promote transparency and information sharing about good practices on greener trade, identifying areas for future work and capacity building needs, particularly for least developed countries.

A significant amount of ongoing work is helping to assess countries' readiness to engage in the digital economy and benefit from digital trade. Both UNCTAD and the Commonwealth Secretariat are heavily involved in efforts to support our members to participate in a global economy that is increasingly digitalised. We need a similar work programme to gauge and assess countries' climate readiness and to understand what support they need to embrace and champion the green trade agenda. This could cover a range of issues, such as the merits of carbon taxes and their implications for exporters and importers; or the benefits and issues associated with carbon border adjustments.

Many of these issues, challenges and opportunities are analysed and addressed in our forthcoming "2021 Commonwealth Trade Review", which examines 10 pathways to trade recovery beyond the pandemic. I look forward to inviting UNCTAD to join us for the report's formal launch in mid-July.