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Statement

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Technology and Innovation Report 2021:

Catching technological waves

Innovation with equity

**Statement by the European Union Delegation to the UN and other
international organisations in Geneva**

FINAL

Geneva, 23 June 2021

- CHECK AGAINST DELIVERY –

Mr President, Secretary General, Excellencies, distinguished Delegates,

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

We **thank the Secretariat for presenting the “Technology and Innovation Report 2021”**. The report offers a welcome insight into the importance of frontier technologies for reaching SDGs, while outlining very relevant risks and challenges accompanying technological advancement. It is also commendable that the report outlines potential costs and benefits of different developments, in a balanced and arguably objective fashion.

As elaborated by the report, given the current fast technological changes, the **risk of increased inequality and digital divide is very real**. It is noteworthy, however, that, as per the report, some developing countries were able to catch up. And global income inequality, while remaining at unacceptable levels, has been decreasing over the past 15 years. These facts confirm the importance of domestic policies, as also highlighted well by the report.

Domestic policies are instrumental for setting the entrepreneurial and business framework and skills that are conducive to introducing, adapting and using frontier technologies. Indeed, as noted by the Chairman of the Global Solutions Summit, Mr. Alfred Watkins, at the UNCTAD webinar presenting this report in April, “anyone can buy a sophisticated machine, yet not all can use it to produce a globally competitive product”.

Ensuring conducive business environment and good governance is also instrumental for attracting foreign capital and steering it into sustainable and productive processes. As such, FDI is the key channel for technology transfer on mutually agreed terms. In this manner, not only the “sophisticated machine” is brought in, but also the know how to build country’s competitive advantage.

As is the case in many other sectors, the report confirms that **gender gap remains significant in access and participation in the technology and innovation sector**. This may lead to bias of certain technologies, for instance AI, and further accentuate the technology and digital gender gap. To ensure that frontier technologies are put to best use in national sustainable and inclusive development efforts, we simply cannot afford

leaving half of the population behind. In this sense, we strongly support the report's call for increased women's participation in science, technology, engineering and mathematics field. We must ensure that national and international policies are not only gender blind, but rather incorporate closing gender gap as one of its key objectives. Such as, for instance, the example mentioned by the report in Malaysia, where support for SMEs includes a special emphasis on SMEs owned by women.

The **country readiness index** presented in the Technology and Innovation Report confirms the importance of domestic action very well. As demonstrated by this index, countries investing in supportive government policies and ensuring sound governance structures perform better according to this index, regardless of their income or market size. In this sense, we recognise the importance of, and encourage UNCTAD to continue, its research work on national Science, Technology and Innovation Policies, as well as eTrade Readiness Assessments.

The **EU and its Member States remain committed to support partner countries in “catching technological waves” and ensuring innovation with equity, as well as sustainability.** Indeed, despite the difficult fiscal year, the EU and its Member States reconfirmed our efforts as the largest donor of development aid, increasing our collective ODA by 15% to reach record levels, representing 46% of the total global assistance. The new NDICI Global Europe financial instrument, with €79.5 billion firepower, complemented by substantial EU Member State national programmes, is a concrete illustration of our dedication to help developing countries build capacity and reach SDGs.

In conclusion, we concur with the recommendations made by the report. Most notably, the importance of strengthening national innovation capacities through relevant domestic policies and supported by transparent and SDG compatible international action.

Thank you.