

71st Executive Session of the Trade and Development Board

Opening Statement by Rebeca Grynspan Secretary-General of UNCTAD

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(Check against delivery)

President of the Trade and Development Board, Ambassador Maimuna Tarishi
Your Excellencies,
Distinguished Delegates,
Ladies and Gentlemen, Dear friends,

It is my pleasure to welcome you all to this meeting of the Trade and Development Board, a meeting I give special importance to. Today, five months into my appointment as UNCTAD Secretary General, I will seek to share with you my strategic vision for this great institution, in the triple context of the Implementation of the Bridgetown Covenant, the uneven recovery from the COVID-19 pandemic, and the enduring urgency and pertinence of the 2030 Agenda for Sustainable Development.

Three days ago, I met with many of you in the 83rd Session of the Working Party, a very successful meeting with an almost unprecedented degree of participation. There, as part of my presentation of our Programme Plan for 2023, I said many things I will say today again. So be warned: I will repeat myself. That, however, is perhaps a virtue. As they say, conviction is the mother of repetition.

That said, I will also try to incorporate into my speech today many of the sensible suggestions you have made over these past few days and weeks. You said, for example, that you wanted to hear clear outcomes, to know exactly which concrete results we were aiming for. You said you wanted to hear more about our technical cooperation, about our fundraising strategy. You said you wanted to know more details about the reforms I have envisioned. Well, I have listened very carefully. And I want to take this opportunity to also share what I have learned.

I will structure my presentation in three parts. I will start by sharing my reflections on the global context, and how it affects UNCTAD. Then, I will refer to the 4 transformations envisioned in the Bridgetown Covenant & how we can support them. Finally, I will share with you my decision with respect to some structural changes that will be in effect as we speak as part of my multi-year, strategic plan to implement the Bridgetown Covenant.

So I'll start at the beginning: the context.

As I said on Monday, change is perhaps the most distinct feature of the times we live. In these two years, COVID has disrupted trade, finance, debt, technology, sustainable development, and logistics – the areas for which we are UN focal points.

It has tested multilateralism, showing the complexities but also the rewards of consensus building efforts. And it has left behind much of the developing world, reducing our Human

Development Index for the first time since we started recording it, and taking almost 80 million people around the world *back* to extreme poverty, and 200 million more into poverty.

Inequalities around the world, both within and among countries, have increased dramatically. Gaps that were already too wide got wider – in access to social security, in health, in gender equality, in education, in nutrition, in the divide between formal and informal workers, between big and small businesses, between the offline and the online. And new gaps appeared – in vaccine equity, in fiscal packages, in debt stability.

Again, the Bridgetown Covenant could not be clearer on this:

“This Conference meets again, for the fifteenth time, in the most unprecedented of circumstances. In addition to climate change, we are experiencing a pandemic which has generated a global health and economic crisis, exacerbating the challenges faced by developing countries. These grim facts reflect the profound human suffering and immense challenges ahead”.

But the wisdom of the Covenant is that it goes beyond the recognition that this pandemic has had an uneven impact among developed and developing countries. It also sheds a light on *why* this is the case and, crucially, the Bridgetown Covenant is a call for action. I quote again: “The pandemic underscored the uneven resilience and capacities of countries to deal with crises”. Uneven resilience. Uneven capacities to deal with crisis. This is the biggest lesson this pandemic has given us. The fact that inequality breeds fragility. That the higher the inequality, the greater the impact, and the slower and weaker the recovery.

If we want to avoid another crisis like this to happen, the least we can do is learn the right lessons. And the lesson is this: to close gaps is to build resilience. The Covenant recognizes it, because it recognizes that if the LDCs have only vaccinated 5% of their population that is not only an LDC’s problem, it is also *our problem*. *It is also our problem, not only because it is a threat to the health of us all, but because it is also a human catastrophe and a moral challenge to the world.*

It is *our problem* because a lopsided recovery can only work in the short term. Because a debt crisis in the Global South can risk another great financial crisis in the worst moment possible, exactly at a time when many economic forecasts (including ours) are predicting lost decades in many developing regions.

It is our problem, because that would mean we would fail the 2030 Agenda. An agenda that is *our* agenda, that it’s literally everyone’s agenda.

Dear friends:

Our first task is to avoid this from happening. This is why so much depends on the successful implementation of the Bridgetown Covenant, whose true value is **that it recognizes what many prefer to ignore, and** lays the possibility of getting back on track to build forward, together.

The path ahead is clear. This is the second part of my presentation. The Covenant recognizes that we live in a period of disruption, and asks us to support four distinct transformations:

- transforming economies through diversification;
- fostering a more sustainable and more resilient economy;
- improving the way development is financed;
- and revitalizing multilateralism

Now – these are, as you know, tall asks. But it is important that we engage them full on, to understand what exactly they demand of us to be achieved. I'll go one by one.

FIRST. To transform economies through diversification, we must update and strengthen our own technical cooperation toolkit.

We must give it more purchase for the digital economy. We must help it get more funding so that we stay for longer and in more places. And we must strengthen our support to the Least Developed Countries, the SIDS and the LLDCs as well as to Africa, because these are still the most commodity dependent regions and countries.

And we must do it now before it is too late. After decades of retrenchment, the state seems to be back in force as an actor of economic policy. Ambitious, far-reaching, and innovative industrial and productive policies are now a reality in every single region of the world, no matter the politics.

We, as UNCTAD, have much to add in a world where everyone is investing in diversification and productive capacities. And many have much to lose if we don't do it right, if this investment wave again sidesteps the countries that most need it.

SECOND. To foster a more sustainable and resilient economy, we must go from the trade offs to the win wins narrative. We need to draw up together a new development economics paradigm, one that comprehensively integrates the environment and climate change from a development perspective.

Last year we went to the COP26, and saw that despite countries biggest efforts, there are still wide gaps of agreement among regions. The successes of 2015, when we approved the Paris Agreement and the 2030 Agenda, depended on the fact we got to a win-win narrative instead of a trade-off narrative.

At COP26, we saw an unfortunate return of the trade-off narrative, especially in terms of the debate between mitigation and adaptation, as well as how we will fund the transition.

I really believe that most disagreements come from the fact that countries have very different perspectives on the issue, but also from the fact that the Sustainable Development paradigm demands policy coherence to integrate the three pillars of Sustainable development: prosperity, inclusivity, and environmental sustainability.

This is why UNCTAD, as the Bridgetown Covenant mandates, must help to incorporate the environment and climate change from the development perspective. Such a paradigm will be fundamental for countries to understand each other, and to come up with sensible economic and trading policies.

THIRD. To improve the way development is financed, we need to be able to move more needles in more places, partner more, get more people and more voices into the debate.

For example, one of the most positive things we've seen in response to the pandemic has been the 650bn dollar allocation of Special Drawing Rights. Special Drawing Rights, as you know, is an area where our experience goes back at least 50 years. No Outcome Document of any UNCTAD Conference has failed to mention Special Drawing Rights, either by asking for a new allocation, or for finding the LINK between development finance and Special Drawing Rights or by allocating them to the countries that really need it.

We have never had an opportunity as good as this one to finally find this link.

There are many options currently on the table – creating a new Trust in the IMF, the resilience and sustainability trust, pledging unused SDRs as capital for multilateral development banks, creating a new liquidity mechanism just to name a few.

But details matter, and I have personally followed these discussions very closely since they began. I am not claiming that we at UNCTAD have the solution, but no doubt we have a contribution to make through the UN and through a constructive discussion with the other Institutions and spaces where this dialogue is taking place.

And FOURTH, finally, to revitalize multilateralism at large, we must first revitalize our own capacity for consensus building, our own intergovernmental machinery.

As we all know, revitalizing the intergovernmental machinery is the purview of member states. So your engagement during the working party and today is really key, I really thank you for that.

I also understand that what the organization, and its Secretary-General do is also very important to achieve this goal.

So we also have to assume our responsibility in achieving this goal and our contribution starts by building trust. That is why I have had close to 160 bilaterals, mainly with Member States, but also with partners.

This is also why today I am presenting our way forward, with as much transparency, detail and attention as I can. We may not agree on everything, but I will always choose an open discussion to bridge our differences when they arise. We are listening. And I believe that trust is built from the ground up, and that one of the best ways I have to support the revitalization of the intergovernmental machinery, is to be as close as possible and to be as sensitive as possible to all of your concerns.

You know, if I have learned something from my years in diplomacy, is that the one thing you have to do is not give bad surprises while trying to take a shortcut.

These examples you have just heard are just some of the things we must do to really implement the Bridgetown Covenant. Clearly, it will not be easy. But we have a plan. And we have another thing, which is very important. A confluence that makes results happen. In my experience,

results happen when three things take place at the same time: the membership demands it, the context allows it, and the team can do it.

Fortunately, and I say this with modesty, UNCTAD has a team that can do it. UNCTAD has one of the most professional group of experts I've ever met, and has the whole support of the great UN System, with which we will seek to contribute ever more effectively in the context of the SDGs framework and the UNSG's vision.

I have no doubt in my mind that this institution has a lot of what it takes to do what is needed, and what it takes to do better, if and only if we can count on you the member states.

Dear friends:

Lao Tse said that even the journey of a thousand miles starts with the first step. The first step of our implementation of the Bridgetown Covenant is the programme plan for 2023 that I presented on Monday to the working party. But I want to repeat here what I said then: that document has some limitations, and I must share them with you.

As you know, our proposed budget is just one section of the UN Secretariat fascicle presented by the SG Guterres to Member States in New York.

Thus, it is highly formatted and highly inflexible. In addition, we are limited by NY even on the total number of words we can have for our submission, which is to be exact 19,667 words.

This means that I had very little room to maneuver in the sense of how much or how extensively my vision for the implementation of the Bridgetown Covenant could be reflected in the programme plan, though I believe we sincerely made an important effort given the existing limitations.

I must therefore also share with you what I've done *beyond* the programme plan. Together with my senior management, we've drawn a strategic, multi-year orientation to respond to UNCTAD15. This orientation is based on 10 structural changes, some of which have been included in several evaluations and recommendations made in the past, and that are also a first step towards your concerns for clear result-oriented management and clear indicators for the follow up of the Covenant.

Dear friends, I will now devote the last part of my presentation to sharing with you these ten structural changes.

First. I will create formally a new branch in DTL focused on e-Commerce and Digital Economy.

Second. I will create a new branch in Africa and Least Developed Countries, named "Productive Capacities and Sustainable Development" and change the name of the Branch called "Trade and Poverty" to "Trade Poverty and Inequalities". And I will strengthen the ALDC division by changing the reporting lines of the Regional Office for Africa from OSG to ALDC.

Third. We are refining the programmatic focus and the title of the branch in DITC into “Trading Systems, Services and Creative Economy” instead of “Trade Negotiations and Commercial Diplomacy Branch”.

All these three changes go directly to support the first transformation of the Bridgetown covenant: transforming economies through diversification.

Fourth: I am establishing a new stand-alone, cross – organizational Statistics Unit, to ensure an independent statistics quality assurance, without centralizing the statistical activities of the divisions but coordinating and supporting standardization and coherence throughout the organization. This will also ensure data is managed as a shared strategic asset ultimately increasing the support we provide to member states and also that to continue breaking new ground in crucial frontiers in this area, for example: support on the GDP plus efforts of the UNSG, the South South indicators, and the vulnerability index for the SIDS.

Fifth, I have integrated the Technical Cooperation Section and the Resources Management Service (RMS), to allow for enhanced coherence of the clearance and approval of all organizational agreements, better compliance with project financial and substantive performance reporting policies, greater capacity for data analytics. This will also create closer synergies between RMS and TCS, and not have two stand-alone and parallel entities, dealing separately with RB on one side, and XB the other. In recognition of this integration, **I am renaming the newly combined entity as the Programme Support and Management Service**

Sixth: I will improve the UNCTAD publication policy to enhance the delivery and consistency of the Publications Programme.

Seventh: I will create cross-divisional Thematic Working Groups and coordinating committees in certain key areas.

3 Standing committees: a) the statistical coordination committee b) the Technical Cooperation committee and c) the gender committee.

And 3 Working groups: a) taking stock of Covid 19 after 2 years b) How to integrate Environment and Climate change from a development perspective throughout UNCTAD c) UNCTAD’s G20 participation.

Let me say one thing about the G20. Earlier, when I talked about transforming how development is financed, I mentioned the potential of SDRs. Well, a feature of SDR negotiations is that most of them are taking place at the G20, this is the reality. In any case, UNCTAD has been invited to participate in several of the groups and I believe we must be there in one strong unit to bring the voice and needs of *all* developing countries to the negotiating table.

This is why I am setting up a dedicated working group for G20 issues at this institution, both so that our divisions can work more closely on this matter, and so that we can build stronger whole-of-UN efforts within the UN System to engage other development stakeholders.

Points 4th, 5th, 6th and 7th are clearly directed to achieve more coherence and coordination through UNCTAD’s work and also to encompass the new areas of work mandated to us in

UNCTAD 15: fostering a more sustainable and more resilient economy; and reaffirming the importance and cross cutting nature of the gender dimension in trade and development.

And finally, the last three points refer to cross cutting changes to strengthen UNCTAD's performance across the board:

Eight; I intend to create dedicated capacity within my Office of the Secretary General to deal with resource mobilization for UNCTAD's work. I count on your support to make sure that we can, with the adequate political will, mobilize together the resources needed to ensure that UNCTAD can provide and meet its potential and the countries demand for more technical cooperation.

Ninth; I will empower and accelerate the gradual reorientation of the Intergovernmental Support Service to better reach out to member states and the other stakeholders in the intergovernmental machinery. I have therefore established a new unit in ISS to reach out to the other development stakeholders to open-up the space for them to better contribute to the work we do and we have changed ISS name to reflect this change to Intergovernmental Outreach and Support Service

Lastly, Tenth. I will invest in a new and ambitious communication strategy for this institution. Experience has taught me that communications is part of mandate delivery. If our voice is weakened, so will be our impact.

Communication can contribute to organizational objectives, to drive engagement, and build support for effective development policies. We will drive an issue led communications focused on key areas, supporting the Bridgetown Covenant implementation, putting our top-level analysis, reports and policy propositions at the heart of our narrative.

Dear friends,

In 2024, by the time UNCTAD16 takes place, this institution will be sixty years old. It is my intention that we reach UNCTAD16 looking to the future emboldened by our capacity to produce real results, to raise and guard your trust.

To UNCTAD16, I will seek to bring a new development economics narrative one that can amplify win-wins and redirect trade-offs, one that more fully integrates environment and climate change from the development perspective.

I will seek to bring a deeper and more cross-cutting approach to gender, to further enhance our evidence-based research and policy analysis and provide sound and viable sustainable development solutions in all our research areas.

I will seek to bring an organization that potentiates its synergies throughout its parts, that is more integrated, more coherent, more coordinated, more collaborative.

I will seek to bring a stronger technical cooperation, one that goes to more places and stays for longer, that raises more funds and does more projects tailored to the needs of the countries, that learns more and shares more from the ground up.

And I will seek to bring an organization that makes full use and good use of its universal membership, that have more spaces for effective and fruitful dialogue and exchanges. I will wholeheartedly support all our members States' efforts to revitalize UNCTAD' intergovernmental machinery and unique capacities for consensus building.

Much depends on us getting it right. At risk, is another lost decade in much of the developing world. At hand, is the possibility of getting back on track, and building forward differently and together for a world that closes gaps instead of opening them

As I said on Monday, this is the beginning of the 21st century. Because centuries don't begin on a first of January – the 20th century probably began with the first world war and the Spanish flu pandemic. Centuries begin when a line is drawn, and we can no longer recognize the past. This century has come with many threats but also with new opportunities. We must seize them. For doing that I ask for your trust, your support, and your cooperation.

I look forward to your questions and comments.