



**Statements of the Kingdom of Cambodia
Delivered by Ambassador Long Kemvichet
Permanent Representative of Cambodia to WTO and Other International Organizations
(Economy & Trade)**

Item 3 The Least Developed Countries Report 2022: The Low-Carbon Transition and Its Daunting Implications for Structural Transformation (UNCTAD/LDC/2022 and Overview)

**President of the Trade and Development Board Ambassador Bahtijors Hasans,
Secretary-General of UNCTAD Ms. Rebeca Grynspan,
Excellencies,
Distinguished delegates,
Ladies and gentlemen,**

1. At the outset, I would like to join others in expressing our sincere condolences to the Government and the people of Turkiye and Syria for the devastation and loss of lives caused by the earthquakes.
2. Let me first acknowledge the presence and the insightful remarks by the Secretary-General of UNCTAD, Ms. Rebecca Grynspan. Her presence here, as always, provide much warmth and reassurance to the membership that UNCTAD will continue to make their best efforts to support trade and development of the developing countries and most specially, the Least Developed Members.
3. My delegation would like to align ourselves with the statements made by the delegation of Tanzania, on behalf of the G77 & China and by the delegation of Malawi, on behalf of the LDC group.
4. We would like to thanks Director Akuwumi of the Division of LDC and Special Programme for the presentation of the Least Developed Countries Report 2022 that explores the costs and impacts of low carbon transition on the development of the LDCs.
5. Indeed, climate and environmental issues are issues that affect all countries regardless of the level of development but we should take due consideration of the development level and capacity constraints of the LDCs or otherwise there would instead be unintended reversal effect and be detrimental to the development of those countries.
6. As the report clearly demonstrates, the LDCs are not the main contributors to the climate and environmental crisis before us. According to the report, the LDCs are the lowest emitters of carbon-dioxide in the world, about 1.1 per cent of total world carbon-dioxide emissions, and have the lowest carbon footprint per capita, which is 8 times less than those in the non-LDC countries. And yet, the LDCs bear the brunt of the climate crisis as 69 per cent of worldwide deaths caused by climate-related disasters occurred in LDCs.
7. Moreover, climate issues are not the only concerns of the LDCs. I would like to echo the points made by the delegation of Malawi, the LDC Group coordinator, that LDCs are continuing to be disproportionately affected by the Covid-19 pandemic, food and energy and costs of living crisis caused by Russia-Ukraine conflict due to the structural vulnerability of the economy that include low level of competitiveness, limited productive capacity, high-import economy, low human capacity development and industrialization level. Therefore, as we head into the new decade of actions for the

LDCs and with the LDC5 conference in Doha next month fast approaching, it is high time we bring the issues of the LDCs to the focus of attention of the world and to identify collective actions to help the LDCs achieving their development objectives.

Mr. President,

8. For this intervention, please allow me to highlight Cambodia's national strategy for climate change and energy transition, our perspectives on climate measures adopted by our trading partners, and the assistance that we would need to achieve our climate goal.

9. At the national level, the Royal Government of Cambodia is committed to combating climate change and accelerating the transition to a climate-resilient, low-carbon, sustainable mode of development. In fact, at the UN's Convention on Biological Diversity (CBD) held in Montreal in December 2022, Cambodia presented its Long-term Strategy for Carbon Neutrality (LTS4CN) with the aim of achieving carbon neutrality by 2050. This ambitious plan is driven by Cambodia's commitment to implement the climate agreements in which Cambodia is a party to including the United Nations Framework Convention on Climate Change (since 1996), the Kyoto Protocol (since 2002), and the Paris Climate Agreement (since 2017).

10. For the energy sector, the Strategy identified 7 (seven) transformation needs in order to achieve the strategic objective of achieving carbon neutrality by 2050. These transformations are:

- obstacles to electric cooking;
- large-scale displacement of coal in industries;
- challenges to increase clean transportation;
- develop collective transportation and a sustainable transportation economy;
- increase variable renewable energy;
- the use of natural gas in the power and transportation sectors; and
- develop "behind the meter" distributed energy resources.

11. At the regional level, under Cambodia's Chairmanship of ASEAN last year, Cambodia initiated "ASEAN Green Deal" during the ASEAN Summits in December 2022, aiming to guide ASEAN towards a green, low-carbon and sustainable future. We are also working toward ASEAN Strategy on Carbon Neutrality, which the ASEAN Economic Community Council had already approved the concept note for preparing such a strategy in December 2022.

Mr. President,

12. We cannot avoid but evaluate the impact of measures adopted by some of our trading partners in achieving their own climate goals.

13. We appreciate the report that was just presented which shed more lights on measures such as the European Union's Carbon-Border Adjustment Mechanism (CBAM) and its impact on the LDCs and we are concerned that similar schemes are being considered by more countries.

14. To bring these concerns into perspective, I would like to inform that, despite preferential treatments and trade support measures provided to the LDCs, the total trade of LDCs only account for less than 1% of the total world trade. Now we are looking at measures that potentially add more trading costs for LDCs thereby affecting development progress of the LDCs.

15. For Cambodia, the EU is the second largest trading partner accounting for approx. 18% of Cambodia's total export. Although, the CBAM does not pose immediate impact on Cambodia's ability to trade with the EU, as we do not export the products targeted by the CBAM, we are nonetheless

concerned of the trend that other countries may adopt similar schemes with expanded scope and limitations. The adoption of climate goals at firms level may nonetheless have short to medium-term implication on LDC trade. For example, we have seen more buyers, especially garment and footwear companies, who are sourcing from Cambodia, begin to adopt the EU carbon neutrality targets and to comply with those targets means they have to take into account the carbon emission and low carbon strategy of the manufacturers and the producing countries before placing order. This could potentially lead to reduced orders made to Cambodian manufacturers. On this specific point, it may be something that UNCTAD can further look into, especially at firms level and their impact on LDCs.

16. This leads to the third point, which is what can be done to assist LDCs in achieving their climate goals and mitigate impact of external measures that potentially have detrimental impact on LDCs development progress.

17. First, we believe that all countries, including the LDCs, should establish a strategy for a transition toward green and sustainable energy. We also believe that such transition strategy should be carried out with strict consideration of the principle of common but differentiated responsibilities and respective capabilities as well as upholding the need for a “just energy transition”.

18. Second, climate and environmental issues are no longer isolated issues but are increasingly interlinked with other issues, particularly trade. As shown in the report, many countries have looked into using climate-related trade policy as a tool to achieve climate goals. As such, there is a need to look at climate and trade in an interrelated context.

19. Third, we agree with the report that climate-related trade policies that are uncoordinated and failed to take into account acute difficulties of the LDCs would have adverse effect on the development of the LDCs. As trade is the main driver for development of the LDCs, it is important to consider its implication on the LDCs, especially on the “development dimension”, and the need for provision of appropriate support measures to the LDCs are put in place, when designing such policies. Moreover, the adoption of climate goals at firms level and their unintended impact on LDCs’ trade also warrants a deeper look into.

20. In conclusion, LDCs would need more assistance to overcome both national challenges and mitigate external threats. To do so would require significant more investments including the need for effective implementation of the international commitment for climate finance of USD 100 billion per year and access to affordable clean technologies, which are the top priorities. There is a role for UNCTAD and other development partners in supporting the LDCs on those points. This LDC report 2022 is a great start but I would like to appeal to UNCTAD and other development partners to take a closer look at other underlining issues and provide further support to the LDCs accordingly.

21. On that note, I thank you Mr. President.