

## **UNCTAD15 Opening Plenary**

### ***From Inequality and Vulnerability to Prosperity for All***

**4 October 2021**

**Statement by  
António Guterres, Secretary-General of the United Nations**

**UNCTAD 15 Opening ceremony**  
**António Guterres, United Nations Secretary-General**  
**October 4, 2021**

Prime Minister Mottley.

Secretary-General Grynspan.

Excellencies, ladies and gentlemen.

My thanks to Prime Minister Mottley and all Barbadians for so warmly welcoming us.

And everyone who is part of the UN Conference on Trade and Development.

A gathering like this comes only once every five years.

UNCTAD 15 is the Olympics of trade, development, investment, policy and technology discussions.

And we need your advice and guidance today, more than ever.

Two weeks ago, at the UN General Assembly, I sounded an alarm.

A wake-up call to the leaders of the world.

A call to action to tackle the cascade of crises facing us.

Poverty and inequalities.

Conflicts and climate change.

Environmental degradation and disasters.

Mistrust and division.

And of course, the COVID-19 pandemic, which has claimed almost five million lives so far.

The pandemic has wreaked havoc across the global economy.

It disrupted the powerful economic engines of trade, manufacturing and transportation.

Millions of jobs have been lost at a time when social protections remain out of reach.

120 million people fell into poverty last year.

811 million are going hungry.

Tens of millions of children remain out of school — particularly girls.

And for the first time in two decades, the human development index has declined.

Ladies and gentlemen,

We're moving in the wrong direction.

Decades of hard-won development progress are slipping away before our eyes.

And the Sustainable Development Goals are at risk of failure.

We need to turn this around with a bold, sustainable and inclusive global recovery.

One that benefits the many, rather than the few.

One that delivers hope to people — and healing to our planet.

And one that levels the playing field for all countries as they support their people during this extraordinary moment in history.

There is seemingly good news. Some estimates show that we're in the midst of a substantial economic recovery — with world GDP growth ranging between five and nearly six per cent.

But we know the other side of that story. This recovery is not evenly shared.

Advanced economies are investing nearly 28 per cent of their GDPs into economic recovery.

For middle-income countries, that falls to 6.5 per cent.

And it plummets to 1.8 per cent for the least-developed countries.

In all, more than eight out of every ten dollars in recovery investment is being spent in developed countries — not in the countries in greatest need.

My friends — an uneven recovery is leaving much of humanity behind.

And until we get serious about vaccine equity, recovery will be stuck at the starting gate.

Wealthy countries have far more vaccines than people.

Yet more than 90 per cent of Africans have yet to receive their first dose.

This is an outrage.

And as variants take hold and spread, this is a recipe for disaster, threatening us all.

As I have said repeatedly, the world must mobilize behind a global vaccination plan with clear targets for every country.

We need to dramatically ramp-up vaccine production and get them into the arms of 70 per cent of people, in all countries, in the first half of 2022.

But vaccines are the first step in a much longer race.

Your theme this year — “From inequality and vulnerability to prosperity for all” — captures the heart of the challenge.

I see four glaring challenges, which — if not addressed — make any notion of prosperity for all a distant dream.

Debt distress. Systems starved for investment. Unfair trade. And a climate emergency that leaves small island developing states like Barbados perilously vulnerable.

The first challenge is the imperative to tackle debt distress.

Left unchecked, debt distress is a dagger through the heart of global recovery.

Countries cannot build back if they are held back.

The international community has taken a few positive steps, but it is time for a quantum leap in support.

That is why today at UNCTAD 15, I am proposing an urgent four-point debt crisis action plan.

To start — we know national budgets are being stretched thin by COVID-19, so we must push for an immediate expansion of liquidity for the countries in greatest need.

I welcome the recent issuance of \$650 billion in Special Drawing Rights by the International Monetary Fund.

But this support largely goes to the countries that need them least.

Today, I am calling for a substantial re-allocation of unused SDRs to vulnerable countries that need them — including middle-income countries.

Second — we know countries are being crushed by debt service costs, so we need an extension and expansion of the G20's Debt Service Suspension Initiative into next year.

The Initiative — and the Common Framework for Debt Treatment Beyond the DSSI — have great potential to ease the debt crisis.

But they are too limited in eligibility and timeframe.

Suspending debt service should be extended into next year and also made available to all countries that need it, including middle-income countries.

Third — we know suspending debt payments will not be enough in many countries. They will need effective debt relief, involving both public and private creditors.

I renew my call for a comprehensive strategy around reforming the international debt architecture — including debt restructuring or reduction, especially for middle-income countries — to help them avoid deadly cycles of debt waves.

We should look at innovative debt instruments like debt swaps, buybacks and exchanges.

Fourth and finally — we need private finance to help fill the gap.

It is deeply unfair that rich countries can borrow cheaply and spend their way to recovery — while low- and middle-income countries struggle to keep their economies afloat.

We need to bring together the public and private sectors to develop innovative financing tools to accelerate the return of private investment to pre-pandemic levels — which will, in turn, accelerate recovery.

And we need to increase multilateral development bank assistance to lower risk and draw capital to bankable, job-creating projects in communities that need them.

Taken together, this debt crisis action plan can help ensure that no government is forced to choose between servicing its debts and serving its people.

Excellencies,

**The second major challenge facing us is the need to get down to the business of a sustainable and equitable recovery for all.**

Around the world, COVID-19 has starved all of the systems that support human development of needed investment.

Without acceleration, we will not reach the Sustainable Development Goals.

We need to help countries make bold investments in education, universal social protection, health care and decent work.

We need to put people above profits, including through fair tax burdens, and ending tax evasion, money laundering, and illicit financial flows.

The G20 members, the UN System, and international financial institutions should work together with the OECD to follow through on the recent progress towards a global framework for corporate taxation.

It's time to move to implementation, and ensure that taxes benefit people in places where economic activity actually happens.

In communities — not distant boardrooms.

**The third challenge is to re-ignite the engines of trade and investment, and ensure they benefit the poorest countries.**

COVID-19 has put the brakes on the contribution of trade to economic growth.

The trade-to-GDP ratio remains below pre-pandemic levels.

The pandemic also derailed investment, with Foreign Direct Investment plunging by 35 per cent last year.

And in its current state, the global trade system remains heavily stacked against the poorest countries.

They are victims of unfair trade rules and barriers, unpredictable commodity prices, outdated infrastructure and transportation systems, and lack of access to digital tools.

We need open and fair trade rules, so all countries can compete on a level playing field no matter their position on the development ladder.

We also need to help developing countries modernize their infrastructure and trade flows — reducing costs and increasing efficiencies.

This is vital to support their transition to green economies grounded in sustainable and renewable energy.

It includes modernizing transportation — especially the shipping industry, which transports 80 per cent of global merchandise.

Automation and digital solutions can reduce bottlenecks and help this vital industry decarbonize.

**Which brings me to the fourth major challenge facing us — the need to build a global green economy.**

Small island developing states like Barbados are looking to the future with worry.

And increasingly, to the global community with a cynical eye.

For good reason.

They hear the words, but do not see the actions behind them.

We often act as if we have another planet waiting for us.

We don't.

A green and resilient recovery means committing to net-zero emissions by mid-century.

More ambitious 2030 climate and biodiversity plans — COP26 in Glasgow must keep the 1.5 degree goal of the Paris Agreement alive.

No new coal plants.

Phasing-out subsidies for fossil fuels and polluting industries.

Putting a price on carbon, and channeling that back to schools, hospitals, social protections, and job-creation.

And supporting developing countries as they make the shift to green economies — by keeping the promise to provide at least \$100 billion every year.

Small island developing states only receive a fraction of the funding that goes to developing countries for adaptation — less than two per cent in 2019.

So, today, I repeat my call to donors and multilateral development banks to allocate at least 50 per cent of their climate support towards adaptation and resilience.

Above all, we need leadership.

Countries cannot wait for others to make the first move.

Developed and developing countries alike have a responsibility to act.

The fossil fuel economy is itself becoming a fossil.

One that has left its imprint on our earth for too long.

It's time to shift our support to building a sustainable green economy.

Ladies and gentlemen, as Prime Minister Mottley reminded the world in her stirring address at the General Assembly last week —

“We have the means to give every adult a vaccine. And we have the means to invest in protecting the most vulnerable on our planet from a change in climate. But we choose not to.”



My friends, it's time to make better choices.

Through your discussions at this Conference, we can explore new ways to learn from yesterday's mistakes — and avoid repeating them.

We can make progress to ending the inequalities that hinder sustainable growth and prosperity for all.

And we can recover better together at this extraordinary moment in history.

Thank you.

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