

Remarks by UNCTAD Secretary General Rebeca

Grynspan to the G24 Ministerial Meeting

11th October Washington DC

Excellencies,

- This is my first engagement with the G24 as Secretary General of UNCTAD. Given UNCTAD`s long engagement with the group it is an honour to speak here today.
- Last week UNCTAD concluded its 15th Ministerial Conference hosted by Barbados, and many of the concerns discussed by this group today were very much the ones discussed in our own deliberations.
- So given the time constraints let me focus on the more workable propositions of our agenda.

- I think most of us agree with the diagnosis. This pandemic has shown again the perverse interaction between high inequality and low multilateralism.
- UNCTAD has consistently expressed its concern about growing asymmetries in the global economy and, in particular, the vulnerability of developing countries to external shocks, to Climate Change adaptation needs and to the constraints of their policy and fiscal space, all of which threaten a lasting economic and social damage, and a very difficult path to meet the SDGs.
- The pandemic has amplified those concerns. With the health crisis still raging in many countries and the debt burden heavier than ever. Heads of state and Government, and ministers who spoke at UNCTAD 15 warned that the multilateral system had, so far, failed to provide decisive action for equitable vaccine access and distribution and for the scale of financial support countries urgently need for a lasting recovery.

- According to our Trade and Development Report, by 2025 developing countries could, without appropriate multilateral responses, be facing a \$12trillion income shortfall as a result of the crisis. Let's be clear, without a concerted international effort another lost decade would follow.
- Meanwhile advanced countries, boosted by trillions in stimulus, are growing and vaccinating at rates many times higher than the developing world.
- So we need to do more. A good place to start is Secretary General Guterres' four-point debt plan for developing countries, presented at our Conference.
- First, extending and expanding the G20 debt suspension initiative to MICs and Sids.
- Second, debt restructuring and relief through the creation of a robust multilateral mechanisms.

- Third. harnessing and leveraging private capital for development and SDG finance.
- And fourth: Rechanneling the recent 650bn emission of SDRs towards development finance given that 40% of the SDRs allocation has gone to the G7 countries that don't need them and only a 2.3% to the LDCs!
- Probably most of us agree on reviewing the IMF's quota system to address the current biases in favour of developed countries, including in terms of SDR allocations. But to do this on a permanent basis will require changing the articles of agreement of the IMF. We should therefore explore other avenues to push for the voluntary hand over of the SDR's by the Countries that don't need them in favour of the Countries that do.
- The most advanced proposal currently is to increase the PRGT at the IMF (to benefit LICs), to create a new Trust for Resilience and Climate Adaptation at the IMF (which is being proposed this very month and that will include MICS), and finding a way to channel unused SDRs

through multilateral development banks (a proposal we should pursue).

- These proposals need to be properly discussed and must include the voices of the developing world, especially because of the time frame (One year from now is TOO LATE), and because of concerns about conditionality.
- We certainly intend to follow up on this call.
- These are all issues we intend to pick up in our new work programme, and I hope we can advance them together with you.

I thank you