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Permanent Observer of the Holy See to the United Nations Office  
and Other International Organizations in Geneva at the  
12<sup>th</sup> Session of the Ministerial Conference of the World Trade Organization

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At the outset my Delegation would like to thank the Governments of Kazakhstan and Switzerland for the organization of this significant Ministerial Conference. The highest body of the World Trade Organization has been reconvened after five years since its last gathering in Buenos Aires. Over the last two years, the COVID-19 pandemic has altered our way of life, called into question our economic, health and social systems, and ultimately exposed our human fragility. The war in Ukraine has only aggravated these challenges. In addition to the tragic loss of life, the devastating humanitarian consequences and the drastic forced displacement of people, the conflict has dramatically disrupted global supply chains, thus further endangering the capacity of countries – especially Least Developed Countries (LDCs) – to recover and relaunch their economies.

By severely disrupting economic activities throughout the world, these crises have extremely detrimental effects on international trade. There has been considerable heterogeneity both in the timing and in the magnitude of the declines in trade flows across the globe. While a minority of countries is experiencing and implementing a recovery plan and exponential growth in wealth, the gap is widening to separate the vast majority from the prosperity enjoyed by few.

The pandemic seemed to revive a sense of global family, where one person's problems were the problems of all. Unfortunately, this spirit of fraternity sometimes degenerated into a race for access to treatments in record time, with a tendency to focus exclusively on national solutions. In some cases, this led to an individualistic approach that translated into economic

policies and ideologies that defend the absolute autonomy of the marketplace and of financial speculation instead of seeking the common good.

The trade agenda greatly reflects this approach with the stalemate in multilateral negotiations and the corresponding growing number of Regional and Preferential Trade Agreements. As reflected even in the negotiation process in preparing for this Conference, urgent action is needed to revitalize the World Trade Organization (WTO). Such action must come from this Ministerial Conference and be based on renewed multilateral dialogue on the use and effects of trade-distorting policies in both developed and developing nations. In this regard, Pope Francis has urged multilateral diplomacy to be based on “*reciprocal trust and willingness to dialogue; it entails ‘listening to one another, sharing different views, coming to agreement and walking together’*. *Indeed, ‘dialogue is the best way to realize what ought always to be affirmed and respected apart from any ephemeral consensus.’*”<sup>1</sup>

Over the last twenty years of negotiation of the Doha Development Agenda, the international trade community has experienced two of most critical economic and social crises. However, the fundamental consensus norm has been misused to resist multilateral discussions of new policy areas and concerns regarding the functioning of the Organization. We all should be aware of the fact that we currently find ourselves at a crossroads in multilateral trade negotiations and probably in shaping the future for the WTO.

All WTO Members benefit from the rules-based trading system. Safeguarding the WTO is particularly important for developing and Least Developed Countries. Despite the massive expansion of trade and investment in the last decades, effective integration into global trade patterns remains challenging for many developing countries. Free trade, set in an open and rules-based multilateral trading system, remains the most powerful engine for growth and development. Only the multilateral trading system offers States the opportunity of participating in developing a juridical-economic system for a fuller understanding among peoples, and for social and economic development, especially of the poorest countries. As we have acutely experienced over the last two and a half years, it is becoming difficult to find local solutions for major global problems. If we really want to build a healthy world economy,

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<sup>1</sup> Address of His Holiness Pope Francis to the members of the diplomatic corps accredited to the Holy See, 10 January 2022.

what is needed at this juncture of history is a holistic approach founded on the promotion of the common good in a common home with common horizons.

### *Trade and environment*

Trade must incorporate adaptation, which is so crucial for the LDCs, as well as mitigation, which is a primary objective for LDCs. While Member States have devoted their attention to discussing issues in relation to sustainability, they must not shy away from the need to account for carbon emissions. This features high on the United Nations Framework Convention on Climate Change (UNFCCC) negotiators' agendas, namely, to ensure environmental integrity and to secure agreement on the creation of appropriate monitoring, reporting and verification frameworks.

The Preamble to the Marrakesh Agreement emphasizes the need for “...*expanding the production of and trade in goods and services, while allowing for the optimal use of the world's resources in accordance with the objective of sustainable development, seeking both to protect and preserve the environment and to enhance the means for doing so.*”<sup>3</sup> While climate adaptation remains a priority for developing countries, greenhouse emissions in traded goods and services account for only 27% of global carbon emissions. This indicates that trade policy has a consequential but limited scope in contributing to and managing a global green growth agenda. Indeed, trade policy can serve only a complementary role for attaining environmentally sustainable growth. Rather than building a trade and environment agenda on trade liberalization, making the most of the coherence between special and differential treatment (SDT) and the UNFCCC principle of ‘common but differentiated responsibilities’ (CBDR) may offer a better point of departure for a development-oriented approach to the trade-climate nexus. A robust approach to SDT and CBDR would widen non-reciprocal SDT measures to expand policy space for climate and development initiatives. A limited climate waiver of WTO trade and environment rules combined with a ‘peace clause’ for disputes on trade-related environmental measures of developing countries could be one route forward.

## ***WTO and COVID***

In the Encyclical Letter *Laudato si'*, Pope Francis recalls the troubling extent of exclusion in our world. "[T]here is little in the way of clear awareness of problems which especially affect the excluded. Yet, they are the majority of the planet's population"<sup>2</sup>. Our focus must thus remain strong and we must remain unwavering in our commitment to leaving no one behind and to building a more sustainable world by 2030.

In the context of the current global crises, it is important for the international community as a whole, and for WTO Members in particular, to work together to ensure that intellectual property rights do not create any barrier to the timely access to affordable and safe medical products, including vaccines and medicines, or any hindrance to scaling-up of research, development, manufacturing and supply of medical products essential to combat COVID-19. As experienced over the last months, access to essential medicines no longer represents a challenge just for the Least Developed and other developing countries; it has also become an increasingly urgent issue for developed countries.

As we are all aware, health is a fundamental human right, essential for the exercise of many other rights, and it is necessary for living a life in dignity. The realization of the right to health should be a fundamental goal of national policies and programmes, regardless of respective economic, social, cultural, religious or political contexts. However, for millions of people around the world, the access to treatments and vaccines remains an elusive goal, due in part to intellectual property obstacles. This constitutes a challenge to the flourishing of human dignity, which represents the basis of all human rights, including the right to life, health and the integral development of the human person. For this reason, Pope Francis has affirmed that "it is appropriate that institutions such as the World Trade Organization and the World Intellectual Property Organization adapt their legal instruments lest monopolistic rules constitute further obstacles to production and to an organized and consistent access to healthcare on a global level"<sup>3</sup>.

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<sup>2</sup> Pope Francis, Encyclical Letter *Laudato si'*, para. 49 ; cf. para. 51.

<sup>3</sup> Address of His Holiness Pope Francis to the members of the diplomatic corps accredited to the Holy See, 10 January 2022.

The Holy See welcomes, therefore, the formal and informal negotiations that have taken place over these past months, in an effort to arrive at a compromise solution to the intellectual property aspects relating to the WTO response to the pandemic. Nonetheless, it is essential to ensure that any compromise be effective, comprehensive and implementable. Only by placing the common good of all before the national and private interests of individuals, in a spirit of international solidarity, can such a solution be found.

### *Fisheries*

The Holy See also welcomes the progress that has been made on coming to a consensus on Fishery Subsidies, after two decades of discussion on the matter. Fishing has great potential to boost growth, employment and food security for a number of developing countries and LDCs with inland and coastal fish resources. Fishing improves export competitiveness and contributes to efforts to diversify, provided that the supply-side and demand-side constraints facing the sector in LDCs are effectively addressed. In particular, it requires LDCs and their development partners to view the fishery sector from economic, social and environmental perspectives. In this regard, the implementation of the 2030 Agenda for Sustainable Development and, in particular Sustainable Development Goal 14, remain significant. We are called to take concrete actions for disciplined production and export-distorting fishery subsidies, as well as subsidies that contribute to overfishing and illegal, unreported and unregulated (IUU) fishing activities, while ensuring the exemption of LDCs from any reduction commitments that are not consistent with the level of their socioeconomic development.

### *Agriculture*

The combination of persistent and emerging constraints on the current state of food security makes the right to food all the more important. This has become still more urgent in light of the Russian-Ukrainian conflict, two countries which before the war provided for 30% of the world's wheat exports. The abandonment of agricultural fields due to military aggression, the enormous damage caused to crops, the absence of agricultural labor due to the displacement of entire populations, the destruction of natural resources and infrastructure are unjustifiable facts that concern the Holy See. This in turn causes deterioration in the supply chains, has

repercussions on the increase in the prices of food and raw materials, and threatens to generate new tensions of a social nature due to the scarcity of food, especially for the poorest strata of the population. The disastrous spiral unleashed is thus affecting the most needy people on earth, who live mostly in rural areas and are increasingly affected by the expansion of the unequal distribution of natural resources and raw materials, with the consequent worsening of the levels of extreme and moderate poverty and the escalation of hunger.<sup>4</sup>

There is no doubt, therefore, that trade policy needs to be advanced from a right-to-food perspective. Integration of the Developing countries and LDCs in global food value chains is a key requirement for ensuring food security and economic development in today's globalized world. The COVID-19 pandemic has also led to shorter supply chains, thereby reducing especially South-North trade. This trend reinforces the importance of global cooperation for an uninterrupted global food supply. There is no time to lose in reigniting multilateral policy coordination for agricultural trade from a right-to-food perspective, so that food insecure countries can pursue a recovery policy mix that meets local food production and consumption needs. The Holy See considers the removal of the existing limitations, imbalances and asymmetries of the Agreement on Agriculture to be a priority in light of the right-to-food imperative. Member States ought to consider not to impose export restrictions on essential foodstuffs destined to food-deficit developing countries, including net food-importing developing countries, and on food aid to countries in an emergency situation.

The sense of belonging to a single human family is nowadays disappearing, and “the dream of working together for justice and peace seems an outdated utopia. What reigns instead is a cool, comfortable and globalized indifference, born of deep disillusionment concealed behind a deceptive illusion: thinking that we are all-powerful, while failing to realize that we are all in the same boat”<sup>5</sup>.

Multilateral agreements on fisheries subsidies and agriculture, together with an effective and robust solution to the TRIPs waiver, would send a powerful signal that the WTO can continue to provide certainty and predictability to global trade for the next 25 years. Failure to agree

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<sup>4</sup> Cf. *Discurso de Monseñor Fernando Chica Arellano, Observador Permanente de la Santa Sede ante la FAO, el FIDA y el PMA, en el 33º Período de Sesiones de la Conferencia Regional de la FAO para Europa* (Łódź, Polonia, 10-13 de Mayo de 2022).

<sup>5</sup> Pope Francis, Encyclical Letter *Fratelli Tutti*, para. 30.

would call the effectiveness of the WTO into question. This Conference marks a key decision point for the direction of the post-COVID global economy. Members, in deliberating the decisions at this Ministerial Conference, have the opportunity to react to the ongoing shocks with renewed cooperation, leading to shared growth and resilience; if this opportunity is squandered, global trade is likely to move further on the path towards costly fragmentation. The Holy See, according to the nature of its engagement in this Organization as well as in other multilateral fora, consistently calls for renewed cooperation and solidarity, inspired by a sense of human fraternity. If we fail to deliver an ambitious meaningful post-MC12 Agenda, we will not lose just another opportunity, but the role and the credibility of the WTO itself will inevitably be questioned. The loss of the WTO as an effective negotiating forum, of course, would have the greatest impact on the smallest and the poorest economies. As shown by plurilateral agreements and mega regional trade agreements, large countries will always have options. The world is looking to this Conference as a turnaround in trade talks, so that the WTO can regain its central role in addressing new problems, seizing new opportunities, and, most importantly, providing tools to end poverty for all.

Thank you for your attention.