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The Future of International Cooperation

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Statement by H.E. Mr. Marc Bichler,
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Chair, Excellencies, ladies, and gentlemen,

I thank you for inviting me to this panel, which deals with topics very close to my heart, given my past roles as Director of Luxembourg's Development Cooperation and Executive Secretary of the UN Capital Development Fund.

The key challenges for the future of development cooperation will revolve around similar clusters of issues as we know today: growing inequalities and injustices, the triple planetary crisis, opportunities and risks around rapidly advancing digitalisation as well as growing geopolitical tensions hindering enhanced global partnerships and international cooperation. Underpinning effective implementation of the answers to these challenges is the issue of effective financing for development.

At the start I would like to recall, in the context of the right to development, that it is important to be clear when we are speaking of development of a country or of a region, development cooperation understood as the collaboration between two countries or regions to advance socio-economic development, financed by official development assistance, or the right to development and its normative aspects. Since this panel looks at development cooperation, this is what I will focus on in my intervention.

In order to become more effective and to generate tangible impact for the people, development cooperation practices will need to tackle current and future challenges in a more holistic manner: while traditional development cooperation has been focusing on the sectors of health, nutrition, education and, to some extent, building infrastructures, it has become increasingly clear that nature and biodiversity conservation, sustainable energy and transport as well as digitalisation, but also banking, financial services and trade, need to be part of development cooperation programmes.

While Agenda 2030 and its Sustainable Development Goals have been instrumental in recognising and furthering this holistic approach, the challenge today lies in countering rising inequalities and an ever-greater concentration of wealth in the pockets of ever fewer people. This requires the recognition that extractivism and rent-seeking models are profoundly damaging to economies, societies, and the planet. This was the case in the past with colonialism, or today with certain transnational corporations which extract natural resources and wealth

from developing countries but without fair compensation. A human-rights based approach to development and also the implementation of the UN Guiding Principles on business and human rights are important here.

It is also necessary to break out of cooperation models that entrench dependencies: South-South and triangular cooperation should be more often explored as launchpads for triangular cooperations with donor countries from the Global North. Each partner's priorities should be regularly reviewed during implementation, to ensure adequate alignment on the recipient country's national priorities.

Luxembourg has always strived to incorporate both Agenda 2030 and the realisation of civil, political, economic, social, and cultural rights as guiding lights into the formulation of its development cooperation frameworks, which are set up in close collaboration with partner countries. In recent years, we have also enhanced our collaboration with academia and researchers, so they may monitor impacts and facilitate decision making on necessary adjustments.

Further strengthening a human rights-based approach to the formulation of joint development cooperation programmes is instrumental in better tackling the challenges I mentioned earlier. While today, many programmes are still designed to contribute to one or more individual SDGs, applying a general human rights lens to these programmes would go a long way in preventing unintended negative consequences of some of them: for example, infrastructure projects would then by design include provisions for the protection of the environment during construction and safeguard workers' health and safety, and social and labour rights.

Loans must be structured with sustainability in mind, to avoid aggravating the current debt crisis. And agricultural trade programmes would have a built-in safeguard against the violation of indigenous land rights or the participation of marginalised groups in local value creation and profit sharing. Programmes designed to share the benefits of industrialisation and digitalisation would then by default require provisions to safeguard social, political, and civic rights, and thereby mitigate the risks associated with these transformative projects. Human Rights are inclusive by design – their full and universal realisation is our best guarantee for mutually beneficial international cooperation and vice-versa, development cooperation should contribute to their fulfilment.

This also holds true for financing for development. Global economic governance has not been able to keep pace with ongoing changes, and pains to adequately tackle the challenges of today's global economy. International financial institutions will need to better consider the structure and scope of the global economy, both with regards to its governance structures as well as in the way financing decisions are decided and implemented. Inclusivity is key and the pace and scale of change should be in line with today's global economy. We will deal with these issues in more depth at this year's Social Forum later this week.

A last point I would like to make is on data: if we would like to enhance effectiveness, we need to measure impact. Measuring financial flows is not enough – we need reliable, disaggregated quality data, including on human rights indicators. Development cooperation must show the results achieved together, for the common benefit of people and the planet. This remains a vital point for a successful alignment between recipient country priorities and the respective national sustainable development plans.

I thank you.