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Implementation of the mandate and program of work –
Focused thematic discussion and interactive dialogue
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The Future of International Cooperation

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Good afternoon everybody,

It is a pleasure and an honor to be here again, and I continue to be continually heartened by the conversations that we have around development that traverses every part of the world.

On Monday I actually made my presentation to the General Assembly and the topic I presented to the General Assembly was the global fiscal social contract. And the reason I made that report was because the same way we're trying to hold our governments domestically responsible to our citizens, is the same thing we need to do at an international level and make sure that member states can be held responsible, not only towards each other but also towards the global governance infrastructure that is in place. And so, when I look at the issues around international cooperation and assistance, I come to it from the space of debt, of tax, of illicit financial flows and its implications on not only the maintaining of the living standards but hopefully also the raising of living standards. And so, I will try to make six key points and I'm looking forward to the conversation.

I put forward to the General Assembly what I call the “life cycle approach”, which is that if we're going to look at any element of finance, including international cooperation and assistance, then we need to put the human being in the center of it and we need to look at the development of the life of a child, which is what all of us were at a certain point in time, when we needed vaccines, when we needed education, when we needed food so we weren't stunted, so that we didn't have any mental deficiencies. And as we grow older and we become adults, we now become contributing members of a society and an economy where decisions that were taken sometimes when we were still children are now decisions that we are held responsible for because we are the ones paying the debt, we are the ones paying the interest rates or in fact we are the countries that have benefited, for example from industrialization and part of this international community of state. And so, what does this international cooperation and assistance then looks like look like from a fiscal perspective?

Over the past three years during the course of our mandate, I've engaged with different member States, but I've also been engaging with international institutions like the IMF, the OECD, the World Bank and the constant conversation I have is how do you put human beings in the strength of focus of the conversations that you are having. And more often than not, the response I get is that it is beyond our mandate, and so for me that is the first point that we have to talk about when we talk about international cooperation and assistance, it is how do we

define it and what should be allowed to be beyond mandate ? How do we come into this physical social contract space and how do we make ourselves accountable to each other?

The third issue that I started to look at as I continued to explore the area was the use of language and communication. We talk about cooperation, but more often than not I hear two other words. I hear the word coordination, and I hear the word collaboration, and they don't mean the same thing. I will not define it for us, we can all go have a look at it, but it is the use of these words in diplomatic spaces that obscures what is supposed to be cooperation and assistance. So while we hear these great endeavors, often there is more about coordination, and policy in many regional blocs use the word deliberately coordination but not cooperation, so it's very important that we actually unpack what it means and deal with it from a physical perspective.

Which takes me to my 4th point, about how financial decisions are being made, but also how the money is flowing. Over the course of this year, I saw four or five treaties that got stagnated because I was trying to support them. At the WHO, the pandemic treaty stagnated because there was a conversation around illicit financial flows being the funding source for health, and it got stuck. On the other hand, you have the tax convention at the General Assembly level, where the terms of reference were so hotly contested that at a certain point in time the phrase human rights was almost removed from the terms of reference. The reality on the ground is what is then cooperation and assistance if the battle still remains on the level of the fact that living standards is not the focus in fiscal spaces ? So there is now the plastic treaty negotiation and the battle is over the formula of course on finance, no surprises, and there have been two or three other treaties that were being negotiated over the course of these years.

Now, if I just turn you with the pandemic treaty, and it is something that has happened in our lived reality, the fact that we are unable to come to terms with creating a fund that we can put money into for the pandemic when we all know what it was like, also as a signal of cooperation and assistance. And it's a grave concern, because if this is the state we are in then from the perspective of finance, I will tell you that I read cooperation and assistance from the budget line, from the amount of money a member state puts on the table, yes which is the pledge, but then also the amount that they actually don’t submit. And that will allow me to move into the climate treaty conversation, because despite numerous pledges many of these climate funds are empty. I've had conversations with members states where they said very nicely and I believe them “ we're good for the money “and I say “yes I agree with you but what is the tradeoff?”, the tradeoffs to not actually putting money into those funds that has been pledged is that governments are now scrambling in the developing world to make debts measure swaps, which frankly are incredibly badly negotiated are getting very low returns on it, are promising way too much on it, and it's because the funds are not well financed.

So, these alternative innovative financing mechanisms that we're talking about, that have come across through international cooperation and the systems, are actually not producing any type of cooperation on the ground. So, what you see is a series of tradeoffs in these different spaces, because the financial pressure on the state is here and now, but the pledge is coming later. So, we need to really take this into serious consideration.

That takes me to my fifth point, which is about stakeholders and the power that they hold in these spaces. But it's not just about the power they hold, it's about the power they think they hold. I've heard certain stakeholder groups turning round and saying things like “we have a capital balance sheet of X amount; therefore we are the most powerful stakeholder in the world “and then, I have seen others say “we are a group of X population, therefore we are the most

powerful stakeholders in the room". If we are going to enter these spaces using that language of power based on our wealth, on our numbers, on how we how many branches for example we might have across the world or entities, then we have a serious problem, because we are forgetting that we need to try and raise living standards, because that needs to be the focus, the reality on the ground. This for me is something that we really need to think about, and it has led to the development of big economic regional blocks that are now creating counterpoints to each other, and we have moved into a bipolar world without a doubt because of it. And the reforms that should have taken place in the existing infrastructure or finance, so the cooperation and assistance that should have taken place naturally didn't take place, so now you have these counter positions happening in different parts of the world.

Finally, I have some recommendations to leave us with and to think about, although I hope I've left you with some food for thought as well.

The first is what does raising living standards really mean and how do we keep that in center and focus of all of our conversations? For me this is really important in all of the financing funds that we're talking about. That leads me to the whole conversation around the SDG stimulus. One of the big issues there is the issue of debt. We have forgiven debt in the past before, Germany's debt was forgiven after World War 2 and in addition to it being forgiven its debt, the US for the first time in its history allowed Germany to collect taxes from American companies operating in Germany. So not only did they forgive debt, but they also gave them a cash injection. That is international cooperation and assistance, and I think that is the direction that we really need to think about very seriously going forward. The tax convention is being debated heavily, there are several issues being discussed, we have to look at the taxation of automated digital services as well as digital services generally, that's very important.

On the issue of high-net-worth individuals, there is a presumption that countries with more high net worth individuals that have cross-border activities are going to allow the finances to be spread across the world. I think this is a presumption that needs to be confirmed, I'm not convinced that it's actually going to happen in reality. And so, illicit financial flows remain an extremely important topic in that space as well. We need to come to an agreement that is truly about again international cooperation and assistance. We should encourage governments to fulfill their pledges.

I'm so happy to hear people say we're good for it, I'm very heartened that means you have money in your pot but please don't keep the money in your pot, put it into those funds and don't let it be a trade off on ODA. And please don't do the minimum, minimum is the minimum, if you can do better than the minimum, do better than the minimum because right now as far as the climate funds are concerned, there are no interventions right now that are going to reduce the temperature in the world, there are no interventions that are going to reverse the change in biodiversity. I don't talk about biodiversity loss; I talk about change because I heard recently that there were mosquitoes in Paris and that is unprecedented so there is change and this change is coming.

There's a reality here that we really need to deal with, but also for me it is now going to be an elephant in the room in all of the conversations we are having around this space and that is the way human rights have been treated as either a carrot or a stick. The reality on the ground is that many developing countries are extremely uncomfortable with human rights narrative, because of the way it has been used in the past. We have the opportunity in finance to take human rights and actually reconfigure it, because recognizing the human right of a person in

developing countries to eat food, to survive and to have housing will actually allow us to change some of that narrative and allow for a more holistic adoption of the space, but we need to stop using it as a stick and we need to really try and embrace it more.

Thank you very much for your time.