Road to 76th UN General Assembly: 
FfD Systemic Governance Reforms on Trade, Tax and Debt to Advance the 2030 Agenda

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Organiser: Civil Society FfD Group (including Women’s Working Group on FfD)

Speakers
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Dereje Alemayehu, Global Alliance for Tax Justice
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Moderator: Pooja Rangaprasad, SID/Civil Society FfD Group

Summary Transcript

Pooja Rangaprasad, SID/Civil Society FfD Group

The focus of today's side event is on the road to the 76th UN General Assembly and the need to focus on the key FfD systemic governance reforms to advance the 2030 agenda. Central to successful implementation of commitments on SDGs and climate crisis are the issues that the FfD agenda tries to address. Financing for Development process is about addressing the global systemic barriers to ensuring developing countries have the fiscal and the policy space to address the development challenges.

At the heart of this agenda is about addressing inequality between countries as decision-making on critical issues of the global economy and finance continues to happen in undemocratic spaces, such as OECD, Paris Club, World Bank, IMF, and so on; and the need to bring these decision-making processes back within the UN, which is the only space that ensures that all developing countries have a seat at the table.

Even before the crisis of the century that we're all experiencing now, we were deeply concerned that the world was already completely off track in meeting these important commitments. This is, now, of course, further exacerbated by the current COVID-induced crisis. The vaccine injustice means that the road to recovery will also be much longer for developing countries as they have to wait much longer to open up their economies fully, which is only possible once their populations are fully vaccinated.

We're stuck in quite a vicious cycle and it's against this background that, for us, it's been unconscionable that governments earlier this year agreed to adopt an FfD outcome document that was filled with rhetoric, but no actionable outcomes. The upcoming UN General Assembly, particularly the Second Committee, is really critical for us that it doesn't unfold in this sort of business-as-usual approach, agreeing on the lowest common denominator, that instead governments work together to ensure that we're making these ambitious decisions on these critical FfD systemic reforms.
To help us talk through all of these issues, we have an excellent panel of civil society experts today who will provide an overview of some of these issues that we’re talking about and why it is important to move so urgently within the upcoming UN General Assembly.

Dereje Alemayehu, Global Alliance for Tax Justice

Let’s go back to the Financing for Development Conference in Addis Ababa. The draft conference outcome was not agreed in New York and they came with the draft to finalize it at the conference. There was a paragraph in this draft, which was a proposal from the G77, which was the establishment of a UN tax body. The rich countries not only said, "We don’t accept it," they said they will not take part in the negotiations if this paragraph remains in the draft agreement. The host country at that time didn't want the conference to fail and put pressure on G77 countries to accept this diktat, to save the conference. At the end of the conference, the G77 did a declaration noting that they may have withdrawn this paragraph but have not given up the struggle for the establishment of a UN tax body.

Why are the rich countries doing this? Because they didn't want the UN to be the forum where international tax rules are discussed. They wanted this as an area where the OECD has to play the main role, the convener role. It was to block the UN and to leave the issues of international tax rules setting and standard-setting to the OECD. It is very clear why this is their preference. In the UN, countries negotiate in a transparent manner. We get the agreement draft beforehand to make our governments accountable for the positions they are taking and not taking during this negotiation process.

What does OECD offer? It has created an informal structure outside the UN, where membership is voluntary but it is behind closed doors -- completely secretive. The secretariat of a global intergovernmental process should be neutral, but they have their powerful secretariat as the host of this process, a manipulative one. It is behind closed doors and we don't even know what positions our respective delegates take.

During some of the informal consultations, there are some positions taken by developing countries individually or collectively like the G-24. Then when you look at what comes out of it, it has become a Bermuda Triangle, they disappear. You hear that they have unanimously agreed to something. Some complain that there is political pressure. It is very opaque. There is political pressure, the usage of carrot and stick in this process. There is the biggest weakness of developing countries, they don't coordinate before they go to these fake negotiations.

The G7 meet is at summit level, a political process, and decided as heads of state. No developing country is allowed to do that. Technical staff are going to these negotiations, asked to agree to something and it becomes a binding agreement, which is contravening the sovereign right of nations to agree to an international agreement in an intergovernmental process. We have seen it in the past. You coerced technical negotiators to sign on to something, you take it to your own decision-making summit, you decide on behalf of the whole world and say this is the global agreement you have reached.

Then you look at the outcomes of the negotiations. The whole mischief about transfer pricing abuse, profit shifting happens because multinationals are not treated as single entities. That their consolidated, global profit is not apportioned according to the source of their profits generated in different economies. Now they are telling us, "We have solved it." 90% of global profit will be dealt with in the traditional manner by transfer pricing rules. Only 10% will be apportioned. Is it the way of solving a problem? You take out 10% and say, "This is how we want to change it." and you leave the 90% intact. Plus, the scope is about 100 multinational corporations and not all corporations. They say
the split between residual and routine profit has been objected to by developing countries, the G-24, ATAF, and the rest, but it is still there, intact.

Now you take the Pillar 2 agreement called global minimum tax. The average corporate income tax is 25%. The secrecy jurisdictions and tax havens were offering 12.5%. They brought it so close to the secrecy jurisdictions by agreeing to 15%. Imagine a developing country which has a statutory corporate income tax of 30%. They don’t have the economic and political clout to negotiate better terms. There will be a pressure on them to reduce their tax to 15%. That is instead of doing away with race to the bottom, this has started a process of race to the minimum. Further, it unashamedly gives the right to tax this under-taxed profit to headquarter countries.

It is an unfair system. You block the UN from taking a decision, from facilitating an international agreement. You pre-empt a democratic decision, a fair decision, and say you have solved the problem.

That is why the G77 should be more active because they are failing. There was a Nigerian ambassador to the OECD who noted there is a lot of political pressure to accept these rules. We should not allow the rich countries to confront us with a fait accompli. We have to be urgent and bring it back to the house of nations in which each country can decide for itself in a negotiation atmosphere based on equality. Let us not allow them to create a solution to confront us with a fait accompli, and the UN should be reclaiming its right. It should not give the right, the mandate it has to solve international problems to other parties who are claiming to make rules.

Colonialism is gone, but neo-colonialism is still alive. We have to be grown up and bring back the issues to the United Nations where we are treated equally, where our concerns can be also dealt with in an intergovernmental process. Thank you.

Ranja Sengupta, Third World Network

We’ve seen that in this space, trade is not such a big issue because it’s believed that trade has other forums, such as the WTO. We’ve been trying to continuously bring trade issues to the UN because we actually have a hope of getting something progressive and positive in UN platforms rather than the WTO. A lot of the trade discussion and policymaking is scattered over multiple spaces. That’s why we see UN as actually one space where all different strands of the trade and investment policy discussion that’s critical can come together, especially during the pandemic. That’s what I will primarily address.

Solutions for the pandemic, which are related to trade and investment policy, needs to be centralized and UN is the best space for it. We’ve always been told that all those trade policies and institutions will create and facilitate access to a lot of these essential goods. But we’ve seen in the time of the pandemic that we do not actually have access. Very few countries control, for example, all trade in medical products, whether it’s PPEs to masks, to ventilators, to vaccines, to medicine.

We, of course, have the WTO, which forms rules and agreements on a multilateral level, then we have the bilateral free trade agreements, regional free trade agreements, then we also have investment agreements. A whole host of agreements, each of them include a different combination of very critical issues, from rules on industrial products, let’s say health products to agriculture and food to intellectual property rights, to services, liberalization. Now we have a lot of new issues, investment facilitation, e-commerce, and so on.

What we want is these agreements should give us solutions to the pandemic and not create further barriers but what do we see? What we’ve seen from last year is that many times when governments have tried to bring in policy to be able to deal with the pandemic, whether it’s provision of certain
goods and services, to making certain restrictions, for example, on closing airport because you want to restrict travel because you don’t want the virus to spread, or when governments have, for example, built COVID hospitals, trade and investment agreements they have signed have restricted their policy space to take these measures.

Many of you how the intellectual property rights issue. We have very expensive patented vaccines, but that is not accessible to everyone because the TRIPS agreement prevents producers all across the world who are able to produce. It doesn’t allow them to produce and the WTO, through the TRIPS agreement, have upheld those kinds of restrictions and constraints. There has been this whole effort from developing countries to push a waiver for COVID-related therapeutics diagnostics and so on.

Another challenge has been the investment agreements and the investment parts of the free trade agreements. You may have heard of the now-infamous ISDS, Investor-State Dispute Settlement. If a foreign company has invested in a certain country, they have very strong rights, and that is much higher than the domestic investor. If the government changes any policy or expropriate their investment, which then they feel that it will lower their profits, they can sue our governments in secret international arbitration cases. We don't even get to know what’s happening. There are examples of these ISDS cases over COVID measures for example in Chile and Peru.

We have been calling for a moratorium on all these trade and investment agreements, so that governments, especially developing country governments, can reclaim the policy space to put in place the policies they need to fight this pandemic. We have seen a lot of recommendations, for example, coming in the WTO from last year but actually, they offer very little policy space. They have focused on some very key narrow issues, mainly of interest to developed countries.

For example, they want more market access. They want countries to reduce import tariffs. They want countries to not restrict exports, but then we have seen the US and EU have been the major ones actually restricting exports of critical vaccines. We have seen a lot of recommendations coming mainly from developed countries, though they do not practice what they preach, and those recommendations have been highly inadequate.

What we have been asking is that governments during the pandemic and for a certain period of time after the pandemic, they should actually have a moratorium on all trade and investment agreements and all these legally binding commitments so that they cannot be sued for not implementing those commitments during the pandemic and at the very least, putting a moratorium on ISDS cases. Countries have lost bit ISDS cases during this pandemic. For example, India has lost a this big case to Cairns Energy, which is a British energy company of $1.6 to $1.7 billion. Pakistan I think they have lost a $6 billion case. These are critical resources, during a pandemic, and because our governments have signed on to such unfair and opaque systems, in these trade and investment agreements, that they are actually having to now pay for it which really compromises their ability to deal with the pandemic.

Let me just quickly end with, “why the UN?”. Some people will say, "Why in the UN?" You have the WTO, or even in the UN, there is some discussion, for example, in UNCITRAL. UNCITRAL is discussing ISDS reform, but that is not specific to the pandemic, it is not responding to a crisis. It's simply a process issue, how to make this ISDS system less opaque, avoid conflict of interest, and so on. But what we need is something which allows government full policy flexibility to respond to the pandemic, and also prepare for future pandemics. The UNCITRAL reform does not address these issues comprehensively.

The only positive development we have seen is the TRIPS waiver proposal. We now have negotiations starting. That is a positive thing, but what I am talking about is this very comprehensive multipronged approach which would address WTO plus the free trade agreements, investment treaties, which will
address a whole host of provisions. I think this moratorium, and it's already late, will be crucial for this pandemic but also looking at future pandemics, future crises. It may not be a pandemic, it can be a huge environmental crisis and then how will our governments have the policy tools? We need a discussion on a moratorium now, but also comprehensive solutions for pandemics and crises of the future.

That's what I think the FfD platform, the SDG platform, and the UN platform in general, really needs to do. The UN space has a lot of opportunities that it can offer and if we push hard enough, we should be able to get the solutions we need.

Ioalnda Fresnillo, Eurodad

I want to start with reminding that without tax justice or without trade justice, we can't have debt justice. As countries are denied their own resources and policy space, they are condemned to continue borrowing and they are condemned to getting deeper into this spiral of debt that many countries in the Global South find themselves in today.

In the last decade, public debt of developing countries has increased from an average of 40% of GDP to 62% of GDP. More than 1/3rd of this increase took place in 2020 alone. This figure is equivalent to $1.9 trillion of new debt in just one year. This is one of the impacts of the pandemic. One of the somehow invisible impacts of the pandemic. In the last decade the share of government revenues in the Global South use to meet external debt service has increased from 6% to 17%. Today more than 30 countries are allocating more than 20% of their revenue to that service. This means that instead of fighting the pandemic, instead of investing in climate resilience, instead of investing in SDGs, they pay their external debt, sometimes debts that are illegitimate.

In the context of these unprecedented economic crises and unfolding debt crisis, the G20 and the IFIs have offered short-term and limited responses to the situation. For us they are not more than false solutions to make sure that nothing changes substantially. The shortcomings of the DSSI or the Debt Service Suspension Initiative and the Common Framework to deal in a timely, orderly, comprehensive, and especially in a fair manner with debt distress while protecting human rights, gender equality, or the path towards SDGs, tells us how vital and how urgent it is to put in place a systemic debt architecture reform.

We need to put a lot more pressure in the UN spaces to step up, reclaim and work towards debt architecture reform. Both these, DSSI and the Common Framework, fail in many different ways. They don't ensure binding participation of private creditors and deny the participation of multilateral creditors so there's not going to be any multilateral debt relief or even debt restructuring. There's no existing framework for countries outside these small group of seven DSSI countries. Middle-income countries are systematically excluded from debt relief initiatives. Countries like Suriname or Belize that are at present negotiating debt restructuring with the ruthless creditors. Creditors that are denying deals to these countries.

There is no human rights, SDG or climate vulnerabilities approach to debt sustainability. Debt is being considered by the IMF or by the World Bank sustainable in many countries where governments have to actually cut health expenses in the middle of a pandemic or have to cut climate investments in the middle of a climate emergency. This is the way they see it. If countries can pay, then debt is sustainable. It doesn't matter if that impacts gender inequality, if that impacts the climate investments needed.
We need to also to mention the dysfunctional role of credit rating agencies and the financial markets deepening the debt vulnerabilities and creating procyclical worsening of this economic and debt crisis. We could just mention today’s news with Ethiopia Euro bond yields increasing just because they announced they would like to see a reprofile of $1 billion US. Just the change in the conditions in which they want to pay this debt. They are punished just for saying it by the financial markets.

The other issue we need to take into account is the exclusion of countries in the global south, from the discussion and the decision making on the solutions to their own debt crisis. It’s a system, this DSSI and Common Framework, decided by and for the creditors’ interest. In this situation, without an ambitious, multilateral and democratically decided fair process leading to debt cancellation, the resulting crisis will keep exacerbating the already staggering levels of social and economic inequality, both between and within countries.

Without sufficient debt cancellation available for all countries that need it and from all creditors, there’s no chance countries will be achieving the SDGs. Also, there is no chance without debt cancellation that countries in the Global South will be able to face the challenges of the climate emergency. The people and the planet need not only more ambition in terms of more debt cancellation but also much more democracy for those solutions to be fitted into their needs.

As civil society, we keep calling on governments to establish a debt workout mechanism - a transparent, binding, multilateral framework and rule-based process for debt crisis resolution under the UN auspices that addresses both sustainable and illegitimate debt. It should provide systematic, timely, and fair restructuring of sovereign debt but also debt cancellation in a process combining all creditors bilateral, private but also multilateral creditors.

For us, it is evident that only focusing on new versions of collective action clauses, introduction of state-contingent clauses or other market-based contractual arrangements won’t be enough and will fail at putting human rights and particularly SDGs at the centre of the solution.

Beyond the establishment of a multilateral debt resolution framework or within this reform, we need to urgently implement substantial reforms in the financial system, including further regulation of the financial sector, binding rules for responsible lending and borrowing, and regulation of credit rating agencies and a global agreement on the importance of capital account management and control.

To conclude, we believe that the organization of a UN Summit on Financing for Development is key to advancing this agenda. We hope the governments will be up to the task at the UN General Assembly. Thank you very much.

**Emilia Reyes, Equidad de Género/Women’s Working Group on FfD**

Let me start by saying that this is not about a conference in the UN. This is not about just another negotiations. This is about going back to the origins of our multilateral pact that is universal. Humanity is at a crisis. People are dying everywhere. We have also an environmental crisis that is unmatched, unparalleled by anything that we have seen. For the first time, people are thinking whether I’m going to have children or not, because they may not survive in the next generation or two. What we are calling for is going back to the original mandate of the UN, on really taking back the main conversations even of survival of humanity and life on the planet and take it back to a universal space, a multilateral path in which we can all discuss and have a say and share the problems that are not going to be solved locally.
I am stunned by all of the proposals or national reports everywhere because no country in the world is going to be able to face all of these macro challenge that my colleagues have been saying. No country in the world can ensure the minimum standard of living for their population or address any of the emergencies of survival that we’re facing right now if we don't deal with these macro issues.

There is a meme going on in Mexico that says, "The UN is that friend you have that when you’re really in your worst crisis of your life, tells you don't cry." People are making fun of the UN. We’re heading towards the General Assembly and we are not making any relevant decision. We’re losing on all the fronts, all of the battles, and the call for the next FfD conference or a Monterey +20 is really about addressing. Human rights needs to be central. Currently, human rights is out of the question, governments come with an informal understanding already to negotiations like in climate change, biodiversity etc. that human rights is off the table. Even for a ministerial declaration that is going to be voluntary, it is off the table.

Nobody wants to come and talk the operationality of human rights. Those are discussed by human rights rapporteurs in another fora and disconnected from other discussions. On the one hand, human rights rapporteurs are telling us PPPs are violating human rights. They’re telling us that that is damaging and harmful for human rights of all people, women, youth, people with disability. That austerity measures that IFIs are recommending are to the detriment of the survival of the planet. On the other end, IFIs keep on giving the same recommendations. Where is the UN? At this point, the FfD Group and the civil society, in general, is in desperate need to see the UN back to its original mandate.

When we say that women subsidize the world, we are talking about two-thirds of generated value in the world being produced by the unpaid domestic and care work of women. You will not find any technology being as productive as women. FfD is actually the only negotiation in the package of the sustainable development negotiated outcomes - SDGs, Paris, Habitat, Sendai - that has language on women’s human rights. The only one. Yet we are told that let us go back to national reporting on women’s empowerment. Women are subsidizing the economy and we are told that we will get microcredits.

This is a colonial world. 6% of the population in the world are indigenous peoples, and they’re holding 80% of the biodiversity in the world. We’re still questioning them their basic rights. That is a conversation that FFD needs to hold into account because it is about sovereign space, policy space. What are you going to do to ensure human rights for everybody?

The Canada and Jamaica FfD process last year and this year, I’m sorry to say, is a laugh. Subgroups with member states and UN agencies produced a ‘menu of options’. But this is not a negotiated outcome. This is not binding. Then we are told, "Okay, so what's next?" What's next is, let’s do advocacy and communication messaging. I’m thinking, we have Member States here and their action is to do ‘advocacy’. To whom? To the G7, to the G20, to the OECD, to the Paris Club, to the corporations. They will make the decisions instead of in the FFD process, in HLPF, in the UNFCCC.

We need member states to reclaim ownership of the General Assembly. We can’t be told anymore that nothing can be done. The UN needs to get back on its feet and act. We’re counting on member states from developing countries and some in the developed countries to give up their power, and really start addressing the problems that people need the UN to start addressing again, as they dig back in its origins. Thank you.

Mónica Velarde, Coordinator for Global Affairs, Government of Mexico
Due to this COVID-19 crisis, maybe there is more awareness in all countries that we really need to invest in the SDGs if we want a better future and a greener future. Financing for Development turned to be one of the topics that immediately all countries started talking about and has been discussed in many forums, including the UN.

Despite the discussions in many forum, we have not been able to find or reach common ground about all the issues raised here. We think that maybe we can push for engaging in a process of a new Financing for Development summit. Of course, because of this crisis, it will be not so easy, and maybe not a priority. It has been 20 years after Monterrey and maybe we really need to think how we engage people, civil society and also the private industry in this new process. Maybe by different small dialogues like the one you have today in order to start moving towards more open conversation.

Of course, Mexico has been very engaged in the Friends of Monterrey process for the last five years and that Chatham House process has been proved to be good at having honest conversations. We think that maybe that will be a first path to move. Thank you.

Rodrigo Riojas, Consultant on Financing for Development, Government of Mexico

Thank you all of you for all the powerful, and very interesting remarks. It’s just a lot of food for thought. From Mexico, we have been to a certain degree in favor of this next UN FfD Conference. The FfD process is, at the end of the day one of our babies as it was born in our country. We are very fond of it. As much as we can, we have been pushing to bring back the UN to its original mandate, and have this very wide convening for everyone to just sit down and agree on the most important issues at stake, where everyone is at the table. Given the present context, we are very concerned about how we are all collectively dealing with the matters at stake. Within the G20 and the DSSI, we have been pushing a lot for including middle-income countries. We believe the things we have done have been insufficient.

We have been pushing for the current initiatives to be more open, and be accessible to the middle-income countries who have been to a certain degree pushed away from the opportunities that rose in the previous months. It has not only been within the G20, but also within the FfD forum, for example, and we will be pushing the same initiatives towards the General Assembly. We have been also unsatisfied about the vaccine process. We have been pushing a lot within our possibilities, a more inclusive, at least, dialogue and language that may allow to bring those who are most left behind to have accessible and dignifying access to the vaccine. It’s basically at the core of any possible recovery from the pandemic.

At the same time, we have been pushing gender aspects. We believe also that there is no resilience and there is no sustainable recovery unless it brings gender issues to the forefront. Those have been our banners for the past few months and trying as well to raise a voice for the Global South. At the end of the day, we are a country from the Global South. We have some privileges in some of our memberships that we’re trying to make the most out of it. We’re very concerned about the impact of the pandemic in terms of inequalities in the creation of fiscal space. We’re very concerned that the scarce resources are not arriving to the places that they are most needed in many countries.

Maybe to summarize this, we’re pushing to have an equal response to the impact we’re having right now. Certainly, we believe the UN should be at the forefront of this process. That the efforts of the previous months, as well as the development process of the past decades has been evidently insufficient. We want more. We will be asking for more in the multilateral forums we participate in. Thank you.
Discussion

Question: I understand why UN summit seems appealing, but given the current reality of decision-making and the inadequate results in that forum, what will be different? – Barbara Adams

Emilia: Despite my fiery words, I’m still a formalist. I still believe in structures, so we're just pushing the blocks as much as we can to build a structure that we need. That all of this civil society is really on the side of the UN by the side of member states by the side of movements. We're really trying to push all the blocks together to make it right. UN is the proper space, regardless of the conditions that are out there, we need to fight the battle and maybe we will lose. Maybe the historical conditions are not there and maybe the humanity will die. Maybe life will die but we need to give our best shot.

I don’t think we’re naive but we don’t want to be cynical either. We need to act now.

Iolanda: At the present, countries in the global south are not at the table and not even consulted. If we get a scenario where they are at the table, we can push them. Otherwise, it’s push them without them being able to actually make a difference in the negotiations and we have experiences in the past. I don’t know, 20 years ago, Seattle, Prague, and many other occasions. I think the UNFCCC negotiations are also an example on how if countries in the global south are at the decision-making table, and social movements and civil society are pressing and we are strong, we can get decisions. As Emilia said, we need to be not naive but this is the only way because otherwise, we would be betraying ourselves. We cannot push for decisions being made at the G7 or at the G20 because it's not legitimate to take these important decisions in those spaces. We need to go on.

I also want to answer the question on systematic racism. It’s a key issue and beyond the inheritances from the colonial times and neo-colonial dynamics, there is definitely a systematic racism and discrimination that contributes to that crisis. A study from a couple of years ago, 2019 I think, demonstrated how African countries were actually paying more for the debts than their macroeconomic indicators would indicate because of the perception of the financial markets in the African economies and this is a racist perception of the African economies.

Not only that, but there is an issue that we normally don’t address, which is household debt, and how in a situation of high public debt, families get into debt, because of the state failing delivering public services that the people need. This has a highly racist component because it's normally women of color and migrant women who go into those debts, just to cover for basic needs. There are studies and there are increasing publications pointing out these linkages between sovereign debt and public debt and this household debt that affects especially women of color and migrant women. I think this is something important to take into account. Thank you.

Ranja: I think we have all collectively been increasingly disappointed with the UN. It has failed us many times and increasingly we see weaker results on part of the member states to engage with the UN process on FfD and therefore, of course, expectedly weaker outcomes. I think there are also some good reasons at this point why we want this summit and why we think we should be able to get something positive. For one, where I come from we work in the WTO space, which is a lot worse. The UN still offers us maybe one of the more democratic, open, and participatory spaces. In WTO, for example, even when engaging in this whole trade and investment policymaking from pre-trade agreements to investment treaties, it's all extremely opaque, there is no participation.

I think many developing country members have been increasingly sharing their frustration that they're actually not part of the decision-making process. I think in comparison, the UN looks really good and I think if we have to pin our hopes on any institution, it would be the UN. The other thing is also the
interconnectedness of all our issues. These issues that we are talking about; tax, debt, trade, investment, technology, women’s rights, human rights, these are linked and I think the UN offers this space where all these different aspects can be combined to come up with comprehensive solutions. I don’t really see any other space able to do this.

I totally agree we have to push the UN, we have to engage, we have to continuously try to get these issues on the agenda. Just having a summit is not enough, we have to make sure certain qualities and principles underpin that summit. I think with that, I’m still optimistic.

Dereje: There is no alternative. Giving resources and mandates to non-democratic institutions and then we are back into feudalism, where only those who have money, who have property were voting and deciding for the destiny of other countries. It is not about being pessimistic. There is no alternative. Otherwise, we give power to the rich, and then say, "We have nothing to do. Let them decide."

During the OECD inclusive framework discussions, we hear from the officials from revenue authorities that there is a huge ‘behind the scene’ pressure to take decisions. When it is a UN forum, there are more vigilant eyes. We have a space to intervene. We have space to influence the outcome, to influence the position of our governments and to hold them accountable. There is all this dynamics. The United Nations is not only an assembly of nations, it is also an assembly of people, that it has this dual function. It is also the right as citizens of the world to make this institution work because the alternative is that the deal of the rich, is going to be the global deal. To prevent this, we have to mobilize people and put governments under pressure to make it work. We don't have alternatives other than being optimistic about the prospect of moving governments to this challenge in the UN process. Thank you.

Question: Are we seeing a strengthening of the existing WTO that has had a problematic history, or do we need to be really thinking about establishing a new body under the UN that not just looks at trade, but also the interconnections?

Ranja: You’re right. The WTO of course is increasingly becoming a body, which has something to say on almost everything which might not always be with positive results. We have seen the whole issue of tariffs itself is clearly very closely linked to the issue of taxation, but also that the WTO is now trying to talk about investment facilitation. At the moment, it’s called investment facilitation, then it becomes investment promotion and liberalization and so on. That then brings us back to this whole international investment framework. For example, countries are asked that you should raise your own tax revenues, but then the government is trying to tax corporations, many of the corporations are using the investment treaties to sue them. It kind of goes back in full circle. But in WTO, we see lots of these overlapping issues come in, and then we are seeing environment is coming up, labor may come up, but the problem is I think WTO cannot be the body to address these issues.

Firstly, it engages in a limited way. For example, on the digital economy, there are a lot of overlaps with tax and what the WTO does or can do and all the other issues that we would really like to have a joint solution to, but the WTO cannot as it has a limited lens and we know that politics of the WTO is being at least to a certain extent challenged by developing countries and its mandate. When it tries to get into social issues like now environment or labor, it has always become very complicated. We have also seen this with trade and gender. There’s the tendency that these issues get hijacked and about pushing the agenda of developed countries. That’s why the WTO has repeatedly failed. The developing countries themselves have resisted that these issues should be brought into the WTO because they are apprehensive there’s a very harsh commercial agenda behind this. We are seeing this in the fisheries subsidies negotiations right now.
That's why I would still point to the UN. UN has a better chance of actually providing that space which could offer us fairer and more comprehensive solutions and it's not going to be an easy task. We have seen that. It will be a big fight. We all have to be committed to this pretty long struggle.

**Pooja:** Thank you everyone who have joined us today, the panelists. As the speakers said, we have no alternative, this is the only space that we have to discuss issues of global economy and finance and we have no alternative and we cannot afford to be cynical.

We are not naive, we know the political economy challenges of these issues and we're up against very powerful governments and very powerful corporations but we hope through this process to also build allies. Maybe a good start from this discussions will be with the Mexican government on really thinking how can we take forward the Monterey+20 idea and work with other government allies. Thank you everyone for joining and look forward to staying in touch.