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Overhauling multilateralism to rebuild the world economy

If the global economy is to get back on its feet revitalized in the wake of the COVID-19 crisis, it must embrace international cooperation geared towards the overarching goals of social and economic stability, shared prosperity and environmental sustainability. In this issue, the chief economist of the UN Conference on Trade and Development (UNCTAD) outlines the contours of this new multilateralism.

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Universal access to vaccines is essential for prevention and containment of COVID-19 around the world

Africa must not assume a “business as usual” approach to recovery

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Trends & Analysis

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Concerns over exempting WFP procurement from export restrictions

A proposal to exempt purchases made by the World Food Programme from export restrictions has been tabled in the WTO agriculture negotiations, which will also now be guided by facilitators tasked with unlocking progress in the talks.

by D. Ravi Kanth

GENEVA: India has raised concerns over attempts by Singapore and Brazil to finalize a decision at the WTO General Council in December to exempt from export restrictions, purchases made by the World Food Programme (WFP) for humanitarian purposes, arguing that export restrictions are an important tool to ensure food security.

The exemption proposal was discussed at a virtual meeting of the Doha negotiating body on agriculture on 10 November. The meeting was also presented with reports by the newly appointed facilitators on various unresolved issues in the agriculture negotiations such as domestic support, market access, the special safeguard mechanism (SSM), export competition, export restrictions and cotton.

The facilitators were appointed by the new chair of the Doha agriculture negotiating body, Ambassador Gloria Abraham Peralta from Colombia. They are: Greg Macdonald (Canada), Fenny Maharani (Indonesia) and Elisa Olmeda (Mexico) on domestic support; Craig Douglas (Jamaica) on public stockholding; Daniel Arboleda (Colombia) and Mariya-Khrystyna Koziy (Ukraine) on market access; Renata Cristaldo Oviedo (Paraguay) on the SSM; Laura Gauer (Switzerland) on export competition; Leonardo Rocha Bento (Brazil) on export restrictions; and Sergio Carvalho (Brazil) and Emmanuel Ouali (Burkina Faso) on cotton.

The chair Peralta said that, notwithstanding the constraints imposed by the COVID-19 lockdown conditions, members were ready to pursue the new facilitator-led process. She said members wanted technical discussions on all issues without beginning from scratch, emphasizing that the main objective of the facilitator-led process was to bring clarity on all the issues in the agriculture package.

She said the new process "should be targeted and build upon the extensive work undertaken in recent months". However, she appeared to remain silent on previous work done by members such as the draft agriculture negotiating modalities text issued in 2008, said a participant who asked not to be quoted.

The chair noted Sri Lanka's reservation on the appointment of the facilitator on the SSM, Renata Cristaldo Oviedo from Paraguay, suggesting that the issue came after the official confirmation procedures. She urged members to work with the facilitators to move the discussions forward.

The appointment of facilitators from countries with market access interests such as Paraguay to look into the SSM, and Brazil on export restrictions, among others, has raised concerns among some members, said one negotiator.

Exemption for WFP procurement

At the 10 November meeting, Singapore and Brazil's proposed exemption from export restrictions for foodstuffs purchased by the WFP for non-commercial humanitarian purposes dominated the proceedings.

In their separate interventions at the meeting, the United Nations Food and Agriculture Organization (FAO) and the WFP made detailed presentations as to how the COVID-19 pandemic was affecting food security and food assistance programmes. The two organizations had been invited at the request of Mali at the last meeting to provide their views on the proposed exemption.

The WFP said that its procurement accounted for a minimal share of globally traded quantities (0.1% for wheat and 0.9% for rice in 2019/20). It pointed to key principles underlining its purchases, such as "do no harm", and practices such as continuous price monitoring and assessment of local markets. It said it attempted to minimize any negative impact on markets where food is procured.

Responding to questions raised by members, the WFP provided an account of how purchases were made on the basis of food security considerations as well as the legal status of policies followed by the WFP.

Singapore informed members at the meeting that it would circulate a textual proposal for approval at the General Council meeting in December, said a participant who asked not to be quoted.

At the WTO's eleventh Ministerial Conference (MC11) in Buenos Aires in 2017, Singapore and several other countries had submitted a draft decision that said "members shall not impose export prohibitions or restrictions on foodstuffs purchased for non-commercial humanitarian purposes for the World Food Programme." However, there was no consensus on the decision at MC11.

Singapore said its current proposal should be treated as an "early harvest" at the December General Council meeting instead of being considered for "late harvest" (at MC12 next June).

Singapore said a General Council decision to exempt the WFP's procurement of food grains was imperative at this juncture for saving lives in the face of deaths from hunger. It said that more than 3.5 million people could die from starvation if members delayed the adoption of the decision until MC12 next year.

Several members – Australia, Bahrain, Canada, Chile, Chinese Taipei, the European Union, Indonesia, Israel, Japan, Korea, Malawi, Mexico, Myanmar, New Zealand, Paraguay, Saudi Arabia, Switzerland (on behalf of the G10 grouping), Ukraine, the United Kingdom, the United States, Uruguay and Vanuatu (on behalf of the Pacific Group) – lent strong support to the Singaporean initiative.

Without addressing the issues raised by Singapore, China said it was open to participating actively in the discussions on export restrictions, adding that the COVID-19 crisis had underscored the urgent need to address this issue.

Speaking on behalf of the least-developed countries (LDCs), Chad said that the Singaporean proposal would enable the WFP's current purchases to improve food security in the most vulnerable countries.

However, several other members called for constructive dialogue to address their concerns regarding the food security of the supplying countries.

South Africa, for example, said that while it would support the proposal, it underlined the need for the WFP to prioritize regional sources and not distort local markets, according to a participant who asked not to be quoted.

On behalf of the African Group, Egypt made reference to previously raised concerns such as the possible impact on LDCs and net-food-importing developing countries.

India said that it would support the proposal on a case-by-case basis instead of a "blanket carve-out" exemption, due to its food security concerns, said a participant who asked not to be quoted.

On behalf of the African, Caribbean and Pacific (ACP) Group, Jamaica said it would consult with the Group's members to ensure their national food security was safeguarded.

The new facilitator on export restrictions, Leonardo Rocha Bento from Brazil, said that the issue raised by Singapore was very important, suggesting that he would focus his consultations in the coming weeks on this issue.

Facilitators' reports

The 10 November meeting also heard reports from the various facilitators. On domestic support, the three facilitators – Macdonald, Maharani and Olmeda – said they had held 20 meetings with members in which several members called for a balanced, inclusive and transparent process. Several developing countries underscored the need to focus on members' submissions. Members also highlighted the need to address trade-distorting domestic support based on earlier proposals.

On market access, the facilitators Arboleda and Koziy said their goal was to foster informal dialogue to identify a clear starting point. Transparency, inclusiveness and neutrality would be the guiding principles. The facilitators suggested that the process should be based on technical analytical work put forward by members and welcomed members' new submissions and ideas.

As regards export competition, the facilitator Gauer said some members felt the former chair's options paper offered a good starting point for negotiations. The facilitator urged members to consult with capitals to provide input and feedback on the paper.

Rocha Bento, the facilitator on export restrictions, said there appeared to be two camps on this issue. The first comprised members which proposed to exempt WFP food purchases for humanitarian purposes from any export restrictions. Other members wanted to focus on transparency, although there was less consensus on how to move forward.

On the much-delayed outcome on cotton, the facilitators Carvalho and Ouali called for a fresh approach to restart the negotiations. Transparency could be one issue that brings everyone to the table, they suggested.

On the permanent solution on public stockholding (PSH) programmes for food security, facilitator Douglas said he had asked members a set of questions in the first round of consultations: (1) How could the Bali interim decision on PSH be improved? (2) What are the challenges that your government is facing and how can they be addressed? (3) What are the key questions that need to be answered to make progress on this issue? (4) Has the COVID-19 pandemic changed priorities?

Douglas admitted that PSH was a difficult issue which required compromise and flexibility. He nevertheless pointed to several "promising signs" that made him believe an outcome was doable, including that all consulted members indicated a willingness to engage constructively, and members were of the view that the impact of COVID-19 may provide an opportunity to further explore the relevance of PSH programmes.

On the SSM, the facilitator Cristaldo Oviedo noted that proponents stressed the need for an easy tool to deal with volume surges and price drops. There was disagreement among members over whether the starting point should be the previous chair's last report or the proposals presented by the G33 grouping in the run-up to the last Ministerial Conference. *(SUNS9232)*

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Rules chair increases pace of fisheries talks through new revised text

The chair of the WTO talks on regulating fisheries subsidies has drawn up a revised negotiating text that is seen as disadvantaging developing countries.

by D. Ravi Kanth

GENEVA: The chair of the Doha rules negotiations, Ambassador Santiago Wills from Colombia, appears to have increased the pace of negotiations through his latest revised draft consolidated text on prohibiting fisheries subsidies, which appears to be heavily tilted against the interests of developing countries, said negotiators familiar with the discussions.

This has come despite the partial lockdown conditions announced by the Canton of Geneva, where the WTO is based, due to a resurgence in COVID-19 cases.

At an informal heads-of-delegation (HoD) meeting on 2 November, the chair issued a restricted seven-page revised draft consolidated text in his own capacity, insisting that he was "mindful" of the WTO Trade Negotiations Committee guidelines that the negotiating chairs, through the negotiating process, should "aim to facilitate consensus" and "seek to evolve consensus texts."

However, the revised text remains heavily tilted against the interests of developing countries and "nothing really has changed," said a negotiator who asked not to be quoted.

"There are some good elements but he has not combined the list approach with the sustainability approach in disciplines for overcapacity and overfishing, and if a country can prove that it has a good management system, then it will go free from these disciplines," the negotiator said.

"So, for developed countries and big subsidizers, it is easy to do, while for developing countries, it is very difficult to do and therefore, the burden of implementation is on developing countries and the language in Article 5.2 is creating an escape clause [of] reverse special and differential treatment for developed countries, which is not easily accessible to developing countries," added the negotiator.

Further, special and differential treatment provisions for developing countries in exclusive economic zones are not provided, the negotiator said.

The revised draft text remains heavily bracketed (indicating lack of consensus) on almost all key issues such as the scope of the agreement, the definition of what would constitute "fish" or "fishing products", prohibitions on subsidies for illegal, unreported and unregulated (IUU) fishing, prohibitions on subsidies concerning overcapacity and overfished stocks, and cross-cutting issues.

In effect, the prospects for concluding a fisheries subsidies agreement by the end of the year remain almost bleak, said one negotiator.

"Compromise solutions"

In his introductory remarks at the HoD meeting, the chair Wills said that he "heard from many delegations to do this by using my judgement to put forward draft amendments aimed at compromise solutions."

"As such, my intention is to try to find language that ultimately all delegations will be able to live with, even if it does not reflect 100% of anyone's preferences," he said.

However, he did not indicate the names of the delegations that had asked him to use his judgement in proposing compromise solutions that seem to have turned out to be tilted against the interests of tens of millions of fishermen in developing countries, said a negotiator who asked not to be quoted.

Wills admitted that "a lot of work remains for all delegations before we get to a full consensus on the large number of issues that remain outstanding."

The revised draft text remained bracketed and was entirely without prejudice to any member's position on any issues addressed, the chair said, adding that he avoided a "Christmas tree" approach that would seek to reflect every suggestion that had been made.

The chair said that "in developing the suggested changes introduced in the revised draft, I identified three types of issues based on our collective work: first, there were some areas of substance that could be clarified, or options that could be narrowed based on our work so far; second, there were placeholders with no text where some text could be proposed, with brackets where necessary, based on our work; and third, there were purely technical glitches or clarifications, including editorial or formatting errors, that could be resolved."

Commenting on Article 1 concerning scope, the chair said that he added a footnote to make it very clear that aquaculture and inland fisheries were "excluded from the scope" of the new disciplines, instead of the previous formulation that read "this excludes aquaculture and inland fisheries".

On definitions in Article 2 of what would constitute "fish", the chair said that he "incorporated the definition of 'fish' from the Port State Measures Agreement (PSMA), which is also where other definitions in Article 2 are sourced: the definitions of 'fishing', 'fishing related activities', and 'vessel'."

The PSMA was part of a UN Food and Agriculture Organization (FAO) agreement that was concluded in 2009.

"However, the definition of 'fish' is in its entirety, including this phrase, taken from the PSMA and I did not change it, and the same is true of the definition of 'fishing'," according to the chair's introductory remarks set out in the revised draft text.

On Article 3 of the text, which relates to IUU fishing, the chair said that "Article 3.1, which contains the prohibition, is clarified to refer to 'illegal, unreported or unregulated (IUU) fishing' to indicate that any one of those types of fishing (illegal, unreported, or unregulated) would trigger the prohibition; that is, that not all three – illegal, unreported and unregulated fishing – would need to be present simultaneously for the prohibition to be triggered."

The chair went on to provide clarifications on IUU disciplines, such as on "due process requirements for IUU determinations" in Article 3.3, proportionality and minor infractions in Article 3.4, effectiveness of the IUU provisions in Article 3.5, and the minimum duration of the prohibition in Article 3.6.

On another controversial topic, the disciplines on "overcapacity and overfishing" in Article 5, the chair acknowledged that these "have long been one of the most complicated issues in these negotiations."

"And an attempt to find compromise has resulted in a hybrid approach in the initial draft consolidated document. That is, a combination of a list approach and some sustainability elements," the chair said.

He said "as indicated in my latest Aide Memoire, in my view, an emerging message is that any listing in these provisions might be clearer and simpler if it is a listing of prohibited subsidies as opposed to the current formulation that lists costs."

"On the basis of all of our discussions based on the original draft, I have attempted a re-draft," the chair said, adding that in reformulating these provisions, he took three issues into consideration: "first, a concern by some on the condition that a subsidy 'reduces' capital or operating costs, as well as the sustainability condition; second, an emerging preference to list subsidies as opposed to costs, without prejudice to whether the list is indicative or exhaustive; and third, the need by some for an exception based on measures being implemented to maintain stocks at a sustainable level."

The chair claimed that "the objective of this re-formulation is to have a strong prohibition for certain forms of subsidies that contribute to overcapacity and overfishing as per our mandate, while taking into account mitigating policies based on sustainability, thus maintaining a hybrid approach."

"After hearing all views expressed regarding the original drafting, and reviewing the various proposed amendments, this seems to represent a middle ground that I hope Members will consider carefully," the chair said.

But the chair's proposed "middle ground" language is all aimed at providing a carve-out for the big subsidizers such as China, the European Union, the United States, Japan, Korea and Chinese Taipei among others, said a negotiator who asked not to be quoted.

Further, on special and differential treatment (S&DT) in overcapacity and overfishing disciplines, the chair said that "in my view, the further work on S&DT will need to include frank and genuine engagement regarding the draft criteria-based provisions in Article 5.7(c). The current draft reflects a complex approach, composed of many concepts including territorial waters, GNI (gross national income), global catch share, distant water fishing, and composition of GDP (gross domestic product)."

"This will require all of us to be open-minded. I would ask those who are sceptical about a criteria-based approach to consider whether there are, nonetheless, criteria and thresholds that you could live with," the chair said.

Despite the latest COVID-19 restrictions imposed in Geneva, the chair appeared eager to convene negotiations in a virtual format, said a negotiator.

Maintaining that members needed to remain flexible in the current COVID-19 situation, the chair said, "I envision taking some time to talk to you bilaterally or in small groups with the possibility of joining virtually, everyone." He added that he would inform members after he had a concrete plan. *(SUNS9225)*

General Council meeting on WTO DG selection postponed

Amid the backdrop of stricter COVID-19 restrictions in Geneva and an impending changing of the guard in Washington, a WTO meeting slated to appoint the new Director-General has been postponed.

by D. Ravi Kanth

GENEVA: The chair of the WTO General Council (GC), Ambassador David Walker from New Zealand, has postponed the special GC meeting scheduled to take place on 9 November to appoint the new WTO Director-General in view of "current events" as well as the heightened COVID-19 restrictions.

At an informal heads-of-delegation (HoD) meeting on 28 October, the selection panel – chaired by Walker and also comprising the chair of the WTO Dispute Settlement Body Ambassador Dacio Castillo (Honduras) and the chair of the Trade Policy Review Body Ambassador Harald Aspelund (Iceland) – had recommended the appointment of Ngozi Okonjo-Iweala from Nigeria, who was deemed "the candidate most likely to attract consensus".

At that informal HoD meeting, Walker had announced that he would schedule a special GC meeting on 9 November to take a formal decision on the appointment of Okonjo-Iweala as the new Director-General.

Subsequently, however, the GC meeting was seen as unlikely to take place due to new COVID-19 restrictions imposed by the Swiss authorities that have made it difficult to hold any gatherings of more than 50.

Under the GC's rules of procedure, decisions can be made only if at least half of the WTO membership of 164 – i.e., 82 members – are physically present at the meeting.

In a communication on 6 November, the GC chair said: "It has come to my attention that for reasons including the health situation and current events, delegations will not be in a position to take a formal decision on 9 November.

"I am therefore postponing this meeting until further notice during which period I will continue to undertake consultations with delegations."

The Biden administration

It is not, however, clear whether the GC chair's decision may have been influenced by "current events" in Washington, where Joseph Robinette Biden of the Democratic Party is likely to assume the US presidency in January if all legal wrangles are resolved.

Okonjo-Iweala's appointment had previously been opposed by the current US Trade Representative (USTR) Robert Lighthizer, who made it clear that Washington would only support the other remaining candidate for Director-General, Yoo Myung-hee, South Korea's trade minister.

However, Yoo failed to receive enough support from WTO members of all levels of development – i.e., the developed, developing and least-developed countries – as well as geographically, in comparison with what the selection panel saw as the "largest support" received by Okonjo-Iweala.

"Part of the reason for the obstinate position adopted by the USTR against [Okonjo-Iweala] is that she is seen as close to the [US] Democratic Party," said a person familiar with the selection process. With a Democratic administration now expected to come into office in January, there could be a change in Washington's position, the person said.

Trade policy experts have also commented on what the Biden administration would herald in the arena of trade and whether it would maintain continuity or break off with the unilateral trade measures imposed by current President Donald Trump.

Historically, regardless of changes of administration, US trade policy has maintained a high degree of continuity, except for the form or style of the specific trade measures imposed on other countries.

The concerted process of chipping away at the functioning of the WTO's Appellate Body had started under the Obama administration in 2016 when it blocked a second term for the Korean AB member Seung Wha Chang.

In addition, the Obama administration, after securing the Trade Facilitation Agreement at the WTO's ninth Ministerial Conference in 2013, refused to pursue further the Doha Development Agenda round of multilateral trade negotiations at the tenth Ministerial Conference in 2015. *(SUNS9229)*

Universal access to vaccines is essential for prevention and containment of COVID-19 around the world

UN human rights experts have issued a call for ensuring that COVID-19 medical products, including any potential vaccine, be made fully available, accessible and affordable to all, stressing that there is "no room for nationalism or profitability in decision-making about access" to these goods. The text of their 9 November statement is reproduced below.

To date, there have been more than 49 million confirmed cases of COVID-19 and over 1.2 million deaths reported to WHO.[1] This disease continues to prove more deadly than anticipated while the world carries on facing the cumulative and interconnected health, economic, social and human rights crises it has unleashed.

In October 2020, the World Bank estimated that the pandemic will push an additional of between 88 to 115 million people into extreme poverty this year, with the total rising to as many as 150 million by 2021. The World Food Programme projected that 265 million people will face crisis levels of hunger unless direct action is taken, doubling their estimations of hungry people pre-COVID-19.

These and many other figures offer only a glimpse of the exorbitant human costs of the pandemic. At the national and international levels, COVID-19 has brought to the fore systemic inequalities, aggravated pre-existing institutional weaknesses including in health, food and procurement systems, and highlighted a lack of access to quality, accessible and affordable health care for all. Socio-economic inequality has deepened even further.

At a global level, inequalities are also increasing between countries with enough economic means to face the crises and those without. Responses to the pandemic have sometimes been used as a pretext by Governments and business enterprises to undermine or lessen international human rights commitments.

In our capacity as UN human rights experts, we emphasize that a global pandemic of this scale and human cost, with no clear end in sight, requires a concerted, principled and courageous response. All efforts to prevent, treat and contain COVID-19 must be based on the bedrock human-rights based principles of international solidarity, cooperation and assistance. There is no room for nationalism or profitability in decision-making about access to vaccines, essential tests and treatments, and all other medical goods, services and supplies that are at the heart of the right to the highest attainable standard of health for all.

Since millions of people's hope is that vaccines are developed safely and swiftly, that they are made universally available, that they are affordable, easily accessible, this statement aims at raising some of the critical human rights aspects that are intertwined with regard to the rights to life, to health and to international cooperation and assistance and to provide some recommendations for States, including the States participating at the 31st special session of the General Assembly in Response to the COVID-19 Pandemic, the private sector, financial institutions.

Tackling the pandemic individually: a path to further deaths

As the Committee on Economic, Social and Cultural Rights has underlined[2] about the right of everyone to enjoy the benefits of scientific progress, "pandemics are a crucial example of the need for scientific international cooperation to face transnational threats. Viruses and other pathogens do not respect borders […] Combating pandemics effectively requires stronger commitment from States to scientific international cooperation, as national solutions are insufficient. […] If a pandemic develops, sharing the best scientific knowledge and its applications, especially in the medical field, becomes crucial to mitigate the impact of the disease and to expedite the discovery of effective treatments and vaccines."

In a similar vein, the UN Office of the High Commissioner for Human Rights, the UN Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization (WHO), with the participation of the European Organization for Nuclear Research (CERN), recently launched a call for Open Science. This initiative recognizes that scientific knowledge can play a role in reducing inequalities, help respond to the immediate challenges of COVID-19 and accelerate progress towards the implementation of the 2030 Agenda.

Unfortunately, it appears that some Governments have undertaken to secure vaccines for their citizens only. Isolationist health policies and procurement are in contradiction with international human rights standards.

In addition, epidemiologists and others fear that, because of the limited capacity of production of the vaccine, countries that are striking deals to secure vaccines for their own population – instead of engaging in a coordinated global effort to share them across borders – will not achieve their intended purpose. The pandemic will continue and will come back to impact those countries sooner or later, including through further economic disruption. A message, often repeated in 2020, remains essential: No one is secure until all of us are secure.

Some States have already expressed their concerns that countries with more financial means are rushing to sign deals to gain preferential access to vaccines which will in turn leave other countries behind. WHO and others have warned about the dangers of "supply and vaccine nationalism."[3] As stated by South Africa: "World leaders from the North and South have referred to vaccines as a global public good, which should be fairly and equitably available globally, leaving no one behind. Now is the time to put it into action."[4]

According to Oxfam, in a note of 17 September 2020, "51 percent of the doses to be produced based on current capacity have already been reserved for countries with just 13 percent of the global population. If the rest of the world depends on the same manufacturing facilities, they will have to wait for them to deliver on their pre-orders and hope that more doses can be produced before too many more die or become seriously ill."[5]

International cooperation and multilateralism are vital for facilitating countries' navigation of the present crisis and for laying the groundwork for a robust, sustained and inclusive socio-economic recovery around the world. To address the pandemic and its consequences and realize universal human rights, States should take action, both individually and jointly through international cooperation and assistance.

Availability, access and affordability at international level

In order to mitigate and contain the spread of the pandemic globally and to support national and international economic and financial recovery, it is imperative that COVID-19 diagnosis and treatment goods, including any potential vaccine, are fully available, accessible and affordable to all on this planet.

In this spirit, on 18 August 2020, WHO Director-General urged member States to join the COVAX Global Vaccines Facility, a mechanism aimed at guaranteeing fair access for all countries, rich or poor, to effective immunization. If States do not coordinate globally, there is a high risk that global competition will increase the prices of medical supplies and of a potential vaccine which, in turn, will affect all countries. This will be of particular detrimental effect to the various developing countries already facing high debt and financial crises.

Intellectual property rights should not override States' obligations to protect and fulfil the right to health, which entails providing for immunization and treatment against major infectious diseases to all without discrimination. The existing TRIPS regime, however, may have an adverse impact on prices and availability of medicines since, as noted by a former Special Rapporteur on the right to health, it makes it difficult for countries (especially developing and least developed countries) to promote access to medicines.[6]

Against this background, the petition to WTO by India and South Africa, dated 2 October 2020, to waive certain provisions of the TRIPS agreement for the prevention, containment and treatment of COVID-19 is welcome. Both countries argue that "an effective response to the COVID-19 pandemic requires rapid access to affordable medical products, including diagnostic kits, medical masks, other personal protective equipment and ventilators as well as vaccines and medicines for the prevention and treatment of patients in dire need."[7]

International cooperation and assistance between developed and developing countries are crucial in ensuring that all relevant health technologies, intellectual property data and know-how on COVID-19 vaccines and treatment are widely shared as a global public good. In addition, economic soundness dictates that all countries will benefit from global action that could provide vaccines for everyone at affordable prices and cost that is hugely less than that of the COVID-19 pandemic on global and national economies.[8]

In this regard, the World Bank has approved $12 billion grants and highly concessional loans to developing countries, in order to finance their purchase and distribution of COVID-19 vaccines, tests, and treatments. Such a financing package should be provided in furtherance of a globally coordinated approach to ensure wide and fair access to COVID-19 vaccines, rather than of a profit-driven market model whereby developing countries pay high prices for vaccines with their grants and loans.

Developing countries have entered the pandemic with unprecedentedly high debt levels. While low-income countries are in a position to reduce their debt burden when the global economic environment is favourable and commodity prices are stable, the global economy is in a deep recession and faces risks of a further downward slide. As a result, there is fear of a widespread debt crisis in the world, with more sovereign and private defaults to come in the near future.

The so-called "supply and vaccine nationalism" will only worsen the situation. Low and middle income countries will have to devote more resources for obtaining the various products, leading to more debt and further reducing fiscal space for measures and policies for acute needs on health, food and social security, all crucial elements to address the situation of their population. With the credit crunch and worsening fiscal positions for developing countries, it would be even more difficult for them to obtain vaccine for their nations if the prices are high or the supply has been monopolized, or if shortages of essential medical goods and protective gear continue to increase, placing additional stress on the health care systems.

Availability, access and affordability at national level

States have an obligation to ensure that any COVID-19 vaccines and treatments are safe, available, accessible and affordable to all who need them. This is particularly relevant to people in vulnerable situations who are often neglected from health services, goods and facilities, including those living in poverty, women, indigenous peoples, people with disabilities, older persons, minority communities, internally displaced people, persons in overcrowded settings and in residential institutions, people in detention, homeless persons, migrants and refugees, people who use drugs, LGBT and gender diverse persons. Many of them may have lived experience of poverty and find themselves in situations where they are most likely to be exposed to the risk of contagion, yet the least likely to be protected from COVID-19 or supported by adequate and timely tests and health services.[9] It is imperative that access to COVID-19 vaccines and treatment is provided to all without discrimination and prioritized for those who are most exposed and vulnerable to the risk of COVID-19.

To cope with limited fiscal space, there is a high risk that Governments in developing countries, instead of adopting human rights compliant policies, will resort once again to austerity measures, including cuts in social protection, food assistance or health supplies. This would further deepen poverty, discrimination and the inequality gap within countries. Deeper social impacts will also delay the economic recovery process.

The austerity measures implemented in the aftermath of the 2008 financial crisis have left public health care and social protection systems severely underfunded, increased precarious employment, and widened inequality between the rich and the poor. While a plethora of social protection measures has been adopted to deal with the socioeconomic consequences of the pandemic, they have largely proved to be ad hoc and inadequate, revealing a critical need to build comprehensive and sustainable social protection systems.[10]

Saving lives and the economy: a social function of businesses

Industry and private benefit cannot be prioritized over the rights to life and health of billions with so far reaching consequences. That does not mean that companies should not be adequately compensated for their work in case of success developing a safe and effective vaccine. It means that they should not remain solely in control of selling and distributing to the highest bidder, not the least. Pharmaceutical and other companies involved in this endeavour should join the collective and global efforts to effectively contain COVID-19.

In some cases, public funding has greatly contributed to the development of vaccines, directly and indirectly, as well as to researching and developing various products.[11] While support from States to assist companies in developing vaccines and other supplies needed to fight the pandemic is important, it seems fair that in return, companies accept that they have a responsibility to support the right to health. Furthermore, States should ensure that businesses benefiting from State assistance respect human rights and are committed to transparency and accountability. The Working Group on Business and Human Rights has urged States to consider respect for human rights as an essential requirement when offering businesses pandemic-driven support.[12] Similarly, it has reminded businesses of the need for the private sector to respect human rights and prevent adverse human rights impacts in their provision of goods and services during the COVID-19 pandemic, in line with the UN Guiding Principles on Business and Human Rights.[13]

The emerging intellectual property disputes over patents as well as the possibility of having oligopolistic manufacturers could also hinder the development and production of COVID-19 vaccines as well as the availability, accessibility and affordability of the vaccine at national and international levels. Pharmaceutical companies have responsibilities regarding the realization of the right to health, in particular in relation to access to medicines, including vaccines. In order to protect the right to health, States should use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) regarding flexibilities to protect public health and provide access to medicines for all. This through, inter alia, granting compulsory licences as recognized in the Doha Declaration on the TRIPS Agreement and Public Health and following the commitment made in the Sustainable Development Goals (SDG3).[14] Human rights mechanisms have provided extensive guidance on this issue for private businesses and States.[15]

Recommendations to States, business and other stakeholders

The race for a COVID-19 vaccine must be, above all, a race to prevent more deaths and to protect the human kind, without discrimination on any ground and without consideration for national origin. This race, which serves as a light of hope in dark social and economic times, should be anchored in the essentiality of international cooperation and assistance and in the conviction that sharing the benefits of scientific progress is a human right as central as the rights to health and to life. Access and availability of a vaccine cannot be left in the hands of traditional market forces, to be defined by rules of supply and demand. Market solutions alone will not efficiently contain this pandemic nor prioritize the protection of millions of people in situations of vulnerability.

We join our voices on the call by States, the United Nations, civil society organizations and academics, to prioritize access to vaccines and treatments for the people and to ensure scientific progress benefits all in line with international human rights principles and in consideration of their centrality as global public goods.[16]

We also support the call of the World Health Assembly to recognize "the role of extensive immunization against COVID-19 as a global public good for health in preventing, containing and stopping transmission in order to bring the pandemic to an end, once safe, quality, efficacious, effective, accessible and affordable vaccines are available".[17] States should:

- Comply with their international obligations of ensuring access to medicines, including COVID-19 vaccines and treatment to all and of international assistance and cooperation. This by combatting the COVID-19 pandemic in a globally coordinated manner, including by joining the COVAX Global Vaccines Facility and putting aside misplaced individual initiatives to monopolize vaccine or supplies.
- Ensure that important technologies, intellectual property data and know-how on COVID-19 vaccines are widely shared and developing countries are supported in scaling up development, manufacturing and distribution capacities to ensure equal access to such vaccines. Pledges and voluntary licences – including through initiatives like COVID-19 technology access pool – are not enough in view of the current situation. "Binding commitments to facilitate the open sharing and right to use technologies, know-how, data and global non-exclusive rights to use and produce COVID-19 medical products"[18] should be put in place immediately.
- Pay particular attention on the objectives (article 7) and principles (article 8) of the TRIPS Agreement in light of the COVID-19 pandemic. In particular, States should refrain from the use of "national security" or any argument allowing for trade secrets related to the vaccine, treatment, testing and any other information needed to combat the disease.[19]
- Fully exercise the right to grant compulsory licences pursuant to the TRIPS Agreement and the Doha Declaration on the TRIPS Agreement and Public Health to ensure that patents and other intellectual property rights do not create obstacles to providing for access to vaccines to all – particularly those in vulnerable situations and living in poverty.[20]
- Give particular attention to ensuring that vaccines are accessible to frontline health-care workers and to join WHO global initiatives.

Pharmaceutical companies should:

- Discharge their responsibilities, including by exercising human rights due diligence to identify and address adverse impacts on the rights to life and health as set out in the Guiding Principles on Business and Human Rights. In particular, they should refrain from causing or contributing to adverse impacts on the rights to life and health by invoking their intellectual property rights and prioritizing economic gains.

International financial institutions (IFIs), consistent with their human rights duties under international law, should:

- Ensure that any grants and loans that they provide to developing countries contribute to expanding their capacity to procure, manufacture and distribute safe, effective and affordable COVID-19 vaccines. To this end, IFIs' country programmes on COVID-19 vaccines should be aligned with a globally coordinated approach, such as the COVAX Global Vaccines Facility.

We finally recommend that:

- States participating at the 31st Special Session of the General Assembly in Response to the COVID-19 Pandemic take into consideration the present Statement and guiding elements to ensure universal access to COVID-19 vaccine for all in all countries through international cooperation and assistance.

This statement was released on 9 November 2020 by: ***Tlaleng Mofokeng****, Special Rapporteur on the right of everyone to the enjoyment of the highest attainable standard of physical and mental health;* ***Olivier De Schutter****, Special Rapporteur on extreme poverty and human rights;* ***Anita Ramasastry*** *(Chair),* ***Dante Pesce*** *(Vice-Chair),* ***Surya Deva, Elżbieta Karska*** *and* ***Githu Muigai****, Working Group on the issue of human rights and transnational corporations and other business enterprises;* ***Obiora C. Okafor****, Independent Expert on human rights and international solidarity; and* **Saad Alfarargi***, Special Rapporteur on the right to development.*

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Africa must not assume a "business as usual" approach to recovery

Africa needs to build an economy that works for all in the aftermath of the coronavirus crisis, and doing so requires the resources to boost public services and social protection.

by Peter Kamalingin B.L.

The coronavirus pandemic is impacting Africa's population in quite differentiated ways and is significantly entrenching inequality. At the greatest risk are lives and livelihoods of the poor.

Millions are being pushed further into hunger and poverty. Children have been forced out of school, with many of them, particularly girls, having a slim or no chance of accessing education again. Without access to piped water and no food reserves, women have had to bear the biggest burden of the pandemic and risked exposure to the virus to keep families going. Reversal of the gains made during the Millennium Development Goals (MDGs) era is now more likely than ever.

This crisis has clearly shown how critical publicly funded public services are to dealing with pandemics. Decades of under-investment in public services and social protection systems have left the majority of governments woefully unprepared to tackle COVID-19, according to the Commitment to Reducing Inequality Index, an analysis published recently by Oxfam and Development Finance International. The report ranks 158 countries on labour rights, taxation, and spending on health, education and social protection.

While Africa and its people have seen its fair share of crises in the past and exhibited appreciable levels of resilience and "bounce-back", Africa shouldn't forget the COVID-19 crisis, like the many crises before, and adopt a "business as usual" approach to recovery.

Leaders must refuse to take the easier option of failed economic models that allow a few rich people to build their wealth off the backs of the poor and thrive even in the middle of a pandemic. Political and business leaders must take bold steps towards building a human economy for all Africans.

An economy where the size of your bank account does not dictate how long you live or how many years your children spend in school. An economy that rewards and guarantees dignity for workers, especially with the coming into force of the African Continental Free Trade Area (AfCFTA). An economy where big corporations and the rich pay their fair share of taxes and public resources are not used for private benefit. A more just and human economy is achievable!

Excitingly, a few African governments are taking steps towards building an economy that works for all, not just a few super-rich and big corporations. They agree that inequality is not inevitable but a consequence of their choice of policies.

Sierra Leone has remained true to its commitment of making secondary education free for all. To improve its tax collection, it is cracking down on unnecessary tax incentives and clamping down on tax evasion by mining companies.

Ethiopia has consistently stood out globally for spending the second-highest proportion of budget on education – the greatest equalizer in society. It has increased spending on health and social protection with tangible impact on poverty and inequality reduction.

Namibia, a country with a poisonous legacy of high inequality and colonial expropriation, has been able to introduce payments to support workers in the informal sector who have lost their jobs during the pandemic. A new World Bank study has found that Namibia's taxation and spending policies are reducing inequality significantly.

These governments can do more and there is much that other African leaders can learn from them.

Towards a more human economy

What needs to happen? Africa should defend its tax revenues to finance a people's recovery. Across the continent, tax collection has been on a decline, with public debt stocks on a sharp rise. This trend needs to be reversed. Governments should stop taking the easy road of debt and instead put a halt to the bleeding of legitimate revenues through tax dodging and ruinous tax competition.

West Africa, a region that has lost over 2,500 lives to coronavirus, for example, loses an estimated $9.6 billion annually from wasteful corporate tax incentives. This lost revenue is enough to build 100 modern and well-equipped hospitals each year. Indeed, the region could have been better prepared to deal with the pandemic.

While global solidarity and action is required to truly turn things around, political will is needed now, more than ever, to implement the recommendations of the Thabo Mbeki-led high-level panel on illicit financial flows.

African countries can individually take action to review, renegotiate or cancel tax treaties that expose them to profit shifting and treaty shopping, and collectively pursue a minimum effective tax rate for the profits of multinationals.

People's lives must be put before the profits of creditors. High debt repayments are severely hurting social spending. Today, interest payments constitute the highest and rapidly growing public budget line. Before the pandemic, over 33 African countries were already spending more on debt payments than healthcare.

At the beginning of the pandemic, African finance ministers asked for a waiver of all interest payments for 2020, which were estimated at $44 billion, to allow governments more fiscal space. Sadly, the response from the G20 major world economies has been underwhelming. The much-needed resources to save lives and protect economies have continued to flow from poor African countries to foreign banks in rich countries. For example, in 2020, 69% of all debt payments due in Zambia is owed to private creditors.

African governments should consolidate and raise their voice on the urgent need for global action on debt. Private lenders and multilateral institutions such as the World Bank should be compelled to join the Debt Servicing Suspension Initiative (DSSI).

Governments and their citizens must learn from the structural adjustment programme and push back on any austerity being imposed through new financing. Already, 84% of the COVID-19 loans by the International Monetary

Fund (IMF) encourage, and in some cases require, countries to adopt more tough austerity measures in the aftermath of the health crisis. Any cuts in social spending or increase in regressive taxes such as value-added tax (VAT) on food items will be borne by the poor, further widening inequality.

Developed nations should also pay their financial and moral debt. Aid is not only a means of channelling additional financing to developing countries but also a form of redistribution, especially in a global economy where inequality is alarmingly high and characterized by an extractive, colonial and racial history.

The year 2020 marks the 50th anniversary since rich nations committed to spending 0.7% of their gross national income (GNI) on aid to low-income and middle-income countries, a majority of which are in Africa. Fifty years later, this figure stands at a mere 0.3% on average. According to Oxfam's calculations, donor countries owe $5.7 trillion to the poorest people. With the pandemic, there must be a renewed political commitment to international aid and a move from a charity-based system to one based on justice.

To build a more human and just economy, Africa must shun economic policies that trap Africans in indignity.

African political and business leaders can choose to build back a divided Africa – one where just three men have more wealth than the bottom 50% of the population. Or they can choose the right path of building back an Africa for all, by promoting efficient and progressive tax systems, investing in free, quality and gender-responsive public services and social safety nets that reduce the burden of care on women and girls, and protecting the rights of workers to dignified work and wages.

This is not the last pandemic. A more equal Africa will cope much better with the next one. *(IPS)*

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Recovering better from COVID-19 will need a rethink of multilateralism

To forge a truly vibrant recovery from the COVID crisis, a new set of principles for the global economy is required that can deliver stability, shared prosperity and environmental sustainability.

by Richard Kozul-Wright

The world economy is experiencing a deep recession amid a still unchecked pandemic. Now is the time to hammer out a plan for global recovery, one that can credibly return even the most vulnerable countries to a stronger position than before the crisis. But we have been here before, and to recover better this time will require abandoning some cherished principles that have (mis) guided policymaking for the last several decades along with reforms to a multilateral system that has drifted away from its founding principles.

Letting a crisis go to waste

Back in 2009, leaders of the world's major economies vowed to recover better from the worst financial crisis since the Great Depression and struck a tone that suggested a readiness to recast the international order in a manner inspired by those who led the march out of war and ruin after 1945. The plan agreed by the G20 in London was bold:[1] restore confidence, growth and jobs; repair and reregulate the financial system; fund and reform international financial institutions to help overcome that crisis and prevent future ones; promote global trade and investment; and forge an inclusive, sustainable recovery.

It was, however, honoured more in the breach than the observance. Trillions of dollars went to repairing the financial system but with little serious reform, allowing many of the practices and habits that had brought about the crisis to settle back in (Wolf 2014; White 2020). New trade agreements took shape but with no acknowledgement that previous agreements had contributed to a more unequal and fragile world (Rodrik 2018; Izurieta and Capaldo 2018; TDR 2019). And austerity soon captured the policy mindset, including in international financial institutions, on the false premise that cutting public spending and repressing wages would trigger a strong expansion (Breuer 2019; TDR 2020).

The result was, instead, a self-reinforcing cycle of weak aggregate demand, widening inequality and tepid growth. In advanced economies, the average growth rate between 2010 and 2019 fluctuated around an annual average of 2%, compared with 2.4% from 2001 to 2007 and 2.7% in the 1990s. Growth declined for developing countries from 7.9% in 2010 to 3.5% in 2019, with an annual average of just 5.0% compared with 6.9% from 2001 to 2007 (or 3.4% and 4.9% respectively, excluding China).

The recovery of jobs and labour incomes was particularly slow, which added to the weak recovery in demand and further depressed productivity growth. In many developing countries, high interest rates and overvalued currencies added to "premature deindustrialization" pressures, growing labour market informality and a polarized economic structure (TDR 2017). It took a full decade for the global unemployment rate to return to the pre-crisis level but employment-to-population ratios, a better measure of labour market health, did not recover before the pandemic, neither in developed nor developing countries, with many prime-age workers dropping out altogether. Precarious labour contracts have risen sharply in both the North and South (ILO 2016).

Putting a cost on the great financial crisis is a difficult business; one estimate by the Federal Reserve Bank of Dallas puts the figure at between $6 and $14 trillion solely for the United States (Atkinson et al. 2013). Since then, banks have become bigger than ever and the aptly labelled "shadow banking system" has created an even more opaque financial system (Shaxson 2018; TDR 2019). Just how much risk has built up in the financial system over the last decade is difficult to tell, but the massive rise of leveraged corporate loans was already spooking corporate bond markets before the pandemic hit (Aramonte and Avalos 2019; Çelik et al. 2019). There are growing concerns that the massive relief packages in response to the crisis will keep many large and destined-to-fail firms going, even as viable smaller businesses are starved of funds, again transferring dangerous risks from the private to the public balance sheet.

Developing-country external debt also rose sharply during the last decade as global investors searched for high short-term returns in the context of near-zero interest rates in the advanced economies following the global financial crisis. Developing-country external debt already more than doubled since 2008 to reach record levels of $10 trillion at end-2019, but the costs of servicing this debt also steadily increased, with developing countries paying, on average, 14.6% of their export revenues and many countries well over a quarter of their government revenues to meet external debt obligations. UNCTAD (2020) estimates that developing countries face a wall of repayments on their external public and publicly guaranteed debt in the region of $2.7 trillion to $3.4 trillion in 2020 and 2021. At the same time, the ability of developing countries to self-insure against exogenous shocks and increased market risk through international reserve cushions had already weakened well before the current crisis, with the ratio of reserves to short-term external debt halving from its peak in 2009 at 544% to 279% in 2019.

The hole in public finances caused by the financial crisis provided the justification for endless rounds of austerity on the false promise that cutting back government spending would release productive resources for the private sector and ignite growth. This has, no doubt, been one important factor in the lack of preparedness to face the COVID-19 shock, particularly in the area of public health infrastructure. In the face of underfunded services, public-private partnerships have been promoted as a new source of responsible finance, but with little or no supporting evidence that these actually deliver more cost-effective service (Rowden 2019).

The multilateral imperative

Now another crisis, triggered by a microscopic pathogen, has exposed the fragility of today's interdependent world and forced advanced economies to again adopt massive relief packages, in the trillions of dollars, to stabilize corporate balance sheets and mitigate the damage to households from locking down. However, these same governments have been unwilling to extend a helping hand to developing countries where a combination of precarious work conditions, debt distress and insufficient fiscal and policy space have amplified the economic damage from the COVID-19 shock (TDR 2020).

While it has become popular to evoke the moniker of Roosevelt and the New Deal in the face of current fears and anxieties, there appears to be little appreciation of what he wanted from the multilateral system he helped to establish some 75 years ago. The intellectual foundations of the New Deal, from its inception, were based on two fundamental ideas. First, "our mutual dependence one upon another – of individuals, of businesses, of industries, of towns, of villages of cities, of state, of nations", or what Roosevelt dubbed "interdependence" (Rauchway 2018). This notion was a close cousin to the second big idea behind the New Deal, social justice, and mutual responsibility within nations. At Bretton Woods, Roosevelt made clear that these ideas were ripe for extension to the international level: "Economic diseases," Roosevelt insisted, "are highly communicable. It follows, therefore, that the economic health of every country is a proper matter of concern to all its neighbours, near and distant. Only through a dynamic and a soundly expanding world economy can the living standards of individual nations be advanced to levels which will permit a full realization of our hopes for the future."[2]

In practice, multilateralism in the three decades after San Francisco never lived up to the ideals of the New Deal. Managed capitalism coexisted with a persistent and widening technological divide between North and South, wasteful military spending under a tense East-West divide with proxy wars which crippled economic prospects in many developing regions, colonialism and lingering racial prejudice, unequal trade relations that inhibited productive diversification in many countries, and carbon-heavy growth that was heedless of the environmental cost.

Despite its faults, the core principles of Bretton Woods did, however, provide a rough template for a more balanced form of economic development in an interdependent world and provided a platform for a new generation of leaders from the South to break the bondage of colonialism and strive for a more inclusive international economic order. Those efforts ended with the economic dislocations and debt crises of the 1970s and early 1980s. Over the last four decades, interdependence has given way to hyperglobalization as the guiding narrative of international relations, in which the territorial power of strong states has become intertwined with the extra-territorial power of footloose capital (TDR 2017, 2018). From the perspective of the less powerful, this state of affairs is more a mercantilist jungle than the open plains on which friendship, respect, justice and cooperation can flourish. Multilateralism has struggled to adapt and reforms, while regularly promised, have been resisted by the strongest players.

Despite the hopes of many developing countries now hanging in the balance, the inability of the international community to put forward comprehensive proposals to alleviate debt distress, inject emergency liquidity into the global economy or agree on an equitable distribution of any future vaccine are signs not only that policy-as-usual still prevails but that things could get worse.

If advanced-country governments again opt for premature fiscal tightening in an attempt to bring down public debt and businesses adopt an aggressive cost-cutting strategy in an attempt to boost exports, recovery will fizzle out, with a double-dip recession likely in many countries in 2022, followed by a lost decade of slow growth, high unemployment and stagnant wages (TDR 2020).

An aborted economic recovery or, worse, another lost decade is not preordained. It is a matter of policy choice.

Recovering better, rebuilding multilateralism

An aborted economic recovery or, worse, another lost decade is not preordained. It is a matter of policy choice. This time around, advanced countries must choose and maintain an expansionary macroeconomic policy stance for as long as it takes the private sector to regain its confidence to spend. And while monetary policy is crucial, the battle of the moment is for governments to provide sufficient fiscal stimulus. Avoiding a lost decade will require governments to stick to deficit spending for several years ahead.

There is, however, more to recovering better than public spending. Raising productivity growth will require industrial and innovation policies and reversing wage repression. Stronger labour market institutions will be needed to align wages with productivity, support structural change and reduce inequality. Broader central bank mandates and tighter financial regulation will have to be put in place to tame speculative investment and channel credit to productive and necessary activities, from manufacturing medical equipment to production of renewable energy. Free trade agreements, the embodiment of neoliberal thinking, deny these policy choices and must be avoided, with rollback of existing agreements wherever appropriate and possible.

But even more than was the case 75 years ago, international cooperation and coordination are essential to fighting the pandemic and recovering better. So far, the timid and fragmented response of the international community has left many developing countries feeling helpless (and frustrated). While advanced countries are seeing the highest absolute falls in output for now (in some countries in double-digit figures in 2020), the greatest economic and social damage will be in developing countries, where levels of informality are high, health and social protection systems often weaker and commodities and tourism remain major sources of much-needed foreign exchange. It is expected that between 90 and 120 million people will be pushed into extreme poverty in the developing world, with close to 300 million facing food insecurity.

This situation is even more critical given that the fiscal spaces of many developing countries have been squeezed by rising debt pressures which were already apparent prior to the pandemic. This is in part a consequence of the lopsided global recovery from the global financial crisis but also of decades of premature capital account liberalization and financial deregulation that have turned developing-country debt from a developmental policy tool into a speculative financial asset, with external borrowing relying more strongly on private rather than bilateral and multilateral creditors. In this context, volatile investor sentiment, shortened maturities and greater rollover risks, in combination with high commodity price fluctuations, have substantively increased debt and financial vulnerabilities.

The tools are available to provide fiscal space to developing countries; Special Drawing Rights, dedicated financing windows and debt relief can all be quickly scaled up to mitigate the financial squeeze. But if this crisis is to offer a truly Rooseveltian moment of recovery and reconstruction, then what is also required is a new set of principles for the global economy that can deliver prosperity for all and revive the health of a planet under increasing environmental stress.

The "Geneva Principles for a Global Green New Deal" advance an urgent research and policy agenda for a New Multilateralism to calibrate the global economy towards a 21st-century vision of stability, shared prosperity and environmental sustainability (Gallagher and Kozul-Wright 2019). These Principles include:

1. Global rules should be calibrated towards the overarching goals of social and economic stability, shared prosperity and environmental sustainability, and be protected against capture by the most powerful players.
2. States share common but differentiated responsibilities in a multilateral system built to advance global public goods and protect the global commons.
3. The right of states to policy space to pursue national development strategies should be enshrined in global rules.
4. Global regulations should be designed both to strengthen a dynamic international division of labour and to prevent destructive unilateral economic actions that prevent other nations from realizing common goals.
5. Global public institutions must be accountable to their full membership, open to a diversity of viewpoints, cognizant of new voices, and have balanced dispute resolution systems.

These principles should be understood as a guide to policy initiatives that will be implemented by local and nationally accountable institutions, with the active participation of citizens and tailored to their particular circumstances, and as a working basis for collaboration at the international level in support of those initiatives. They suggest several areas of reform to the multilateral architecture that will be key to recovering better from COVID-19 and advancing a Global Green New Deal.

Reining in corporate power is a prerequisite for recovering better. Anti-trust measures are now very much on the agenda at the national and regional levels. But existing multilateral agreements such as the UN`s Equitable Principles and Rules for the Control of Restrictive Business Practices, adopted by the General Assembly in 1980, should be strengthened and operationalized with appropriate institutional support such as a global competition authority. Additional actions, made more urgent by the current crisis, regarding the price gouging, patent abuse and other anti-competitive practices of pharmaceutical giants and digital platforms are warranted to ensure the recovery is both fair and resilient.

Clamping down on corporate tax avoidance and evasion and other forms of illicit financial flows can help both to expand fiscal space and to address the inequality challenge. Recent estimates suggest that revenue losses caused by tax-motivated illicit financial flows alone are in the range of $49-$193 billion, accounting for 2.3% of combined GDPs, respectively, in Latin America and the Caribbean and in Africa. Multilateral efforts towards reforming international corporate taxation require new energy, beginning with a much more concerted effort to clamp down on tax havens in the North, establishing a global asset registry to enable wealth taxes on the super-rich, and moving to a unitary taxation system that recognizes that the profits of international corporations are generated collectively at the group level.

If this crisis is to offer a truly Rooseveltian moment of recovery and reconstruction, then what is required is a new set of principles for the global economy that can deliver prosperity for all and revive the health of a planet under environmental stress.

Sustainable financing will require vibrant public financing options. At the international level, that means boosting the lending capacity of multilateral development banks. This new lending could come from existing shareholders redirecting environmentally damaging subsidies, for example for fossil fuels and industrial agriculture, to the capital base of these institutions, or from more innovative sources, such as a financial transaction tax, and augmented by borrowing on international capital markets, with a measured relaxing of their fidelity to financial sobriety. In return, these institutions should reassess their policy conditionalities in line with a more sustainable and inclusive development agenda.

At the national and regional level, public and development banks also need more support, with governments wholehearted in their mandates and allowing their banks to lend beyond the extremely narrow parameters of triple-A ratings by the world's big rating agencies. The dual-sized role of credit rating agencies as both player and umpire in the markets needs also to be revisited, given their impact on banks' abilities to raise capital for further lending.

A Marshall Plan for global health recovery could provide a more dedicated framework for building future resilience. But it should take its namesake seriously. In the first place, that means being generous. If the donor community met the 0.7% official development assistance (ODA) target for the next two years, that would generate something in the order of $380 billion above current commitments. An additional $220 billion mobilized by the network of multilateral and regional financing institutions could complete a $600 billion support package over the next

18 to 20 months. The money should be dispersed largely as grants but with some room for zero-interest loans, the precise mixture determined as the emergency response evolves. Finally, given the multifaceted nature of the recovery effort, there is a need for a dedicated agency, drawing, like the Marshall Plan, on the personnel of existing agencies as well as from the private sector, with local expertise and coordination involved from the outset. Much like the original, a central financing and oversight agency linked to national public agencies through a regional coordination mechanism remains a model to follow.

Finally, a global sovereign debt authority, independent of either (institutional or private) creditor or debtor interests, should be established to address the manifold flaws in the current handling of sovereign debt restructurings. The COVID-19 crisis, and the stumbling efforts by the international community to agree emergency debt suspension and relief measures, have, yet again, put a glaring spotlight on the crippling fragmentation and complexity of existing procedures, the potentially extraordinary powers of holdout creditors to sabotage restructurings, and the resultant inefficacy of crisis resolutions.

At a minimum, such an authority should provide coherent frameworks and guidelines to facilitate automatic and comprehensive temporary standstills in recognized disaster situations, ensure that long-term developmental needs, including meeting the 2030 Agenda for Sustainable Development, are systematically taken into account in debt sustainability assessments, and provide an independent forum for expert advice to governments requesting this. In the longer run, it should provide a blueprint for a comprehensive reform of current sovereign debt workout mechanisms to balance creditor and debtor interests fairly, close loopholes for holdout creditors, and prioritize the long-term collective interests of the many over the short-term financial rewards of the few.

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Notes

1. For the G20 London Summit statement: https://www.imf.org/external/np/sec/pr/2009/pdf/g20_040209.pdf
2. https://www.cvce.eu/content/publication/2003/12/12/051f8720-94b9-4aee-991b-901dd926a578/publishable_en.pdf

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