

Statement by UNCTAD Secretary-General
High-level Webinar - 7th Annual IOs Meeting
International Organisations and their Members Facing the Global Crisis Together
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UNCTAD is pleased to join the *Partnership of International Organisations for Effective International Rulemaking Initiative* affirming our commitment to inclusiveness, quality, and impact of international standards, at a time when the rule-based system faces mounting challenges.

International organizations need to cooperate more closely, emphasizing that their role as a safe space for building trust today exceeds their role as source of hard rulemaking. The reckoning brought on by Covid-19 has compounded a crisis in international rulemaking, which was already in the making notably in the area of the multilateral trade rules.

By cooperating, international organizations can work to stitch together the pieces of a shattered multilateralism by concentrating less on hard rules and negotiation and more by building goodwill through “soft-law” processes. This means collectively grappling with the holistic complexity that the SDG agenda presents us and harnessing the possibility for frank exchange focused on consensus building without needing to fashion consensus into legally binding rules and provisions.

International organizations provide venues for policymakers to explore ideas and possibilities for consensus without pressure to commit to obligations. Some areas where such soft law consensus can be fruitfully explored include development-related trade, investment, industrial, financial, competition and technology policies that support trade and the building of transformative productive capacities; and the many issues related to the emerging digital technologies.

A fairer sharing of the benefits of globalization could result from taking more globally coordinated steps towards a collective policy stance in these and other areas. What we need today is a consultative process that debates the future of multilateralism, based on full, equal and voluntary participation of all parties concerned, and designed to ensure that globalization and integration into the global economy is consistent with countries’ respective needs and concerns at different levels of economic development.

International organizations play an essential role not only through their dialogue platforms and soft-law instruments, but also through technical cooperation tools and research and analysis products. As international organizations look to build a fairer globalization, we must cooperate together with each other in building new smart partnerships and communities of engagement with non-traditional interlocuteurs, including firms, academics, and CSOs who understand and respect the scientific academy but also the regulatory responsibility of policy makers.

Without closer cooperation and flexibility from international organizations, the growing bilateralization of many disciplines may upset ongoing sub-regional, regional and international integration processes. Countries are today confronted with the difficult challenge of making their regulatory policy consistent with, and supportive of, the different layers of integration efforts, including by ensuring adequate sequencing and pacing of parallel negotiations. This is a particular challenge for developing countries with limited capacities.

Especially with respect to so-called “beyond the border” issues, bilateral agreements can set strong high-standard regulatory disciplines that may become *fait accompli* in later negotiations. In current trade negotiations, for example, this includes services, investment, intellectual property rights, competition policies, e-commerce and cross-border data localization policies.

International organizations must provide all countries the safe space they need to understand the implications of the increasingly complex technical disciplines of economic globalization. Such high-standard regulatory disciplines could potentially constrain countries abilities to undertake pro-active

policies aimed at enhanced productive capacity and structural transformation, and potentially override rulemaking at multilateral and other fora.