

5th Annual Meeting of International Organisations: Better International Rules for Inclusive Globalisation

12 April 2018, 10.00 to 18.00h, Palais des Nations, Room XVI, Geneva Switzerland

TPS for Nicola Bonucci final remarks, 17.30 to 18.00:

“Effective, inclusive and responsible multilateralism: improving the quality of international norms and standards to benefit citizens worldwide (OECD)”

- Multilateralism is under challenge. For the first time in the post-war era, we have open questioning of the multilateral institutions and processes which were so carefully built up to preserve peace, political security and economic stability.
- In the last few weeks, we have seen the announcement of possible unilateral measures on trade as well as on the taxation of the digital economy.
- As born and bred internationalists, we tend to assume that this is inherently wrong and will be catastrophic for global politics and economics.
- And we may be right but perhaps we can see this as an opportunity to evaluate our efforts over the last decades.
- In recent years, the OECD has placed itself at the centre of efforts to solidify the multilateral governance of the global economy, supporting the work of the G20 through data collection, policy analysis and the development of innovative new standards.
- These efforts have led to important successes. One well-known example is the OECD’s work on international tax, first on the exchange of tax information to fight tax evasion and now on the prevention of Base Erosion and Profit Shifting (BEPS). Here the OECD has been able to quickly react to emerging global challenges and to bring the discussion to the OECD, now with 114 jurisdictions working together on both issues. Another is the OECD’s work on anti-corruption and responsible business conduct, where we have highly visible global standards.
- Now we are facing an international context where positions are increasingly polarised, even between countries which until now have been aligned on many issues. How can the OECD and other international institutions continue to set standards in this difficult environment?
- The first point is that, in some areas, we need to **continue to develop and propose multilateral solutions**. Where a challenge is truly global in nature, unilateral or bilateral approaches are unlikely to work because the problem can only be tackled collectively. So, although unilateral approaches may be used in the first instance to provoke movement, we will still need multilateral action in the medium term. This, in my view, will be the case for taxation of the digital economy.
- The second point is that there may well be **certain areas where unilateral, bilateral or plurilateral approaches could work**, in areas where a multilateral consensus cannot be found and it still makes sense for like-minded countries to move ahead, whether or not that is in the context of international institutions and processes. This could be the case for work on climate change – action by some countries is still preferable to no action at all.
- The third overarching point, and the one which is most important for our purposes today, is that we need to examine **ways that we can improve multilateral institutions and processes** so that

they better serve our citizens. This is one of the strong messages we have heard in recent political debate – the feeling that large groups of citizens have been left behind by globalisation which does not equally benefit everyone.

- There is an urgent need to **improve public knowledge and understanding** of what multilateral institutions and processes do concretely and what they have achieved. We also need to explain how multilateral institutions underpin the globalised society in which we live, ensuring fluid and smooth co-operation between States, business and individuals and preventing tension and conflict.
- But we also need to **call into question our methods** of functioning and examine ways we can improve the quality and impact of our standard-setting work.
- In this regard, the OECD is currently **reviewing its stock of standards** to ensure their relevance and impact. This review, launched by the OECD Secretary General in May 2016, has resulted in the abrogation of 32 outdated instruments in its first phase which ended in July 2017. In our current second phase (until 2021) we are continuing to review, revise or monitor the implementation of another 134 out of a total of 235 instruments. We are looking also at ways to broaden the reach of our standards while bolstering implementation and examining ways to measure concrete impact. And we are looking at emerging areas where the OECD could make a useful contribution to standard-setting.
- One important point, which is part of our own standard-setting review, is that we should also look at how we can ensure better **co-operation and coordination among multilateral institutions**. Since 1945, new multilateral institutions have been created both within the UN system and outside, often more specialised in one area and with different geographical scope (e.g. regional organisations).
- I think we have moved beyond competition between different international organisations since we all have something different to bring to the table. We are in daily contact with our counterparts at other international organisations and others in order to ensure that our activities are complementary and to build on synergies between our expertise and mandates. But we can always do better.
- In this context, this **Partnership for Effective International Rule-Making** is essential in order to explore how we can learn from each other in the development and implementation of international standards as well as in finding ways to measure their concrete impact.
- So while it is true that international organisations need to hold tight during this current storm, that is not sufficient. We also **need to examine our activities from a critical perspective**, call ourselves into question, explain our approach better to a wider audience. And this Partnership is a vital step in that regard.
- The OECD is happy to serve as a platform for dialogue and discussion between the international organisations around the table and, on behalf of the OECD, I **thank you all for your continued co-operation and support** in this endeavour. In the face of the current challenges, we will certainly be stronger working together and learning from each other.