

**Parliamentary Forum at the United Nations
High-level Political Forum on Sustainable Development (HLPF)**

***Partnership and development cooperation: Are they delivering for the SDGs?*
(13 July 2022)**

Summary report

I. Introduction

1. The COVID-19 pandemic, and a wave of social, economic and political crises, have increased poverty, deepened existing inequalities, and reversed progress on the Sustainable Development Goals (SDGs), including SDG 17, which focuses on partnerships. Responding to this, the Parliamentary Forum addressed the question, *Partnership and development cooperation: Are they delivering for the SDGs?* The forum focused on three targets that are key to financing the SDGs: domestic revenue mobilization, development assistance, and public-private partnerships.
2. The forum was an opportunity for parliamentarians to hear from experts and discuss how parliamentary oversight could enhance the quality and quantity of SDG finance. The forum will contribute to preparations for the [Effective Development Co-operation Summit](#), scheduled for December in Geneva.
3. The forum brought together some 80 members of parliament from 27 countries.

II. Opening session

4. Speaking on behalf of the IPU President Mr. Duarte Pacheco, Ms. Paddy Torsney, Head of the Office of the Permanent Observer of the IPU to the United Nations in New York, said that if we were to achieve the SDGs, the time to act was now. Dramatic changes were needed to recover ground lost to the COVID-19 pandemic, wars and other crises. Wealth should be redistributed to tackle inequality, and mobilize resources for health care, environmental remediation, infrastructure and other priorities. While governments could not do everything alone, they must take the lead on delivering public services that improved people's lives. Official development assistance, which hovered around 0.33% of donor countries' GDP, must be scaled up to the global commitment of 0.7%. Governments should follow the four principles of the [Global Partnership for Effective Development Co-operation](#): country ownership; focus on results; transparency and mutual accountability; and inclusive partnerships.

III. Domestic revenue mobilization

5. Taxes are a financial and governance issue. Done well, they help build healthy societies, sustain the economy, and reduce poverty and inequality. Tax revenues must be increased urgently, especially in the developing world, where the COVID-19 pandemic showed that some governments could not meet people's basic needs. Speakers emphasized the need to

reform the current century-old global tax system, which did not take into account phenomena such as multinational corporations, offshore wealth, and newly created tax loopholes. To tackle inequality and generate much-needed revenues, governments must focus on taxing the wealthiest individuals and corporations.

6. More generally, it was emphasized (including by Jordan) that tax collection must go hand in hand with better public services and infrastructure. Voters were willing to pay taxes, as long as they saw results, and the value they got for their money.

A. Recommendations for reforming the international tax system:

- a. **Change the way multinational enterprises are taxed.** These companies shift profits between countries, and take advantage of tax havens and other loopholes to pay less tax than local companies. The [Independent Commission for the Reform of International Corporate Taxation](#) (ICRICT) has proposed that transnational companies be treated as unitary companies instead of separate entities in each country, and that they be taxed based on their share of global profits, according to a formula based on sales, employment and assets from the countries in which they operate.
- b. **Create a global minimum tax.** ICRICT's proposal calls for a global minimum tax of 25%, which would bring multinational companies closer to the tax rate paid by most local companies.
- c. **Adopt a global assets registry.** A comprehensive and accessible registry should list companies' beneficial owners, who are often distinct from legal owners. In addition to real estate, it should include assets such as trusts, financial securities, artwork, jewelry, yachts and planes. G20 countries and other partners should lead by example to create such a registry.
- d. **Modernize tax collection** by considering wealth taxes not only for real estate, but also for other physical and financial assets. Given that some sectors have greatly benefited from the pandemic, consider implementing taxes on excess profits.
- e. **Join existing groups and alliances**, such as the [Addis Tax Initiative](#), a multi-stakeholder partnership that aims to foster domestic revenue mobilization. Its nearly 70 members benefit from knowledge-sharing, capacity-building, and support on tax policies and tax administration. Members have committed to collectively spending at least US\$ 441 million annually on tax-related development aid.
- f. **Support calls for a UN tax convention**, which the Africa Group at the United Nations put forward in 2019. The convention would create a conference of parties on tax issues, allow all countries to participate on an equal footing, and engage members of parliament as observers.

7. Panellists called on participants to scrutinize carefully a tax reform proposal from the Organisation for Economic Co-operation and Development (OECD). The panellists lamented that the OECD's negotiations process had left out most parliamentarians, and members of civil society, the media and the public.
8. Consumption taxes tend to be regressive, so they must be carefully designed to avoid disproportionately affecting poor and other vulnerable populations.

B. Recommendations for members of parliament on mobilizing tax revenues:

- a. **Demand international cooperation from your government.** Problems stemming from tax avoidance and evasion are difficult to solve nationally, as they require global cooperation. Likewise, environmental crimes and illicit financial flows follow the same pattern, and demand a multi-country response.
- b. **Seek information and insist on transparency.** Request impact assessments and other information to scrutinize any tax proposal. Look beyond the letter of the law to its intent. Reach out to UN entities and civil society groups for support.
- c. **Consider the impact on SDGs.** Some tax proposals would have adverse effects on SDG financing, and may also exacerbate wealth and gender inequalities. Put gender at the centre of any tax policy.
- d. **Exercise oversight.** Use oversight and budgetary powers to ensure tax administration agencies are sufficiently funded and empowered.
- e. **Include women, youth and other marginalized groups** in any tax reform negotiations, decisions and policies.

IV. Aid and public-private partnerships

9. Development aid must be based on four principles: country ownership; focus on results; transparency and mutual accountability; and inclusive partnerships. The Global Partnership for Effective Development Co-operation remains the main multi-stakeholder vehicle for donors and development partners to work together on improving the modalities of global and national development cooperation. While official development assistance reached a peak in 2021 of US\$ 178 billion (US\$ 40 billion of which were for the COVID emergency), the need remains great, as a global cost-of-living crisis is affecting nearly one in every six people worldwide. The United Nations Development Programme (UNDP) recently established the [Sustainable Finance Hub](#), which is working to accelerate finance for the SDGs.
10. Investing in tax systems can provide excellent returns. [Tax Inspectors Without Borders](#), a joint programme by UNDP and OECD, has led to more than US\$ 1.6 billion in additional tax revenues by improving local and national capacities. Every US\$ 1 invested in improving tax collection has seen a return of US\$ 127. Building on this, UNDP's [Tax for](#)

[SDGs Initiative](#) supports developing countries in increasing domestic resource mobilization to achieve the SDGs.

11. Looking at the specific uses of aid to strengthen the health sector, which is key to human development, governments and donors need to provide more support for community-based health-care models, and focus on fulfilling international commitments on universal health coverage. Aid must be tailored to each country's and community's circumstances (no *one-size-fits-all*) and must emphasize prevention. Gavi, the Vaccine Alliance, is widely considered an example of a successful partnership. It has relied on philanthropy, governments, civil society organizations, academia and private-sector partners to immunize children in the world's poorest countries.
12. While public-private partnerships are often presented as a win-win, some evidence shows that they can: be more expensive than traditional procurement; provide poor value for money; leave the State bearing disproportionate risks; and reverse progress on SDGs. Since private investors are drawn to the most profitable countries and populations, these deals can conflict with goals to provide public goods, such as universal health access, which go a long way to remedying inequality. The World Bank's lending arm, the International Finance Corporation, [recently announced](#) it would stop investing in private K-12 education as a result of an evaluation. Another study, [Wrong Prescription: The Impact of Privatizing Healthcare in Kenya](#), showed that privatizing health care was expensive and undermined the right to health. The UK and European countries that pioneered these partnerships ended many of them because they were proven to be too costly.

C. Recommendations for parliamentarians on aid and public-private partnerships:

- a. **Scale up aid to meet international commitments.** With aid levels stuck at half the international commitment of 0.7% of GDP, parliaments in donor countries need to push for increased aid budgets. Taking their cue from Sweden and a few other countries that pay close to 1% of GDP towards development cooperation, donors should regard aid as an investment for a better world rather than a cost to themselves.
- b. **Apply stronger oversight of aid.** Parliaments in both donor and recipient countries need to oversee more strongly both aid budgets and other modalities of development cooperation as a condition of delivering on the SDGs.
- c. **Carefully scrutinize every partnership.** This includes demanding that parliament review every contract and examine whether development objectives and gender equality are at the heart of the agreement.
- d. **Beware of conflicts of interest and potential impact on the vulnerable.** Profit maximization may be incompatible with the need to provide public goods and services. Programmes must therefore be analysed for how they reach girls,

women and other marginalized groups, as well as those in rural and other hard-to-reach areas.

- e. **Demand transparency.** Contracts and negotiations involving public funds and resources should be clear about the flow of money, and allow input from civil society, local communities and other stakeholders.
- f. **Engage the local community and local organizations** in everything from programme design to messaging and monitoring. Focus on country-led and community-led solutions.

V. Conclusion

13. Ms. Paddy Torsney expressed great satisfaction at the very robust discussion. She encouraged participants to raise their voices and talk to their ambassadors about the importance of including members of parliament in these types of UN forums. She further exhorted parliamentarians to continue to push for the SDGs, and to fulfil their critical role in helping people realize their aspirations.

Annex

List of Speakers

Opening Session

Ms. Paddy Torsney, Head of the Office of the Permanent Observer of the IPU to the United Nations in New York

Session one: Domestic revenue mobilization

Moderator: Mr. Jack McConnell, Member of the House of Lords, United Kingdom

Mr. Jayati Ghosh, professor, University of Massachusetts Amherst, member of the Independent Commission for the Reform of International Corporate Taxation (remote, New Delhi)

Ms. Toril-Iren Pedersen, Assistant Director, Department for Partnerships and Shared Prosperity, Section for Governance and Transparency, Norwegian Agency for Development Cooperation (Norad); Addis Tax Initiative representative

Ms. Tove Maria Ryding, Policy and Advocacy Manager, Tax Justice, Eurodad (remote, Brussels)

Session two: Aid and public-private partnerships

Moderator: Ms. Petra Bayr, Member of Parliament, National Council of Austria

Ms. Ulrika Modéer, Assistant Administrator, Director of the Bureau of External Relations and Advocacy, UNDP

Dr. Amy LaTrielle, Director for Fragile and Conflict Countries, Gavi, the Vaccine Alliance (remote, Geneva)

Ms. Rebecca Riddell, professor, Co-director of the Human Rights and Privatization Project, Center for Human Rights and Global Justice, New York University School of Law

Closing session

Ms. Paddy Torsney, Head of the Office of the Permanent Observer of the IPU to the United Nations