

# South Centre Publications January 2021 – October 2023



## BOOKS

### Vaccins, Médicaments et Brevets

#### La covid-19 et l'impératif d'une organisation internationale (2021)



**Details:** À partir de début 2020, le monde a dû faire face à un considérable défi sanitaire, économique et social avec l'épidémie de la COVID-19. La crise s'est poursuivie et aggravée dans la plupart des pays du monde. Beaucoup ont voulu explorer des réponses sans prendre réellement en compte les avis des principaux organismes internationaux dans le domaine de la santé, au premier rang desquels l'Organisation mondiale de la santé (OMS). L'OMS fait l'objet de critiques. Il est néanmoins fondamental qu'une agence multilatérale comme elle puisse exercer une véritable autorité et jouer un rôle de chef de file indépendant et en défense de l'ensemble des pays de la planète. Alors, comment faire pour qu'elle puisse jouer ce rôle ? Ce livre contribue à apporter des réponses à cette question, en s'appuyant sur les réflexions développées

par le Centre Sud, un organisme intergouvernemental qui défend les perspectives des pays du Sud. Il aborde notamment l'avancement des réflexions et débats concernant l'accès aux médicaments et vaccins pour répondre à cette pandémie ou à d'éventuelles crises ultérieures.

**Auteur:** Germán Velásquez est conseiller spécial en matière de politique et de santé au South Centre à Genève.

<https://www.editions-harmattan.fr/livre-vaccins-medicaments-et-brevets-la-covid-19-et-l-imperatif-d-une-organisation-internationale-german-velasquez-9782343229027-69663.html>

### Vacunas, medicamentos y patentes

#### COVID-19 y la necesidad de una organización internacional (2021)

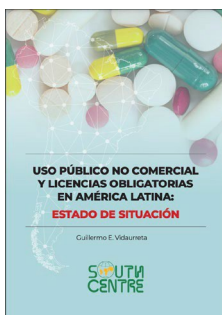


Velásquez, Germán: Vacunas, medicamentos y patentes. COVID-19 y la necesidad de una organización internacional. Vacunas covid-19: entre la ética, la salud y la economía. Desarrollo de la vacuna COVID-19; la inmunidad y el contagio; el nacionalismo de las vacunas; el mecanismo COVAX; licencias obligatorias; Acceso a medicamentos y vacunas: un nuevo actor. Medicamentos y propiedad intelectual: diez años de la estrategia mundial de la oms. Repensando la fabricación mundial y local de productos médicos tras el covid-19. Repensando la i+d para productos farmacéuticos después del covid-19. Propiedad intelectual y acceso a medicamentos y vacunas. Las reformas de la organización mundial de la salud en la época de covid-19. 2021. 244 pp. ISBN 978-9915-650-31-9.

**Autor:** Germán Velásquez, Asesor especial sobre políticas y salud, South Centre de Ginebra

<https://www.editorialbdef.com.ar/productos/velasquez-german-vacunas-medicamentos-y-patentes-covid-19-y-la-necesidad-de-una-organizacion-internacional/>

## Uso Público No Comercial y Licencias Obligatorias en América Latina: Estado de Situación (2021)

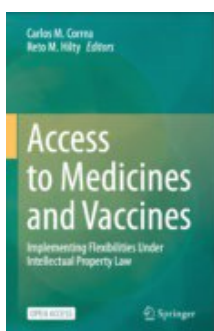


**Descripción:** Este libro examina cómo han sido regulados en el derecho latinoamericano el uso público no comercial y las licencias obligatorias de patentes de invención, una de las importantes flexibilidades en el marco del acuerdo sobre propiedad intelectual de la Organización Mundial de Comercio. Igualmente, indaga y compendia las experiencias registradas en cuanto al uso efectivo de esos instrumentos, el que no se agota en el ámbito de la salud pública, si bien han sido especialmente utilizados tanto por países desarrollados como en desarrollo para facilitar el acceso a medicamentos, incluso en el contexto de la pandemia del COVID-19.

**Autor:** Guillermo Vidaurreta es Abogado de la Universidad de Buenos Aires, Magister en Propiedad Intelectual por FLACSO – Argentina. Profesor de la Universidad de Buenos Aires y FLACSO – Argentina. Investigador principal y subdirector del Centro de Estudios Interdisciplinarios de Derecho Industrial y Económico de la Facultad de Derecho de la UBA (CEIDIE).

<https://www.southcentre.int/book-by-the-south-centre-2021-3/>

## Access to Medicines and Vaccines: Implementing Flexibilities Under Intellectual Property Law (2021)



**Description:** This book is an outcome of a partnership between the Max Planck Institute (MPI) for Innovation and Competition and the South Centre, which jointly organized a Global Forum on Intellectual Property, Access to Medicine and Innovation in Munich on 9– 10 December 2019.

This book examines topics of particular relevance for shaping intellectual property regimes that take into account public health concerns. It provides not only deep analyses but options for the interpretation of existing regulations or the adoption of new legislation that, being consistent with the TRIPS Agreement, can allow the judiciary and policy makers to take such concerns into account. In different chapters, the book addresses various dimensions of

the flexibilities allowed under the TRIPS Agreement. Although there is a significant literature and statements on the subject, such as the 'Declaration on Patent Protection. Regulatory Sovereignty under TRIPS' elaborated under the auspices of the MPI, the book contains new reflections and examines recent developments in case law and legislation.

The covered issues include how the TRIPS Agreement can be interpreted to implement its flexibilities, the use of competition law to promote access to medicines, the role of cooperation in the examination of patent applications, patentability requirements, the impact of TRIPS plus provisions (such as the linkage between patents and drug regulatory approvals), the patentability in the area of CRISPR genome editing technologies, as well as an analysis of the scope of exceptions and limitations to exclusive rights provided for by the Agreement, such as the exhaustion of rights and parallel imports, compulsory licenses, the 'Bolar exemption', and procedural mechanisms like pre- grant oppositions. The implications of the protection of test data are also examined.

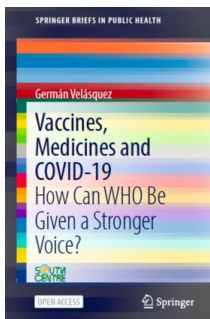
While celebrating the opportunity of working together in organizing the Global Forum, we hope that this book will assist policy makers and judges and provide new inputs for academic research. While, as mentioned, there is a differentiated impact of intellectual property rights depending on the level of development of the country where it applies, the reconciliation of such rights with public health interests, particularly in relation to access to medicines, is a matter of concern for all countries.

**Editors:** Carlos M. Correa and Reto M. Hilty

<https://www.southcentre.int/book-by-the-south-centre-2021-4/>



## Vaccines, Medicines and COVID-19 How Can WHO Be Given a Stronger Voice? (2022)



**Description:** The considerable health, economic and social challenge that the world faced in early 2020 with COVID-19 continued and worsened in many parts of the world in the second half of 2020 and into 2021.

How can an agency like WHO be given a stronger voice to exercise authority and leadership?

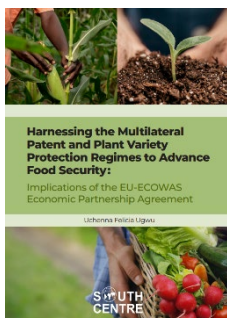
This book is a collection of research papers produced by the author between 2020 and early 2021 that helps answer this question. The topics address the state of thinking and debate – particularly with regard to medicines and vaccines – that would enable a response to this pandemic or subsequent crises that may emerge.

This book presents the South Centre's reflections and studies to provide policymakers, researchers and other stakeholders with information and analysis on issues related to public health and access to medicines and vaccines in the context of COVID-19.

**Author:** Germán Velásquez, Special Adviser for Policy and Health of the South Centre

<https://www.southcentre.int/book-by-the-south-centre-2022/>

## Harnessing the Multilateral Patent and Plant Variety Protection Regimes to Advance Food Security: Implications of the EU-ECOWAS Economic Partnership Agreement (2022)



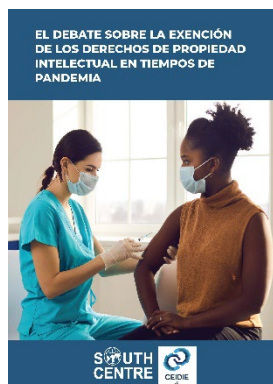
**Description:** This thesis analyzes the provisions of contemporary intellectual property (IP) and trade agreements to explore whether these provisions advance, or compromise, food security in West Africa. The agreements have been examined for how their provisions integrate IP and food security norms and policies, and the extent to which the IP frameworks are adaptable to the regional conditions that determine food security in the West African context. Critical analysis is made of a regional agreement signed between the Economic Community of West African States (ECOWAS) and the European Union (EU), the 2014 EU-ECOWAS Economic Partnership Agreement (EPA), to assess what implications the agreement may have for food security in West Africa. Interdisciplinary research is carried out to identify the characteristics needed to

advance food security in the region of West Africa. Also, philosophical and doctrinal analysis of IP laws and legal theories is conducted to identify which legal principles are best suited for advancing food security in the region. Based on the findings, the thesis draws up a model framework for IP protection that is more suitable for enhancing food security in West Africa.

**Author:** Uchenna Felicia Ugwu is a lawyer and academic researcher with over ten years' experience extensively investigating the relationship between Intellectual Property (IP) norms and socio-economic development in developing countries. She recently received a PhD in International IP Law and Development from the University of Ottawa.

<https://www.southcentre.int/book-by-the-south-centre-2022-2/>

## El debate sobre la exención de los derechos de propiedad intelectual en tiempos de pandemia (2023)



**Descripción:** El 11 de marzo de 2020 la Organización Mundial de la Salud (OMS) comunicó que la enfermedad por coronavirus de 2019 (COVID-19), podía ser considerada una pandemia. A medida que el contagio de la enfermedad aumentaba se hizo evidente la insuficiencia de los recursos sanitarios, vacunas y métodos de diagnóstico y tratamiento para enfrentar con éxito la pandemia. En este contexto, en la Organización Mundial del Comercio (OMC) se reavivó la tensión entre las reglas de propiedad intelectual y la salud pública.

Como consecuencia de ello, el 2 de octubre de 2020, Sudáfrica e India, presentaron ante la OMC una propuesta para que ciertas disposiciones del Acuerdo sobre los ADPIC no resultaran de aplicación para cualquier producto o procedimiento destinado a la prevención, contención y tratamiento de la COVID-19. Esta propuesta de exención (waiver), contó con la férrea oposición de la Unión Europea que presentó una propuesta alternativa. Para intentar llegar a un acuerdo se formó una comisión cuadrilateral conformada por Sudáfrica, India, la Unión Europea y EEUU. Finalmente, luego de dos años de negociaciones y en el marco de la 12ª Conferencia Ministerial (MC12) celebrada en Ginebra el 17 de junio de 2022, se aprobó un proyecto de exención de los derechos de propiedad intelectual que dista mucho de la propuesta original de 2020.

El presente trabajo, analiza detalladamente el proceso de discusión – en torno al tema del “waiver” – dado en el Consejo de los ADPIC de la OMC: estudia los antecedentes de la propuesta de exención, analiza los documentos presentados por las partes en pugna, revisa los argumentos esgrimidos a favor y en contra del waiver, los instrumentos propuestos y, asimismo, muestra cómo se desarrollaron las distintas posiciones hasta alcanzar el acuerdo final.

**Autores:** Alejandra Aoun, Juan Correa, Martín A. Cortese, Vanesa Lowenstein, Sandra C. Negro, Guillermo E. Vidaurreta

<https://www.southcentre.int/book-by-the-south-centre-2023/>

## RESEARCH PAPERS

### **Reconsidérations sur la fabrication mondiale et locale de produits médicaux après le COVID- 19 (Document de Recherche 118, Janvier 2021)**

*Par Germán Velásquez*

La crise sanitaire mondiale sans précédent provoquée par la pandémie de coronavirus (COVID-19), au cours du premier semestre 2020, ramène avec une urgence particulière la discussion sur la production pharmaceutique locale. La crise du COVID-19 a mis en évidence l'interdépendance de la production mondiale de médicaments—aucun pays n'étant autosuffisant. De nombreux pays industrialisés prennent la décision de rapatrier ou de développer la production d'ingrédients pharmaceutiques actifs (IPA). De nombreux gouvernements commencent à parler de souveraineté pharmaceutique et/ou de sécurité sanitaire. Si cela devient une réalité, les pays en développement devront développer et/ou renforcer la production locale de médicaments et de vaccins. La guerre pour obtenir le futur vaccin pour COVID-19 ne semble pas facile avec ces nouveaux développements.

<https://www.southcentre.int/document-de-recherche-118-janvier-2021/>

### **Les réformes de l'Organisation mondiale de la Santé à l'époque de COVID-19 (Document de Recherche 121, Janvier 2021)**

*Par Germán Velásquez*

Tout au long de ses 70 ans d'histoire, l'OMS a connu plusieurs réformes dirigées par plusieurs Directeurs généraux, tels que Halfdan Mahler à la Conférence d'Almaty sur les soins de santé primaires, en 1978, Gro Harlem Brundtland avec son appel à « tendre la main au secteur privé », en 1998, et Margaret Chan avec son débat inachevé sur le rôle des « acteurs non étatiques », en 2012. Une fois de plus, la crise sanitaire de 2020 a mis en évidence la fragilité de l'organisation et a révélé que l'OMS ne dispose pas des instruments et mécanismes juridiques nécessaires pour mettre en œuvre ses normes et lignes directrices, et que son financement n'est pas durable et adéquat pour répondre au défi de la COVID-19. Ce document cherche à identifier les principaux problèmes rencontrés par l'OMS et les mesures nécessaires qu'une réforme de l'Organisation devrait prendre.

<https://www.southcentre.int/document-de-recherche-121-janvier-2021/>

### **Intellectual Property in the EU–MERCOSUR FTA: A Brief Review of the Negotiating Outcomes of a Long-Awaited Agreement (Research Paper 128, February 2021)**

*By Roxana Blasetti, in collaboration with Juan I. Correa*

This paper provides a first glance at the Intellectual Property Chapter of the Free Trade Agreement (FTA) between the Southern Common Market (MERCOSUR) and the European Union (EU). It is not intended to provide an exhaustive analysis of the commitments involved but rather to briefly review the scope of intellectual property in the bi-regional negotiations, which took more than 20 years and ended in June 2019 with an “agreement in principle.” It also aims to put the Chapter into context with the whole commitments covered by the FTA and, finally, to highlight its most relevant aspects.

<https://www.southcentre.int/research-paper-128-february-2021/>

**The TRIPS waiver proposal: an urgent measure to expand access to the COVID-19 vaccines (Research Paper 129, March 2021)**

*by Henrique Zeferino de Menezes*

Despite multilateral commitments and political statements of solidarity and cooperation to guarantee the availability and access to COVID-19 vaccines (and other relevant technologies for control and treatment), the scenario after the beginning of vaccination is marked by the deepening of vaccine nationalism, the concentration of inputs and vaccines production, and the uneven distribution of options of vaccine doses already approved for use. This pattern of production restrictions and unequal access will lead to an increase in international inequalities, leaving a large part of the world to have access to vaccines not until 2024. While advanced purchase agreements (APAs) among pharmaceutical companies and some developed countries are multiplying, the proposed mechanisms for voluntary licensing of technologies and the COVAX Facility do not achieve their goal of democratizing access to vaccines. In this sense, the current TRIPS (Agreement on Trade-Related Aspects of Intellectual Property Rights) waiver proposal seems to be the political and institutional response with the greatest potential to guarantee the scaling of the production of pharmaceutical inputs, allowing the adoption of a comprehensive strategy to ensure timely, sufficient, and affordable access to all technologies developed to fight COVID-19.

<https://www.southcentre.int/research-paper-129-march-2021/>

**Misappropriation of Genetic Resources and Associated Traditional Knowledge: Challenges Posed by Intellectual Property and Genetic Sequence Information (Research Paper 130, April 2021)**

*By Nirmalya Syam and Thamara Romero*

Improper acquisition of genetic resources (GRs) and associated traditional knowledge (TK) without prior informed consent and on mutually agreed terms, in accordance with national laws of the country providing the GR and associated TK, as well as without any fair and equitable sharing of the benefits derived from their utilization, has been a significant concern for developing countries. Intellectual property (IP) rights can serve as one of the means of such misappropriation. One of the mechanisms sought by developing countries to prevent it consists in the establishment of an effective multilateral legal mechanism for defensive protection against misappropriation, primarily through the introduction of a mandatory disclosure requirement about the source and country of origin of such resources in intellectual property right (IPR) applications. These negotiations have been taking place in different fora. However, there is an increased sense of frustration due to the lack of progress in achieving consensus during the last twenty years. Meanwhile, new modes of misappropriation of GRs are evolving through the use of genetic sequence information and data of GRs, and by applying technological developments in synthetic biology. This paper discusses the use of IP and genetic sequence information and data as modes of misappropriation of GRs and associated TK and the deficits of the current international legal framework in preventing such misappropriation. This paper also maps the state of play of the ongoing negotiations in the context of these issues in different fora, and, in conclusion, proposes possible alternative approaches for addressing these pressing issues at the multilateral level.

<https://www.southcentre.int/research-paper-130-april-2021/>

**TRIPS Flexibilities and TRIPS-plus Provisions in the RCEP Chapter on Intellectual Property: How Much Policy Space is Retained? (Research Paper 131, June 2021)**

*By Vitor Henrique Pinto Ido*

The Regional Comprehensive Economic Partnership (RCEP) was signed on 15 November 2020 by 15 Asian-Pacific countries (ASEAN—Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam—, and China, Japan, South Korea,

Australia and New Zealand), comprising about one third of the world's population and economy. India was a crucial party to the negotiations but opted out of the agreement. Ratification of the agreement is still pending, subject to more Parties ratifying it at the national level. This paper provides a broad overview of the RCEP agreement and discusses the details of the intellectual property (IP) Chapter. Significantly, it does not contain substantive TRIPS-plus provisions that undermine public health in developing countries—although it does contain such provisions in other areas such as copyrights, trademarks, and IP enforcement.

<https://www.southcentre.int/research-paper-131-june-2021/>

### **Interpreting the Flexibilities Under the TRIPS Agreement (Research Paper 132, June 2021)**

*By Carlos M. Correa*

While the TRIPS Agreement provides for minimum standards of protection of intellectual property, it leaves a certain degree of policy space for WTO members, whether developed or developing countries, to implement the Agreement's provisions in different manners, to legislate in areas not subject to the minimum standards under the Agreement, and to develop legal interpretations of such provisions to determine the scope and content of the applicable obligations. This paper focuses on some aspects of how panels and the Appellate Body of the WTO have interpreted said provisions. The paper also draws general conclusions for the implementation of TRIPS flexibilities, which are of crucial importance for the design of a pro-competitive intellectual property system and, in particular, for achieving public health objectives, as specifically recognized by the Doha Declaration on TRIPS and Public Health.

<https://www.southcentre.int/research-paper-132-june-2021/>

### **Repensando la fabricación mundial y local de productos médicos tras el COVID- 19 (Documento de Investigación 118, Junio 2021)**

*Por Germán Velásquez*

La crisis sanitaria mundial sin precedentes provocada por la pandemia del coronavirus –COVID-19, durante el primer semestre de 2020, hace que se vuelva a plantear con especial urgencia el debate sobre la producción farmacéutica local. La crisis de COVID-19 puso de manifiesto la interdependencia en la producción mundial de medicamentos, ningún país es autosuficiente. Muchos países industrializados están tomando la decisión de repatriar o desarrollar la producción de Ingredientes Farmacéuticos Activos (API). Muchos gobiernos están empezando a hablar de soberanía farmacéutica y/o seguridad sanitaria. Si esto se hace realidad, los países en desarrollo tendrán que desarrollar y/o fortalecer la producción local de medicamentos y vacunas. La guerra para obtener la futura vacuna para COVID-19 no parece fácil con estos nuevos desarrollos.

<https://www.southcentre.int/documento-de-investigacion-118-junio-2021/>

### **Malaria and Dengue: Understanding two infectious diseases affecting developing countries and their link to climate change (Research Paper 133, August 2021)**

*By Mirza Alas*

Developing countries will face more complex challenges as infectious disease patterns transform due to climate change and climate variability. These challenges include how to reduce the incidence of malaria (including the significant challenge of resistant malaria), dengue, and other vector-borne and water-borne diseases that are likely to experience alterations in geographical range and lengthening of the transmission seasons due to changing temperatures and rain patterns. Climate extremes, e.g., heat and floods, are implicating the spread of climate-sensitive infectious diseases such as dengue and malaria transmitted by vectors like mosquitoes. In the context of growing financial pressure on governments due to COVID-19, the ensuing fiscal challenges may severely



limit the capacity to effectively respond to health challenges in countries already affected by malaria and dengue. Other countries that have made gains in controlling vector-borne infections could also be vulnerable to rising disease burden. This research paper aims to analyze how changes in malaria and dengue pose a challenge for developing countries as they prepare mitigation and adaptation strategies for climate health. The paper will also provide some general recommendations on the importance of integration of health in national climate change strategies.

<https://www.southcentre.int/research-paper-133-august-2021/>

### **Restructuring the Global Vaccine Industry (Research Paper 134, September 2021)**

*By Felix Lobo*

The purpose of this report is to analyse the vaccines industry under the focus of Industrial Economics as an input for the design of the pertinent instruments to promote development, manufacturing and distribution of vaccines against SARS-CoV-2 in sufficient amounts to immunize all countries as soon as possible. We also need to be prepared for future emerging infectious diseases with the potential of global expansion.

The report shows that the vaccines industry is – and has been for a long time – far away from the competitive market paradigm with notorious market failures. As a result, the industry is underperforming with shortages and stockouts, exit of firms from the industry, underinvestment in research and development (R&D) and manufacturing, even an “anaemic development pipeline”, all signs of market failure.

After a brief review of policies implemented to tackle these problems, we conclude that after the COVID-19 pandemic there is a need to implement a profound overhauling of the industry and to fundamentally reformulate and extend global public policies to stimulate R&D, manufacturing, distribution and access.

<https://www.southcentre.int/research-paper-134-september-2021/>

### **Implementation of a TRIPS Waiver for Health Technologies and Products for COVID-19: Preventing Claims Under Free Trade and Investment Agreements (Research Paper 135, September 2021)**

*By Carlos M. Correa, Nirmalya Syam and Daniel Uribe*

While increasing support from WTO members for a proposed waiver from certain obligations under the TRIPS Agreement with regard to health products required for responding to COVID-19 has made a decision on the TRIPS waiver imminent, the waiver will have to be implemented domestically by WTO members through appropriate legislative, administrative or judicial measures, including through executive orders that have been utilized to implement emergency measures in the context of the COVID-19 pandemic. In this regard, the scope of the TRIPS waiver, as well as the terms of applicable free trade agreements (FTAs) and international investment agreements (IIAs) will also impact the policy space available to countries to implement the waiver. Ensuring a broad scope of the waiver, as well as complementary measures to safeguard the implementation of the waiver from potential challenges under FTAs or IIAs will be critical. This research paper discusses some options that could be explored to enable the implementation of the TRIPS waiver by overcoming possible impediments that could arise under such agreements.

<https://www.southcentre.int/research-paper-135-september-2021/>

### **Canada's Political Choices Restrain Vaccine Equity: The Bolivia-Biolysse Case (Research Paper 136, September 2021)**

*By Muhammad Zaheer Abbas, PhD*

The COVID-19 pandemic has already claimed more than 4.6 million lives and caused significant economic harm. The Coronavirus is still circulating to cause further damage. In this context, this research paper argues that Canada's political choices have restrained the equitable distribution of COVID-19 vaccines. Part I evaluates Canada's nationalistic approach of procuring COVID-19 vaccines more than its needs through secretly concluded pre-purchase agreements with brand-name pharmaceutical corporations as advised by a secretly born task force having clear ties with the vaccine industry. Part II examines Canada's wavering and non-committal position on the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Waiver proposal. Canada's confusing position of 'not blocking' the TRIPS Waiver while not supporting it either lacks legal clarity. Part III analyses the Bolivia-Biolyse case which highlights clear contradictions between statements and actions of the Canadian government. Since March 2021, Biolyse Pharma has been hamstrung by the first step in Canada's Access to Medicines Regime (CAMR), where a preliminary requirement is that the COVID-19 vaccine must be added to Schedule 1 of the Canadian federal *Patent Act* before applying for an export-oriented compulsory licence. The Bolivia-Biolyse case is important as a test case for the CAMR system. Workability of this export-oriented compulsory licensing regime is critical for low- and middle-income countries in the Global South lacking the domestic capacity to manufacture COVID-19 vaccines. The Bolivia-Biolyse case is also important as Canada has argued at the World Trade Organization (WTO) that the TRIPS Waiver is not required because the existing mechanisms are working as intended.

<https://www.southcentre.int/research-paper-136-september-2021/>

### **The Ocean Economy: trends, impacts and opportunities for a post COVID-19 Blue Recovery in developing countries (Research Paper 137, October 2021)**

*by David Vivas Eugui, Diana Barrowclough and Claudia Contreras*

This paper discusses preliminary and still quite unknown trends on trade, finance, and technology of the ocean economy, outlines key impacts and measures taken to respond to the COVID-19 pandemic and raises awareness about the potential of the ocean economy to contribute to a sustainable and resilient recovery. Based on these findings, the paper argues that sustainability and resilience considerations should be more highly prioritized in ocean-based value chains in a post COVID-19 recovery. To support this, the paper highlights the importance of securing sufficient and reliable long-term investment and the creation of capacities to develop new and adapt existing service innovations. It calls for a **global trade, investment and innovation Blue Deal** as sister to the Green New Deal already gaining support around the world, particularly for developing countries.

<https://www.southcentre.int/research-paper-137-october-2021/>

### **Beyond Corporate Social Responsibility: Strengthening Human Rights Due Diligence through the Legally Binding Instrument on Business and Human Rights (Research Paper 138, October 2021)**

*by Daniel Uribe Terán*

The discussion on the need for mandatory human rights due diligence (HRDD) requirements has permeated the interests of policy makers, civil society organizations and international organizations. The current trend on the adoption of domestic legislation concerning HRDD standards shows a variety of options and models that might serve as a step forward to the adoption of a strong international framework of corporate accountability and remedy for human rights violations in the context of business activities.

This research paper aims at identifying the elements that characterize human rights due diligence to find a possible common definition for its implementation. It does so through analyzing current regional and State practice in the adoption of mandatory HRDD legislation in different sectors. Finally, it will discuss the principles that characterize the approach taken by the United Nations Open-ended Intergovernmental Working Group in charge of adopting a Legally Binding

Instrument on transnational corporations and other business enterprises and how it could serve as an important cornerstone for modern rule making on the issue of business and human rights.

<https://www.southcentre.int/research-paper-138-october-2021/>

### **Governing Seed for Food Production: The International Treaty on Plant Genetic Resources for Food and Agriculture (Research Paper 139, October 2021)**

*By Nina Isabella Moeller*

Plant genetic resources for food and agriculture (PGRFA) are part of the foundation of agriculture and of central importance to food sovereignty. These gain an increasingly pivotal role in the context of climate crises, which are threatening predictable crop production, and the erosion of agricultural biodiversity. The main instrument for the governance of PGRFA is the International Treaty on Plant Genetic Resources for Food and Agriculture. Strengthening the Treaty is crucial. The Treaty establishes a binding international framework for the conservation and sustainable use of plant genetic resources for food and agriculture, and the fair and equitable sharing of the benefits arising from their use. Since 2013, negotiations have been underway to enhance the functioning of the Multilateral System of Access and Benefit-sharing. Current informal consultations may pave the way for constructive negotiations at the next Governing Body meeting in May 2022.

<https://www.southcentre.int/research-paper-139-october-2021/>

### **Del SIDA al COVID-19: La OMS ante las crisis sanitarias globales (Documento de Investigación 140, Noviembre 2021)**

*Por Germán Velásquez*

Este documento de investigación es una compilación de artículos de Germán Velásquez publicados por el "Monde Diplomatique" (ediciones francesa y española) entre el 2003 y el 2021. El autor analiza como la OMS enfrentó las grandes crisis sanitarias de los últimos 20 años. El SIDA y la llegada de los primeros antiretrovirales, la gripe H1N1 con el despilfarro del Oseltamivir (nombre de marca "Tamiflu") y las vacunas que al final fueron destruidas en grandes cantidades, el ébola donde la OMS llegó con cuatro meses de atraso, la hepatitis C y los fármacos que podrían curarla pero fueron lanzados al mercado con precios inaccesibles y, actualmente, la pandemia devastadora del COVID-19 que ha demostrado una vez más la insostenible desigualdad en el acceso a la salud y a las vacunas y tratamientos, entre los países del Norte y los países del Sur.

El denominador común a todas estas crisis sanitarias mundiales ha sido la reacción de los países miembros de la OMS de querer reformar la Organización de tal manera que ésta pueda responder mejor a la crisis del momento. Este es exactamente el movimiento que ha desatado la COVID-19 y el tema y las negociaciones que probablemente nos ocuparán en los próximos años.

<https://www.southcentre.int/documento-de-investigacion-140-noviembre-de-2021/>

### **Mise en œuvre d'une dérogation ADPIC pour les technologies et produits de santé pour la COVID-19: prévenir les réclamations dans le cadre des accords de libre-échange et d'investissement (Document de Recherche 135, Novembre 2021)**

*Par Carlos M. Correa, Nirmalya Syam et Daniel Uribe*

Bien que le soutien croissant des membres de l'OMC pour une proposition de dérogation à certaines obligations de l'Accord sur les ADPIC concernant les produits de santé nécessaires pour répondre à la pandémie COVID-19 ait rendu imminente une décision sur la dérogation ADPIC, celle-ci devra être mise en œuvre au niveau national par les membres de l'OMC par le biais de mesures législatives, administratives ou judiciaires appropriées, y compris par le biais de décrets qui ont été utilisés pour mettre en œuvre des mesures d'urgence dans le contexte de la pandémie COVID-19. À cet égard, la portée de la dérogation ADPIC, ainsi que les termes des accords de libre-échange

(ALE) et des accords internationaux d'investissement (AII) applicables, auront également un impact sur la marge de manœuvre dont disposent les pays pour mettre en œuvre la dérogation. Il sera essentiel de garantir un large champ d'application de la dérogation, ainsi que des mesures complémentaires pour protéger la mise en œuvre de la dérogation contre d'éventuelles contestations dans le cadre des ALE ou des AII. Ce document de recherche examine certaines options qui pourraient être explorées pour permettre la mise en œuvre de la dérogation ADPIC en surmontant les obstacles qui pourraient survenir dans le cadre de tels accords.

<https://www.southcentre.int/document-de-recherche-135-novembre-2021/>

**Implementación de una exención de los ADPIC relacionados con tecnologías y productos sanitarios para la COVID-19: Evitar reclamaciones en virtud de acuerdos de libre comercio e inversión (Documento de Investigación 135, Noviembre 2021)**

*Por Carlos M. Correa, Nirmalya Syam y Daniel Uribe*

Aunque el creciente apoyo de los miembros de la OMC a una propuesta de exención de determinadas obligaciones en virtud del Acuerdo sobre los ADPIC con respecto a los productos sanitarios necesarios para responder a la COVID-19 ha hecho que sea inminente una decisión sobre la exención de los ADPIC, los miembros de la OMC tendrán que aplicar la exención a nivel nacional a través de medidas legislativas, administrativas o judiciales apropiadas, incluidas las órdenes ejecutivas que se han utilizado para aplicar medidas de emergencia en el contexto de la pandemia de la COVID-19. En este sentido, el alcance de la exención de los ADPIC, así como los términos aplicables en los acuerdos de libre comercio (ALC) y los acuerdos internacionales de inversión (AII) también influirán en el espacio de política disponible para que los países apliquen la exención. Será fundamental garantizar un amplio alcance de la exención, así como medidas complementarias para salvaguardar la aplicación de la exención de posibles impugnaciones en el marco de los ALC o los AII. Este documento de investigación analiza algunas opciones que podrían explorarse para permitir la aplicación de la exención de los ADPIC superando los posibles impedimentos que podrían surgir en el marco de dichos acuerdos.

<https://www.southcentre.int/documento-de-investigacion-135-noviembre-de-2021/>

**Utilising Public Health Flexibilities in the Era of COVID-19: An Analysis of Intellectual Property Regulation in the OAPI and MENA Regions (Research Paper 141, November 2021)**

*By Yousuf A Vawda and Bonginkosi Shoji*

The paper explores the unique approaches to IP protection in the countries belonging to the Organisation Africaine de la Propriété Intellectuelle/African Intellectual Property Organization (OAPI) and the Middle East and North Africa (MENA) regions; the limited extent to which legal and policy frameworks with regard to TRIPS flexibilities have been adopted and implemented in pursuit of access to medicines in those countries; and makes recommendations in order to optimise the use of the flexibilities in advancing public health objectives. In the context of the COVID-19 pandemic, the impact of IP rights on access, and some approaches to countering the challenges to access are also discussed.

<https://www.southcentre.int/research-paper-141-november-2021/>

**Competition Law and Access to Medicines: Lessons from Brazilian Regulation and Practice (Research Paper 142, 4 January 2022)**

*By by Matheus Z. Falcão, Mariana Gondo and Ana Carolina Navarrete*

Competition law may play an important role in drug pricing control by containing high prices derived from economic violations. Since the use of competition tools is not limited by the TRIPS Agreement or other international binding disciplines, there is ample policy room to explore how countries,



especially in the Global South, can benefit from strengthening their jurisdiction on that matter. This article briefly explains the Brazilian Competition System by describing the structure of the Brazilian competition authority (CADE – Administrative Council for Economic Defense) and the main economic violations set forth by Brazilian law. It describes the convergence of competition with the consumer protection system. It also discusses three relevant pharmaceutical market cases examined by the competition authority (sham litigation, overpricing and economic abuse, buy-and-raise and exclusionary practices). Finally, it presents some lessons from the Brazilian case on the challenges of using competition law to confront abuse or misuse of intellectual property rights in the pharmaceutical market, with lessons to other developing countries.

<https://www.southcentre.int/research-paper-142-4-january-2022/>

### **Direito Brasileiro da Concorrência e Acesso à Saúde no Brasil: Preços Exploratórios no Setor de Medicamentos (Research Paper 143, 11 de janeiro de 2022)**

*Por Bruno Braz de Castro*

O presente trabalho tem por objeto analisar interfaces entre o Direito da Concorrência brasileiro e o tema do acesso a medicamentos, com especial atenção aos abusos de direitos de propriedade industrial em seus efeitos exclusionários e exploratórios. O trabalho analisa a jurisprudência do Conselho Administrativo de Defesa Econômica (CADE) no setor de medicamentos e discute os abusos visando à imposição ilegítima de direitos de propriedade intelectual inexistentes ou inválidos com finalidade anticompetitiva. Em seguida, aborda os abusos no *exercício* de direitos de propriedade industrial que sejam, por si, válidos: práticas exclusionárias, voltadas à elevação artificial de barreiras à entrada, e práticas *exploratórias*, traduzidas diretamente no exercício de poder de mercado em detrimento ao consumidor. Estas últimas são manifestadas na forma de preços excessivos exploratórios, degradações contratuais, de qualidade ou de privacidade, bem como restrições na oferta como o açambarcamento/impedimento de exploração de direitos de propriedade industrial. O artigo conclui pela validade e eficácia jurídica da proibição a preços exploratórios pela Lei de Defesa da Concorrência vigente, com certas preocupações metodológicas a fim de minorar o risco de condenações errôneas (como a construção de testes “*screening*” de mercados-candidatos a intervenção). Em atenção a tais diretrizes, o setor de medicamentos comparece como candidato importante à atenção antitruste, haja vista a magnitude dos prejuízos potencialmente derivados da não-intervenção sobre a prática. Remédios nessa seara, de modo importante, devem focar na identificação e solução dos problemas competitivos estruturais do setor. Em caso de medicamentos sujeitos à regulação de preços pela Câmara de Regulação do Mercado de Medicamentos (CMED), a expertise técnica da autoridade concorrencial poderá ser de grande valia em sede de advocacia da concorrência, o que é demonstrado à luz das discussões recentes acerca do reajuste extraordinário de preços em virtude de problemas concorrenciais de determinado mercado.

<https://www.southcentre.int/research-paper-143-11-de-janeiro-de-2022/>

### **A TRIPS-COVID Waiver and Overlapping Commitments to Protect Intellectual Property Rights Under International IP and Investment Agreements (Research Paper 144, 27 January 2022)**

*by Henning Grosse Ruse-Khan and Federica Paddeu*

This paper considers legal implications that are likely to emerge from the implementation of a TRIPS Waiver decision. Assuming that a Waiver is adopted in the form presented in the May 2021 proposal by South Africa and India et al, we review the interaction between the Waiver and other commitments to protect IP rights under international IP and investment treaties. Our principal research question is to analyze whether domestic measures implementing the Waiver are compatible with the implementing State's other obligations to protect IP rights established under multilateral IP treaties, IP and Investment Chapters of FTAs as well as BITs. In light of typical examples for such overlapping commitments, we first focus on (1) defences directly affecting compatibility with these treaty commitments (here referred to as ‘internal’ defences). In a second part, we review (2) potential defences under general international law that may serve to justify (in other words, to preclude the

wrongfulness of) such measures. We conclude that often internal and/or general defences will operate to support the implementation of the Waiver despite overlapping commitments in international IP and investment law. This conclusion is reinforced by a purpose-oriented understanding of the TRIPS Waiver as authorizing measures necessary to achieve the goal of “unimpeded, timely and secure access” for all to covered medical technologies “for the prevention, treatment or containment of COVID-19”.

<https://www.southcentre.int/research-paper-144-27-january-2022/>

### **The Right to Health in Pharmaceutical Patent Disputes (Research Paper 145, 9 February 2022)**

*by Emmanuel Kolawole Oke*

This paper examines how the courts in three developing countries (Kenya, South Africa, and India) have addressed the tension between patent rights on pharmaceutical products and the right to health. The paper begins by examining the nature of the relationship between patent rights and the right to health. It thereafter explores the justiciability of the right to health in Kenya, South Africa, and India. Furthermore, the paper provides an analysis of how the courts in these three developing countries have adjudicated some of the pharmaceutical patent cases involving tensions between the right to health and patent rights. The paper contends that by incorporating the right to health into the adjudication of patent disputes, courts in developing countries can play a crucial role in improving access to medicines at affordable prices.

<https://www.southcentre.int/research-paper-145-9-february-2022/>

### **A Review of WTO Disputes on TRIPS: Implications for Use of Flexibilities for Public Health (Research Paper 146, 16 February 2022)**

*By Nirmalya Syam*

The use of TRIPS flexibilities by WTO members involves interpretation of the obligations under TRIPS which can be challenged under the WTO dispute settlement system. Mutually agreed solutions, panel or Appellate Body decisions adopted in such disputes can thus impact the scope of TRIPS flexibilities to address, among others, public health objectives. This paper explores how the WTO dispute settlement system applies to disputes under TRIPS, and reviews the outcomes of the disputes relating to the implementation of TRIPS obligations in the context of pharmaceutical products. The paper points to both systemic and substantive concerns arising from the application of the dispute settlement system to disputes under TRIPS. It finds that the dispute settlement system is not aligned to the unique nature of the TRIPS Agreement in the WTO as an agreement that creates positive obligations, and consequently how jurisprudence arising under disputes concerning other covered agreements having negative obligations, have led panels and Appellate Bodies to adopt narrow interpretations of the scope of TRIPS flexibilities in some of the few disputes arising under the TRIPS Agreement. Moreover, mutually agreed settlements adopted in the context of some of the disputes arising under TRIPS have also led to the adoption of TRIPS plus standards, limiting the scope of TRIPS flexibilities. However, in a recent decision, the WTO panel has also relied on the Doha Declaration on TRIPS and Public Health as a subsequent agreement to guide the interpretation of its provisions. In this context, the paper advances some suggestions to address the systemic and substantive issues arising from the application of the dispute settlement system to the TRIPS Agreement.

<https://www.southcentre.int/research-paper-146-16-february-2022/>

### **Can Negotiations at the World Health Organization Lead to a Just Framework for the Prevention, Preparedness and Response to Pandemics as Global Public Goods? (Research Paper 147, 28 February 2022)**

*By Viviana Muñoz Tellez*

This paper advances that WHO Member States, having agreed to the objectives of advancing equity and solidarity for future pandemic prevention, preparedness and response, now must operationalize these. The paper offers suggestions for the ongoing WHO processes of: 1) review of recommendations under examination by the Working Group on Strengthening WHO Preparedness and Response to Health Emergencies, 2) consideration of potential amendments to the International Health Regulations (IHR) 2005, and 3) elaboration of a draft text for an international instrument on pandemic preparedness and response.

<https://www.southcentre.int/research-paper-147-28-february-2022/>

### **Marine Genetic Resources Beyond National Jurisdictions: Negotiating Options on Intellectual Property (Research Paper 148, 7 March 2022)**

*By Siva Thambisetty*

Negotiations on marine biological diversity of areas beyond national jurisdiction (BBNJ) convene after a significant hiatus during which intellectual property monopolies have come under intense normative and pragmatic scrutiny. This paper historicises developments in legal arrangements over intellectual property and biodiversity to propose several negotiating options on the control, use and circulation of marine genetic resources of areas beyond national jurisdiction. The text-based options presented here operationalise an equitable approach taking into account the interests of low power groups, cross-cutting issues and the often ignored question of the ownership and use of marine genetic resources through intellectual property rights.

<https://www.southcentre.int/research-paper-148-7-march-2022/>

### **The International Discourse on the Right to Development and the Need to Reinvigorate its Implementation (Research Paper 149, 8 March 2022)**

*By Yuefen Li, Daniel Uribe and Danish*

The world is currently at an ebb for realizing the Right to Development (RtD). Weakening of multilateralism, de-globalization, the scars left by the COVID-19 pandemic, misinterpretation and dilution of the RtD, and inertia to reform international governance are among the multitude of reasons for this phenomenon. However, the need for a better, more inclusive and greener recovery, and the efforts necessary to attain the 2030 Agenda, have provided the international community an opportunity to reinvigorate the realization of the RtD. These efforts have shown the great relevance of RtD to promote a people-centred and fairer development process and the need for an international enabling environment in order to promote the kind of development we want.

This paper reviews the history of international discourse on RtD including major milestones, main divisive issues between the global South and the North, the evolution of voting patterns on intergovernmental outcomes, existing legal and political issues currently being discussed, the various mechanisms on the RtD, and recommendations on the way forward to revitalize the implementation of RtD at the 35<sup>th</sup> anniversary of the Declaration on Right to Development.

<https://www.southcentre.int/research-paper-149-8-march-2022/>

### **The Liability of Internet Service Providers for Copyright Infringement in Sri Lanka: A Comparative Analysis (Research Paper 150, 21 March 2022)**

*By Ruwan Fernando*

The exclusive rights enjoyed by a copyright owner to reproduce his protected work in any material form, including any permanent or temporary storage in electronic form will have a direct impact on the lawful activities of an internet service provider (ISP). Any transmission of temporary copies of

material protected by copyright law by their subscribers or third parties using the networks provided by an ISP may amount to unauthorised reproduction of such protected material. The exclusive rights granted to a copyright owner may, thus, place an ISP in a difficult position that may seriously affect the legitimate services and facilities provided by an ISP such as transmitting, routing and storing of information on their networks. It would be impracticable however, to equate the position of a person who engages in traditional copyright infringement with that of an ISP who may merely provide access to the internet and various services to its subscribers facilitated by its networks.

The making of temporary copies exception was developed in the copyright law to safeguard the legitimate interests of an ISP, which may under certain conditions, exempt an ISP from liability for copyright infringement on the internet initiated by its subscribers or third parties by using the system provided by an ISP. There are laws in force in many countries to limit the liability of an ISP for the infringement of copyright that takes place on its networks. An ISP in Sri Lanka may not enjoy the same privilege for the infringement of unauthorised material initiated by its users or third parties on their networks. The current law is unlikely to provide adequate protection for the legitimate activities of ISPs in an attempt to minimize the vulnerability against copyright infringement claims.

<https://www.southcentre.int/research-paper-150-21-march-2022/>

**Les négociations au sein de l'Organisation mondiale de la santé peuvent-elles aboutir à un cadre juste pour la prévention, la préparation et la riposte aux pandémies en tant que bien public mondial? (Document de Recherche 147, 28 Février 2022)**

*Par Viviana Muñoz Tellez*

Ce document avance que les États membres de l'OMS, ayant accepté de promouvoir des objectifs d'équité et de solidarité pour la prévention, la préparation et la riposte futures aux pandémies, doivent maintenant les mettre en œuvre. Le document propose des suggestions pour les processus en cours à l'OMS concernant : 1) l'examen des recommandations en cours de révision par le Groupe de travail sur le renforcement de la préparation et de la riposte de l'OMS aux urgences sanitaires, 2) l'examen des amendements potentiels au Règlement sanitaire international (RSI) 2005, et 3) l'élaboration d'un projet de texte pour un instrument international sur la préparation et la riposte aux pandémies.

<https://www.southcentre.int/document-de-recherche-147-28-fevrier-2022/>

**¿Podrán las negociaciones en la organización mundial de la salud resultar en un marco justo para la prevención, la preparación y la respuesta ante pandemias como bienes públicos globales? (Documento de Investigación 147, 28 de Febrero de 2022)**

*Por Viviana Muñoz Tellez*

Los Estados miembros de la OMS, tras haber acordado los objetivos de avanzar equidad y solidaridad para la futura prevención, preparación y respuesta a la pandemia, ahora deben ponerlos en práctica. Este documento avanza sugerencias para las discusiones en los procesos en curso de la OMS de 1) el examen de las recomendaciones que está revisando el Grupo de Trabajo sobre el Fortalecimiento de la Preparación y la Respuesta de la OMS a las Emergencias Sanitarias, 2) la consideración de posibles enmiendas al Reglamento Sanitario Internacional (RSI) de 2005, y 3) la elaboración de un proyecto de texto para un instrumento internacional sobre la preparación y la respuesta ante una pandemia.

<https://www.southcentre.int/documento-de-investigacion-147-28-de-febrero-de-2022/>



**Escaping the Fragility/Conflict Poverty Trap: How the interaction between service delivery, capacity development and institutional transformation drives the process of transition out of fragility (Research Paper 151, 19 April 2022)**

*By Mamadou Dia*

The main background and rationale of this research paper is that while donors' scaled-up engagements in Fragility and Conflict-affected States (FCS) during the last decades were a resounding success in terms of official development resources devoted to FCS, the value for money compared to the ultimate goal of helping these countries move out of fragility was well below expectations. The World Bank ex post evaluation of the results of its engagement in FCS found that 80 percent of FCS that were on the harmonized list of fragile situations in 2012 remain on it today and the author's observational study of a sample of 16 African FCS over a 5-year period found that only 1 made progress while 12 stayed in the status quo and 3 regressed. The main reason for the poor value for money is that while International Financial Institutions (IFIs) have spent tremendous amount of resources and brain power to build an excellent knowledge base about fragility and resilience, no such efforts were made to help understand the process and stages for a successful transition from fragility to resilience. The purpose of this paper is to help fill the knowledge gap in order to encourage development partners engaging in FCS to shift from a Fragility-focused to a Transition-based Engagement Business Model and thus minimize the risks of the poor value for money results. The paper will do so by outlining a methodology and framework for a better understanding of the process and a road map for a successful transition from fragility to resilience with measurable stage/sign posts and benchmarks to evaluate progress and necessary adaptation to donors' strategic and operational support instruments.

<https://www.southcentre.int/research-paper-151-19-april-2022/>

**An Examination of Selected Public Health Exceptions in Asian Patent Laws (Research Paper 152, 21 April 2022)**

*By Kiyoshi Adachi*

This study examines the variations within Asia of two exceptions to patent rights that are commonly justified under Article 30 of the World Trade Organization (WTO) Agreement on Trade-related Aspects of Intellectual Property Rights (the TRIPS Agreement), namely the research and experimentation exception and the regulatory review (or "Bolar") exception. Both these exceptions are important in the context of the 2001 Doha Declaration on the TRIPS Agreement and Public Health insofar as they are designed to provide flexibility to protect public health and support countries' overall scientific and technological aspirations. The study examines, from a comparative perspective, examples of these respective exceptions in patent legislation in South, Southeast and East Asia, and identifies peculiarities in the variations among countries in these sub-regions.

<https://www.southcentre.int/research-paper-152-21-april-2022/>

**Patent Analysis for Medicines and Biotherapeutics in Trials to Treat COVID-19 (Research Paper 153, 26 April 2022)**

*by Srividya Ravi*

This report provides an analysis of patents covering medicines in trials to treat COVID-19. The aim of the report is to support national patent offices and interested parties in developing countries with information that can serve as guidance for the examination of the claims contained in relevant patents or patent applications.

The medicines considered for the patent analysis in this report are remdesivir, ruxolitinib, favipiravir, molnupiravir and nirmatrelvir, and the biotherapeutics tocilizumab, siltuximab and sarilumab.

<https://www.southcentre.int/research-paper-153-26-april-2022/>

**COVID-19 Vaccines as Global Public Goods: between life and profit 19 (Research Paper 154, 9 May 2022)**

*By Katuska King Mantilla and César Carranza Barona*

In the context of a health emergency like the COVID-19 pandemic, the global availability of and access to vaccines are imperative. This research paper provides an analysis from the perspective of international political economy, of the financing of COVID-19 vaccines and of the market strategies adopted by some of the companies that developed them. It notes that the development of vaccines was supported by substantial public funding from countries that later received preferential access to those vaccines through advance purchases. Despite such public support, the vaccines were not deemed as public goods but remained under the control of their developers.

<https://www.southcentre.int/research-paper-154-9-may-2022/>

**Manufacturing for Export: A TRIPS-Consistent Pro-Competitive Exception (Research Paper 155, 27 May 2022)**

*by Carlos M. Correa and Juan I. Correa*

The paper discusses the flexibilization of the *sui generis* system of supplementary protection certificates (SPCs) under European law recently introduced to allow for the manufacturing, stockpiling and export of covered products. Against this background, it examines the viability under the Agreement on Trade-related Aspects of Intellectual Property Rights (the TRIPS Agreement) of an exception allowing for the manufacture and export of patent-protected products. It concludes that such an exception would promote competition and enhance access to medicines (including biologicals) for the general public while being consistent with Article 30 of the TRIPS Agreement if read in accordance with the principles of interpretation of customary international law.

<https://www.southcentre.int/research-paper-155-27-may-2022/>

**A Tough Call? Comparing Tax Revenues to Be Raised by Developing Countries from the Amount A and the UN Model Treaty Article 12B Regimes (Research Paper 156, 1 June 2022)**

*By Vladimir Starkov and Alexis Jin*

In this research paper, we attempt to estimate the tax revenues to be gained (or lost) by the South Centre and African Union's Member States under the Amount A and Article 12B regimes. Our analysis relied on sources of information available to private sector researchers but did not involve review of any information that taxpayers provide to tax authorities. Our research demonstrates that the comparative revenue effects of the Amount A and Article 12B taxation regimes largely depend on (a) design details of the Article 12B regime, (b) whether the country hosts headquarters of MNEs that may be in scope of Amount A or Article 12B taxation, and (c) what relief from double taxation, if any, the country will grant to domestic taxpayers subject to taxation under either the Amount A or Article 12B regimes.

<https://www.southcentre.int/research-paper-156-1-june-2022/>

**WTO Moratorium on Customs Duties on Electronic Transmissions: How much tariff revenue have developing countries lost? (Research Paper 157, 3 June 2022)**

*By Rashmi Banga*

This research paper highlights the adverse impacts of the continuing WTO moratorium on customs

duties on electronic transmissions on the developing and least developed countries. The rapidly progressing digitalization along with the ongoing pandemic and the food crisis are creating multiple demands on the government revenues. However, because of the moratorium almost all developing, and least developed countries are losing tariff revenues especially at the time when they are most needed. Not only are they losing the fiscal space but are also losing their regulatory space as they are unable to regulate the growing imports of digitizable products, especially of luxury items like the movies, music and video games. It is estimated that in the period 2017-2020, developing countries and LDCs lost \$56 billion of tariff revenue, of which \$48 billion were lost by the developing countries and \$8 billion by the least developed countries. It is interesting to note that this loss of tariff revenue is from the imports of just 49 products (at HS six-digit). With no clarity on the definition of electronic transmissions (ET) and thereby on the scope of the moratorium, the continuation of the WTO moratorium on customs duties on ET can lead to substantive tariff revenue losses for developing and least developed countries in the future.

<https://www.southcentre.int/research-paper-157-3-june-2022/>

### **Twenty Years After Doha: An Analysis of the Use of the TRIPS Agreement's Public Health Flexibilities in India (Research Paper 158, 15 June 2022)**

*By Muhammad Zaheer Abbas, PhD*

The World Trade Organization (WTO) linked intellectual property protection with trade. The WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), however, included a number of public health flexibilities in order to provide latitude to the Member States to tailor their national patent laws to fit their individual needs. In 2001, the Doha Declaration further clarified and reaffirmed the existing TRIPS flexibilities. This paper argues that India has taken the lead role in enacting the TRIPS Agreement's substantive and procedural patent flexibilities by introducing unique legislative measures to deal with the problem of access to medicines. This article evaluates India's use of section 3(d) as a subject matter exclusivity provision. It examines constitutional validity and TRIPS compliance of section 3(d). It also evaluates India's use of the flexibility to define the term "inventive step". Moreover, this article evaluates India's use of compulsory licensing, the most notable exception to patent rights provided under the TRIPS Agreement. This empirical study is important in the context of the COVID-19 pandemic, which has once again highlighted the same public health issues that the Doha Declaration sought to address twenty years ago.

<https://www.southcentre.int/research-paper-158-15-june-2022/>

### **Un choix cornélien ? Comparaison des recettes fiscales à engranger par les pays en développement au titre des régimes du Montant A et de l'Article 12B du Modèle de convention des Nations Unies (Document de Recherche 156, 1 Juin 2022)**

*Par Vladimir Starkov et Alexis Jin*

Le présent document de recherche se propose d'estimer le montant des recettes fiscales qui seraient engrangé (ou perdu) par les pays membres du Centre Sud et de l'Union africaine dans le cadre de la mise en œuvre du Montant A et de l'Article 12B. Notre analyse s'appuie sur des sources d'information accessibles aux chercheurs du secteur privé et non sur les informations communiquées par les contribuables aux autorités fiscales. Elle démontre que les effets comparatifs sur les recettes de la mise en œuvre du Montant A et de l'article 12B dépendent en grande partie (a) des détails de conception du régime mis en place par l'article 12B, (b) du fait que le pays accueille ou non le siège d'entreprises multinationales susceptibles d'être imposées au titre du montant A ou de l'article 12B, et (c) de l'allègement éventuel de la double imposition qui sera accordé par le pays aux contribuables nationaux imposés au titre du Montant A ou de l'article 12B.

<https://www.southcentre.int/document-de-recherche-156-1-juin-2022/>

## **Reaping the Fruits of Research on Microorganisms: Prospects and Challenges for R&D and Industry in Sri Lanka (Research Paper 158, 15 July 2022)**

*by Ruwan Fernando*

When the Intellectual Property Bill designed to secure compliance with the Agreement on Trade Related Aspects of Intellectual Property Rights ("TRIPS Agreement") was challenged in the Supreme Court of Sri Lanka, the Court determined that the patenting of naturally occurring microorganisms by right holders would result in the increase of the prices of diagnoses and cures. The Supreme Court found that in the absence in the Bill of mitigatory measures -as allowed by the TRIPS Agreement- and of a working definition of the term "microorganism", there was a violation of the right to equal protection under Article 12 (1) of the Constitution. In the circumstance, the patent protection for microorganisms was narrowed down to transgenic microorganisms.

The policy makers do not appear to have disregarded the positive impact of the Supreme Court determination by making the necessary statutory provisions and policy changes to facilitate the patent applications on transgenic microorganisms, while ensuring that local researchers are not restrained from gaining access to naturally occurring microorganisms for research and development.

<https://www.southcentre.int/research-paper-159-15-july-2022/>

## **Movement Forward on ABS for the Convention on Biological Diversity: Bounded Openness Over Natural Information (Research Paper 160, 21 July 2022)**

*by Joseph Henry Vogel, Manuel Ruiz Muller, Klaus Angerer, and Christopher May*

"Access to genetic resources" and "fair and equitable sharing of benefits arising [from their] utilization" is the third objective of the 1992 United Nations Convention on Biological Diversity (CBD). The expression is included in the full title of the 2010 Nagoya Protocol (NP). Neither agreement defined "material" in the phrase "genetic material" which resulted in misinterpretation that the object of access for R&D is tangible. Unfairness ensues: competition among provider Parties leads to the elimination of economic rents, which is desirable for tangibles but undesirable for intangibles. Once interpreted as natural information, the economics of information justifies a Global Multilateral Benefit-Sharing Mechanism (GMBSM) (Article 10 NP) which collects and distributes rents on value added to genetic resources. "Bounded openness over natural information" is the modality proposed for the GMBSM. The Executive Secretary of the United Nations Secretariat of the CBD recognized the argument in the 2021 Note "Digital Sequence Information on Genetic Resources".

<https://www.southcentre.int/research-paper-160-21-july-2022/>

## **Two Pillar Solution for Taxing the Digitalized Economy: Policy Implications and Guidance for the Global South (Research Paper 161, 26 July 2022)**

*by Irene Ovonji-Odida, Veronica Grondona, Abdul Muheet Chowdhary*

The taxation of the digitalized economy is the single most important topic in international tax negotiations today. The OECD has devised a "Two Pillar solution" to the problem. Pillar One is focusing on a reallocation of taxing rights to market jurisdictions, which are largely expected to be developing countries, and Pillar Two is instituting a global minimum tax. The Pillar One solution, known as Amount A, will be codified into a Multilateral Convention (MLC) and is expected to be placed before countries for signature in early 2023. The solution ushers in a new paradigm in the taxation of multinational enterprises but has immense complexity and likely minimal revenue gains for most developing countries. It will also require them to give up the right of unilateral tax measures on all out-of-scope companies, meaning they will only be able to tax the fewer than 100 companies likely to be in-scope, if at all. The decision to sign or not is thus a historic one, as it will lock developing countries into a constricted new framework, at a time when revenue needs are especially critical to recover the economies from COVID-19 in the context of a turbulent state of the global economy.



However, the United Nations too has a solution, known as Article 12B. This operates in a different manner and is a minor modification to the existing decentralized international tax system which is based on bilateral tax treaties, and which developing countries are more familiar with. It is also likely to generate far higher revenues than Amount A, and does not restrict any of their sovereign taxing rights. This Research Paper assesses the various implications for developing countries from adopting the OECD's or the United Nations's respective solutions and concludes with a possible global South response to the Two Pillar solution.

<https://www.southcentre.int/research-paper-161-26-july-2022/>

### **The Proposed Standing Multilateral Mechanism and Its Potential Relationship with the Existing Universe of Investor – State Dispute Settlement (Research Paper 162, 11 August 2022)**

*by Danish and Daniel Uribe*

The reform option on the Standing Multilateral Mechanism (SMM) currently under discussion at UNCITRAL's Working Group III (WGIII) has raised a number of important, systemic concerns for the procedural reforms of investor-State dispute settlement. This paper first seeks to situate the discussions on the SMM within its historical and contemporary contexts. Then it considers UNCITRAL Working Paper 213 and the legal provisions it contains, which form the basis of ongoing discussions of this reform option at WGIII. Further, it explores the potential relationship of this proposed SMM with different facets of the existing international investment law regime. The paper concludes by providing some elements which require further consideration in this process, particularly for safeguarding the interests of developing countries.

<https://www.southcentre.int/research-paper-162-11-august-2022/>

### **The Human Right to Science: From Fragmentation to Comprehensive Implementation? (Research Paper 163, 19 August 2022)**

*by Peter Bille Larsen and Marjorie Pamintuan*

In times when the role of science in society is more debated than ever in polarized, politicized and partial terms, what is the role for the human right to science and rights-based approaches? The right to science remains poorly understood and neglected in both national and global human rights processes. Beyond defending the freedom of scientific expression, upholding the right to science is arguably fundamental to resolving key sustainability challenges of our times from climate change and the biodiversity crisis to global health and pandemics. The global COVID-19 pandemic has revealed persistent global inequalities not least in terms of how the privatization of science and current intellectual property regimes hinder just and equitable responses to access science and its benefits. This prompts the need for a shift from single-issue approaches to comprehensive and systematic treatment of the right to science as a bundle of human rights across multiple arenas to counter fragmentation and silo-tendencies.

<https://www.southcentre.int/research-paper-163-19-august-2022/>

### **¿Una elección difícil? Comparación de los ingresos fiscales que recaudarán los países en vías de desarrollo a partir de los regímenes del Monto A y del Artículo 12B de la Convención Modelo de las Naciones Unidas (Documento de Investigación 156, 1 de junio de 2022)**

*por Vladimir Starkov y Alexis Jin*

En este documento de investigación, pretendemos calcular los ingresos tributarios que obtendrán (o perderán) los Estados miembros del South Centre y la Unión Africana con arreglo a los regímenes del Importe A y del Artículo 12B. En nuestro análisis hemos recurrido a fuentes de información disponibles para el personal investigador del sector privado, aunque no ha conllevado el examen de ninguno de los datos que los contribuyentes proporcionan a las autoridades fiscales. Nuestra

investigación demuestra que los efectos comparativos en los ingresos obtenidos con los regímenes fiscales del Importe A y el Artículo 12B dependen en gran medida de a) los detalles de diseño del régimen del Artículo 12B; b) si el país es sede de empresas multinacionales que puedan estar dentro del ámbito de aplicación de los regímenes fiscales del Importe A o del Artículo 12B; y c) la desgravación a partir de la doble tributación, de haberla, que conceda el país a los contribuyentes nacionales sujetos al pago de tributos en virtud del régimen del Importe A o del Artículo 12B.

<https://www.southcentre.int/documento-de-investigacion-156-1-de-junio-de-2022/>

### **Brazilian Competition Law and Access to Health in Brazil: Exploitative Pricing in the Pharmaceutical Sector (Research Paper 143, 11 January 2022)**

*by Bruno Braz de Castro*

This paper aims to analyze the interfaces between Brazilian Competition Law and the issue of access to medicines, with a special focus on abuse of industrial property rights and related exclusionary and exploitative effects. The paper analyzes the case law of Brazilian Administrative Council for Economic Defense (CADE) in the pharmaceutical sector and discusses abusive practices such as illegitimately imposing non-existent or invalid intellectual property rights with anticompetitive purposes. It then addresses abusive strategies in the exercise of industrial property rights which are, in essence, valid: i.e., exclusionary practices, aimed at artificially raising barriers to entry; and exploitative practices, directly translated as the exercise of market power to the detriment of the consumer. The latter ultimately result in exploitative excessive prices; contractual, quality or privacy degradation; and restrictions on supply, such as by hoarding/preventing the exploitation of industrial property rights. The paper concludes that the prohibition of exploitative pricing under the current competition law is legally valid and effective, with certain methodological concerns towards reducing the risk of wrongful convictions (for instance, by applying screening tests to determine the markets that are candidates for intervention). In view of such guidelines, the pharmaceutical industry appears to be an important candidate for antitrust attention, given the magnitude of the harm potentially derived from non-intervention against the practice. Remedies in this area, importantly, should focus on identifying and solving the sector's structural competitive problems. In the case of medicines subject to price regulation by the Drug Market Regulation Chamber (CMED), the technical expertise of the competition authority may be of great value in terms of competition advocacy, a fact that is demonstrated in light of recent discussions on extraordinary price adjustments because of competitive problems in certain markets.

<https://www.southcentre.int/research-paper-143-11-january-2022/>

### **Impact of a Minimum Tax Rate under the Pillar Two Solution on Small Island Developing States (Research Paper 164, 23 September 2022)**

*by Kuldeep Sharma*

The Research Paper commences with an overview of Pillar One and Pillar Two followed by detailed discussions on salient provisions of Pillar Two.

Pillar Two is envisaged to have a widespread impact on Small Island Developing States (SIDS) which are a distinct group of 38 United Nations (UN) Member States and 20 Non-UN Members/Associate Members of UN regional commissions that are exposed to unique social, economic and environmental vulnerabilities. In all, 36 SIDS that are members of the Group of Seventy-Seven (G-77) have been analysed, namely, Antigua and Barbuda, Bahamas, Bahrain, Barbados, Belize, Cabo Verde, Comoros, Cuba, Dominica, Dominican Republic, Fiji, Grenada, Guinea-Bissau, Guyana, Haiti, Jamaica, Kiribati, Maldives, Marshall Islands, Mauritius, Federated States of Micronesia, Nauru, Papua New Guinea, Samoa, São Tomé and Príncipe, Seychelles, Singapore, Solomon Islands, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Timor-Leste, Tonga, Trinidad and Tobago, and Vanuatu.

<https://www.southcentre.int/research-paper-164-23-september-2022/>

## **Evaluating the Impact of Pillars One and Two (Research Paper 165, 4 October 2022)**

*by Suranjali Tandon and Chetan Rao*

The proposed OECD Pillar One and Two reforms mark a significant shift in the way large multinational enterprises are taxed on their global incomes. However, while considering the reform at the proposed scale tax administrators must be able to compare the revenue gains with alternatives. This paper uses open-source data to provide tentative estimates of the impact of Pillars One and Two. The methodology has been detailed so that administrators can replicate it for comparison. Further, the paper provides an assessment from the perspective of developing countries of some of the key design elements of the proposals so as to understand whether they are administrable and to foresee possible challenges.

<https://www.southcentre.int/research-paper-165-4-october-2022/>

## **Lessons From India's Implementation of Doha Declaration on TRIPS and Public Health (Research Paper 166, 6 October 2022)**

*by Nanditta Batra*

The major bone of contention between the developed and developing countries in the TRIPS negotiations was patents for pharmaceuticals. The US-led developed countries bloc argued in favour of patents for pharmaceuticals amidst opposition from Brazil, India and other countries. Ample evidence, including patented AZT for HIV/AIDS treatment, showed that patents could make life saving drugs prohibitively expensive. Notwithstanding the effect of patents on access to medicines, Article 27 of the TRIPS Agreement ordained patents for inventions "in all fields of technology". While the genie was out of the bottle in the form of patents for pharmaceuticals, the developing countries were able to extract some procedural and substantive flexibilities like transition period, parallel importation and compulsory licensing to leverage the IP system to further public health. However, there was uncertainty with respect to the interpretation of TRIPS agreement, scope of the flexibilities and Member States' rights to use them. It is in this background that the historic Doha Declaration on the TRIPS Agreement and Public Health assumed importance as it reaffirmed the rights of the Member States to take measures to protect public health, reconciled the interpretative tensions in the text of TRIPS Agreement and clarified the scope of some of the flexibilities and attempts to find solutions to the problems faced by countries that do not have sufficient manufacturing facilities. The Declaration which was initially dismissed by some scholars as "non-binding," "soft law" has been held by WTO Dispute Settlement Body (DSB) to constitute a "subsequent agreement" which must be followed in interpreting the provisions of TRIPS Agreement (Australia-Tobacco Plain Packaging Case).

<https://www.southcentre.int/research-paper-166-6-october-2022/>

## **Analysing Intersections between Climate Change and Human Rights (Research Paper 167, 27 October 2022)**

*by Daniel Uribe Teran and Luis Fernando Rosales*

The effects of climate change on people's daily lives threaten the full enjoyment of human rights. The Human Rights Council adopted two landmark resolutions recognising the human right to a clean, healthy and sustainable environment (Resolution 48/13), and establishing the mandate for a Special Rapporteur on the promotion and protection of human rights in the context of climate change (Resolution 48/14). Nevertheless, a broader dialogue between the UNFCCC and the UN human rights architecture seems necessary to establish a coordinated and coherent response to climate change and its effects on human rights.

This research paper analyses the intersections of these two legal systems. It does so by identifying how the climate change negotiations and the human rights architecture can contribute to strengthening

international cooperation. It also recognises the need for a more profound international debate on the linkages between human rights and climate change consistent with the principles of equity and common but differentiated responsibilities included in the UNFCCC.

<https://www.southcentre.int/research-paper-167-27-october-2022/>

**TRIPS Flexibilities and Access to Medicines: An Evaluation of Barriers to Employing Compulsory Licenses for Patented Pharmaceuticals at the WTO (Research Paper 168, 28 October 2022)**

*by Anna S.Y. Wong, Clarke B. Cole, Jillian C. Kohler*

Under Articles 31 and 31bis of the TRIPS Agreement, WTO members may validly sanction the use of a patented invention without the patent owner's authorization by issuing a compulsory license (CL). In the pharmaceuticals space, governments have historically employed compulsory licenses to compel originator manufacturers to license their patents to generic manufacturers before patent expiry, increasing the supply and reducing the price of patented pharmaceuticals domestically.

This paper evaluates the three primary barriers to employing compulsory licenses for pharmaceuticals underscored by members during TRIPS waiver discussions at the WTO: (1) a lack of enabling domestic legislation, (2) a lack of domestic manufacturing capacity coupled with an unworkable Article 31bis importation system, and (3) consistent political pressure from other members to refrain from issuing compulsory licenses. A survey of members' domestic compulsory license legislation finds that virtually all members have enacted enabling legislation under Article 31 for the issuance of compulsory licenses to supply their local markets. However, implementation of Article 31bis is limited by a lack of enabling compulsory license export legislation, streamlined administrative processes, or both across all members, preventing members lacking domestic manufacturing capacity from importing pharmaceuticals. An analysis of USTR Special 301 Reports from 1994-2021 further reveals that countries have consistently been placed on the Special 301 Report Priority Watch List for issuing pharmaceutical compulsory licenses, with instances as recent as 2020. As such, general reluctance by members to issue compulsory licenses due to overt political pressure through the Special 301 Report is likely warranted. These results highlight a range of barriers preventing the full use of compulsory licenses for pharmaceuticals under the current Article 31 and 31bis framework, with the effects disproportionately borne by member states lacking domestic manufacturing capacity.

<https://www.southcentre.int/research-paper-168-28-october-2022/>

**The WTO TRIPS Decision on COVID-19 Vaccines: What is Needed to Implement it? (Research Paper 169, 8 November 2022)**

*by Carlos M. Correa and Nirmalya Syam*

The 12th WTO Ministerial Conference adopted a Ministerial Decision on the TRIPS Agreement on 17 June 2022. This partially concluded almost two years of protracted discussions in response to a proposal by India and South Africa for a waiver from certain obligations under the TRIPS Agreement for health products and technologies for the prevention, treatment and containment of COVID-19. The adopted Decision only waives the obligation under article 31 (f) of the TRIPS Agreement. Developing country WTO members are now allowed to export any proportion of vaccines, including ingredients and processes, necessary for the COVID-19 pandemic that are manufactured under a compulsory license or government use authorization to other developing countries. It also contains some clarifications of relevant TRIPS provisions, while introducing a number of conditionalities that are not present in the TRIPS Agreement. This paper examines the object and scope of the Decision, the requirements established for its use, and the required actions to be taken by WTO members to implement it.

<https://www.southcentre.int/research-paper-169-8-november-2022/>

**Left on Our Own: COVID-19, TRIPS-Plus Free Trade Agreements, and the Doha Declaration on TRIPS and Public Health (Research Paper 170, 17 November 2022)**

*by Melissa Omino and Joanna Kahumbu*

The cusp of the twentieth anniversary of the WTO Doha Declaration on the TRIPS Agreement and Public Health (hereafter “the Declaration”) was marked by a global pandemic. The Declaration and its iteration in the Agreement on Trade Related Aspects of Intellectual Property Rights (hereafter “TRIPS”) Article 31 bis, should have helped to contain the devastation in least developed and developing countries. The reality is that the pandemic is still ongoing, and the Global South led by South Africa and India are seeking a waiver of provisions to the TRIPS Agreement to ensure that COVID-19 therapeutics, diagnostics, and vaccines reach their citizens in order to contain the spread of the COVID-19 virus (“the TRIPS waiver”). These citizens are especially vulnerable because of their inability to access vaccines due to their prices and supply shortages caused by the refusal to share manufacturing technology. The Doha Declaration aimed at reaffirming the interpretation and implementation of the TRIPS Agreement to support WTO members’ right to protect public health and promote access to medicines. However, the operationalization of the Declaration via Article 31bis of TRIPS has been cumbersome and procedurally difficult to navigate. This paper argues that the current iteration of the Doha Declaration within TRIPS fails to meet the objectives of the Declaration as demonstrated by the need for a further waiver of the TRIPS agreement. It also attempts to “reimagine” Article 31 bis in light of the TRIPS waiver from the position of the Global South to make it more equitable and practicable and maintain the spirit of the Declaration.

<https://www.southcentre.int/research-paper-170-17-november-2022/>

**Pautas para el Examen de Solicitudes de Patentes Relacionadas con Productos Farmacéuticos (Documento de Investigación 171, 29 de Noviembre de 2022)**

*por Carlos M Correa*

Este documento representa un seguimiento de un documento anterior, *Pautas para el examen de patentes farmacéuticas – Una perspectiva desde la Salud Pública*, que se publicó en 2007 como documento de trabajo por el Centro Internacional de Comercio y Desarrollo Sostenible (ICTSD), Estados Unidos, Conferencia de las Naciones Unidas sobre Comercio y Desarrollo (UNCTAD) y la Organización Mundial de la Salud (OMS).

El presente documento toma en cuenta los desarrollos desde la publicación del documento de trabajo ICTSD-UNCTAD-OMS en 2007. Incluye nuevos ejemplos de solicitudes y/o subvenciones de patentes, además analiza y hace referencia a las iniciativas de varios países que han adoptado leyes y/o políticas dirigidas a considerar temas de salud pública en el examen de solicitudes de patentes.

El objetivo de este documento es proporcionar orientación para el desarrollo o la revisión de directrices sobre los procesos de examen de patentes en países en desarrollo en respuesta a las preocupaciones sobre el aumento del número de patentes en el sector farmacéutico. A tal fin, se formulan varias recomendaciones con respecto al examen de la patentabilidad de las solicitudes relativas a productos y procesos farmacéuticos.

Este documento es una traducción de la versión original de las “Directrices para el examen de solicitudes de patentes relacionadas con productos farmacéuticos” publicadas en inglés por la Programa de las Naciones Unidas para el Desarrollo (PNUD). El South Centre agradece al PNUD por la amable autorización para publicar esta versión no oficial. Traducido para el South Centre por el Sr. Natanael França.

<https://www.southcentre.int/documento-de-investigacion-171-29-de-noviembre-de-2022/>



**Le mécanisme multilatéral permanent proposé et sa relation potentielle avec l'univers existant du règlement des différends entre investisseurs et États (Document de Recherche 162, 11 août 2022)**

*par Danish et Daniel Uribe*

L'option de réforme du Mécanisme permanent de règlement des différends internationaux en matière d'investissements actuellement en discussion au sein du Groupe de travail III de la CNUDCI a soulevé un certain nombre de préoccupations importantes concernant la réforme du système de règlement des différends entre investisseurs et États. Le présent document s'attache, dans un premier temps, à situer les discussions sur le mécanisme de règlement des différends dans leurs contextes historique et actuel. Il examine ensuite le document de travail 213 de la CNUDCI et les dispositions juridiques qu'il contient, qui constituent la base des discussions en cours sur cette option de réforme au sein du Groupe de travail. Enfin, il explore les liens potentiels entre le projet de mécanisme de règlement des différends et les différentes facettes du régime des accords internationaux d'investissement. Il se conclut sur les différents points qui nécessitent un examen plus approfondi en vue notamment de préserver les intérêts des pays en développement.

<https://www.southcentre.int/document-de-recherche-162-11-aout-2022/>

**El mecanismo multilateral permanente propuesto y su posible relación con el universo existente de solución de controversias entre inversionistas y estados (Documento de Investigación 162, 11 de Agosto de 2022)**

*por Danish y Daniel Uribe*

La opción de reforma del Mecanismo Multilateral Permanente (SMM) que se está debatiendo actualmente en el Grupo de Trabajo III (GTIII) de la Comisión de las Naciones Unidas para el Derecho Mercantil Internacional (CNUDMI) ha planteado una serie de importantes preocupaciones sistémicas para las reformas procesales de la solución de controversias entre inversionistas y Estados. El presente documento trata en primer lugar de situar los debates sobre la SaaMM en su contexto histórico y contemporáneo. A continuación, examina el Documento de Trabajo 213 de la CNUDMI y las disposiciones legales que contiene, que constituyen la base de los debates actuales sobre esta opción de reforma en el GTIII. Además, explora la posible relación de esta propuesta de SMM con diferentes aspectos del régimen jurídico internacional vigente en materia de inversiones. El documento concluye proporcionando algunos elementos que requieren una mayor consideración en este proceso, especialmente para proteger los intereses de los países en desarrollo.

<https://www.southcentre.int/documento-de-investigacion-162-11-de-agosto-de-2022/>

**Illicit Financial Flows and Stolen Asset Recovery: The Global North Must Act (Research Paper 172, 1 December 2022)**

*by Abdul Muheet Chowdhary and Sebastien Babou Diasso*

Domestic resource mobilization is essential for developing countries to achieve the Sustainable Development Goals by the deadline of 2030. Concomitantly, Illicit Financial Flows (IFFs), which also lead to asset theft, are major means through which these countries are losing resources. This research paper analyzes the World Bank's Stolen Asset Recovery (STAR) database and shows that countries from where assets have been stolen are mostly developing countries, and countries where the stolen assets have been hidden are developed countries. The paper also shows that regarding the pending or ongoing asset recovery cases, there is a clear pattern where the majority of countries waiting to have their assets returned are developing countries, and those who must return them are developed countries. There is an unexplained and unjustified delay by developed countries in the process of returning the frozen assets to developing countries which needs to be addressed as soon as possible. There is also an evaluation of international legal reforms which can be implemented to accelerate the asset recovery process. However, all these will need the full commitment of Global North countries

where most of the stolen assets are hidden and which bear the brunt of responsibility for returning them to the developing countries.

<https://www.southcentre.int/research-paper-172-1-december-2022/>

### **Directives pour l'examen des demandes de brevet relatives aux produits pharmaceutiques (Document de Recherche 171, 31 janvier 2023)**

*Par Carlos M Correa*

Ce document fait suite à un document antérieur, *Directives applicables à l'examen des brevets pharmaceutiques: examen des brevets pharmaceutiques du point de vue de la santé publique*, publié en 2007 comme document de travail par le Centre international pour le commerce et le développement durable (CICDD), la Conférence des Nations Unies sur le commerce et le développement (CNUCED) et l'Organisation mondiale de la santé (OMS).

Le présent document tient compte des évolutions survenues depuis la publication du document de travail CICDD-CNUCED-OMS en 2007. Il comprend de nouveaux exemples de demandes et/ou de délivrance de brevets, ainsi qu'une analyse et des références aux initiatives d'un certain nombre de pays qui ont adopté des lois et/ou des politiques visant à prendre en compte les considérations de santé publique dans l'examen des demandes de brevets.

Avec ce document, l'objectif est de fournir des orientations pour l'élaboration ou la révision de directives sur les processus d'examen des brevets dans les pays en développement, en réponse aux préoccupations concernant l'augmentation du nombre de brevets dans le secteur pharmaceutique. À cette fin, un certain nombre de recommandations sont formulées en ce qui concerne l'examen des demandes de brevetabilité relatives aux produits et procédés pharmaceutiques.

Ce document est une traduction de la version originale des "Directives pour l'examen des demandes de brevet relatives aux produits pharmaceutiques" publiées en anglais par le Programme des Nations Unies pour le Développement (PNUD). Le South Centre remercie le PNUD pour l'aimable autorisation de publier cette version non officielle. Traduit pour le South Centre par M. Natanael França.

<https://www.southcentre.int/document-de-recherche-171-31-janvier-2023/>

### **Analysis of COVID-Related Patents for Antibodies and Vaccines (Research Paper 173, 7 February 2023)**

*By Kausalya Santhanam*

This paper provides an analysis of patents covering selected antibodies and vaccines used in the treatment or prevention of COVID-19. The aim of the report is to support national patent offices and interested parties in developing countries with information that can serve as guidance for the examination of the claims contained in relevant patents or patent applications. The antibody combination considered for the patent analysis in this paper are Casirivimab and Imdevimab. The vaccines considered for the patent analysis are mRNA-1273, Sputnik, ChAdOx1 nCoV-19 vaccine (AZD1222). The analysis was completed in May 2022.

<https://www.southcentre.int/research-paper-173-7-february-2023/>

### **Leading and Coordinating Global Health: Strengthening the World Health Organization (Research Paper 174, 13 February 2023)**

*By Nirmalya Syam*

The World Health Organization (WHO) should act as the directing and coordinating authority in global health but it has been steadily marginalized over time by design, through criticism as an inefficient organization, the reduction of assessed contributions and consequent impoverishment, and the proliferation of “new” international health agencies to which WHO has been compelled to cede operational space. This paper discusses how such marginalization of the WHO is in the interest of the dominant actors in global health, and leads to the neglect of health as a development issue. Today the global health system is more fragmented than it was when the WHO was established in 1948. Rich donor countries and corporations dominate multistakeholder governance structures in health partnerships, marginalizing most of the WHO membership and, notably, the Global South, in their decision-making. A consequence of this fragmentation in global health governance is that the space of the only multilateral organization where developing countries have an equal presence in terms of participation and decision-making as sovereign States –WHO– has been marginalized. Consequently, the development dimension of health is also marginalized and only the development assistance aspects of it receive major attention through vertical programmes and agencies addressing limited health needs without effectively addressing the basic need of strengthening health systems. Therefore, for developing countries it is imperative that WHO is effectively retooled to act as the leading and coordinating authority on global health with adequate legal powers, as well as institutional and financial capacities to do so without undue influence from donor countries and entities that have interests in the private sector. This would enable WHO to ensure that the interests of all countries are fairly addressed in its normative and operational activities. Such a transformation of WHO would require action both within and outside the organization. The paper proposes some suggestions in this regard.

<https://www.southcentre.int/research-paper-174-13-february-2023/>

**Más allá de la responsabilidad social de las empresas: reforzar la diligencia debida en materia de derechos humanos mediante el Instrumento jurídicamente vinculante sobre empresas y derechos humanos (Documento de Investigación 138, Octubre de 2021)**

*Por Daniel Uribe Terán*

El debate sobre la necesidad de establecer requisitos obligatorios de debida diligencia en materia de derechos humanos (en inglés: Human Rights Due Diligence, o HRDD) ha atraído el interés de los responsables políticos, las organizaciones de la sociedad civil y las organizaciones internacionales. La tendencia actual sobre la adopción de la legislación nacional relativa a las normas de HRDD muestra una variedad de opciones y modelos que podrían servir como un paso adelante hacia la adopción de un marco internacional sólido de responsabilidad corporativa y remedio en caso de violaciones de los derechos humanos en el contexto de las actividades empresariales.

Este documento de investigación pretende identificar los elementos que caracterizan la debida diligencia en materia de derechos humanos para encontrar una posible definición común para su aplicación. Para ello, se analiza la práctica regional y estatal actual en la adopción de legislación obligatoria sobre HRDD en diferentes sectores. Por último, se discutirán los principios que caracterizan el enfoque adoptado por el Grupo de Trabajo Intergubernamental de Composición Abierta de las Naciones Unidas encargado de adoptar un instrumento jurídicamente vinculante sobre las empresas transnacionales y otras empresas comerciales y cómo este instrumento podría servir como una importante piedra angular para la elaboración de normas modernas sobre la cuestión de las empresas y los derechos humanos.

<https://www.southcentre.int/documento-de-investigacion-138-octubre-de-2021/>

**Au-delà de la Responsabilité Sociale de l'Entreprise: Renforcer le devoir de diligence en matière de droits de l'homme au moyen de l'instrument juridiquement contraignant relatif aux entreprises et aux droits de l'homme (Document de Recherche 138, Octobre 2021)**

*Par Daniel Uribe Terán*

Le débat sur la nécessité d'imposer des obligations de diligence raisonnable en matière de droits de l'homme (DDDH, en anglais Human Rights Due Diligence, ou HRDD) a suscité l'intérêt des décideurs politiques, des organisations de la société civile et des organisations internationales. La tendance actuelle à l'adoption de législations nationales concernant les normes de HRDD montre une variété d'options et de modèles qui pourraient servir d'étape vers l'adoption d'un cadre international solide de responsabilité des entreprises et de recours en cas de violation des droits de l'homme dans le contexte des activités commerciales.

Ce document de recherche vise à identifier les éléments qui caractérisent la diligence raisonnable en matière de droits de l'homme afin de trouver une éventuelle définition commune pour sa mise en œuvre. Pour ce faire, il analyse les pratiques actuelles des régions et des États en matière d'adoption de législations obligatoires sur HRDD dans différents secteurs. Enfin, il discutera des principes qui caractérisent l'approche adoptée par le Groupe de travail intergouvernemental à composition non limitée des Nations Unies chargé d'adopter un instrument juridiquement contraignant sur les sociétés transnationales et autres entreprises et de la manière dont cet instrument pourrait servir de pierre angulaire à l'élaboration de règles modernes sur la question des entreprises et des droits de l'homme.

<https://www.southcentre.int/document-de-recherche-138-octobre-2021/>

### **Analyse des Intersections entre le Changement Climatique et les Droits de l'Homme (Document de Recherche 167, 27 de octobre 2022)**

*Par Daniel Uribe Teran et Luis Fernando Rosales*

Les effets du réchauffement climatique sur la vie quotidienne des êtres humains menacent la pleine jouissance de leurs droits. Le Conseil des droits de l'homme a adopté deux résolutions d'une portée historique, qui reconnaissent le droit de l'homme à un environnement propre, sain et durable (résolution 48/13), et nomment un rapporteur spécial chargé de la promotion et de la protection des droits de l'homme dans le contexte du changement climatique (résolution 48/14). Toutefois, un dialogue plus large entre la Convention-cadre des Nations unies sur les changements climatiques (CCNUCC) et l'architecture de protection des droits de l'homme de l'ONU semble nécessaire en vue de parvenir à une réponse coordonnée et cohérente au réchauffement climatique et à ses effets sur les droits de l'homme.

Le présent document de recherche analyse les points de convergence entre ces deux mécanismes en mettant en avant de quelle manière les négociations sur le réchauffement climatique et l'architecture de protection des droits de l'homme peuvent contribuer à renforcer la coopération internationale. Il reconnaît également la nécessité de discussions plus approfondies au niveau international sur les liens entre droits de l'homme et réchauffement climatique, conformément aux principes d'équité et de responsabilités communes mais différenciées inclus dans la CCNUCC.

<https://www.southcentre.int/document-de-recherche-167-27-octobre-2022/>

### **Análisis de las intersecciones entre cambio climático y derechos humanos (Documento de Investigación 167, 27 de octubre de 2022)**

*Por Daniel Uribe Terán y Luis Fernando Rosales*

Los efectos del cambio climático en la vida diaria de las personas amenazan el pleno disfrute de los derechos humanos. El Consejo de Derechos Humanos ha adoptado dos resoluciones históricas en las que se reconoce por un lado el derecho humano a un medio ambiente limpio, saludable y sostenible (Resolución 48/13), y se establece por otro el mandato de un Relator Especial sobre la promoción y la protección de los derechos humanos en el contexto del cambio climático (Resolución 48/14). Aun así, parece existir la necesidad de que la CMNUCC y la estructura de derechos humanos de las Naciones Unidas mantengan un diálogo más amplio a fin de dar con una respuesta coordinada y coherente al cambio climático y sus efectos sobre los derechos humanos.

En este documento de investigación se analizan las intersecciones de estos dos sistemas jurídicos. Para ello, se identifica el modo en que las negociaciones relativas al cambio climático y la estructura de derechos humanos pueden contribuir a fortalecer la cooperación internacional. También se reconoce la necesidad de un debate internacional de mayor calado acerca de las relaciones entre los derechos humanos y el cambio climático, coherente con los principios de equidad y las responsabilidades comunes pero diferenciadas del CMNUCC.

<https://www.southcentre.int/documento-de-investigacion-167-27-de-octubre-de-2022/>

### **Experiencias internacionales sobre la concesión de licencias obligatorias por razones de salud pública (Documento de Investigación 175, 22 de marzo de 2023)**

*Por Catalina de la Puente, Gastón Palopoli, Constanza Silvestrini, Juan Correa*

El presente estudio tiene como objetivo analizar los regímenes de licencias obligatorias (LOs) en países seleccionados, en particular los elementos económicos de la concesión de las LOs, la determinación y negociación de regalías al titular del derecho. Para ello se realizó un análisis descriptivo y exploratorio de experiencias de concesión de LO en países seleccionados, con foco en las experiencias de los países en vías de desarrollo por su proximidad al caso argentino.

En particular se discuten los ejemplos de **experiencias de emisión de medidas de LOs o de UG en países en vías de desarrollo**. Con especial foco en Latinoamérica, donde sólo dos países han hecho uso de dichas medidas por razones sanitarias (Ecuador y Brasil). Además se examina la eficacia del empleo de LO o de UG en la **reducción de precios** donde se evidencian ahorros significativos. Como conclusión se propone elaborar una metodología en relación a las **regalías** para Argentina mediante un rango de pago que tome en consideración criterios de accesibilidad y asequibilidad poblacional a la tecnología licenciada, así como la sustentabilidad de los presupuestos de los agentes financiadores.

<https://www.southcentre.int/documento-de-investigacion-175-22-de-marzo-de-2023/>

### **De dónde viene y a dónde va el financiamiento para la salud mundial (Documento de Investigación 176, 29 de marzo de 2023)**

*Por Germán Velásquez*

En teoría la OMS es la agencia coordinadora de la salud mundial, y los grandes actores, privados y públicos, reivindican la relevancia y el rol central de esta agencia de Naciones Unidas. En la práctica, paradójicamente, los dineros para la salud van en gran parte a otras instituciones y no a la OMS o incluso se crean nuevas instituciones o mecanismos donde se canalizan los nuevos fondos (GAVI, Fondo Mundial, Act-A, CEPI, COVAX etc.) Estas instituciones o mecanismos son, en la mayoría de los casos, partenariados público-privados donde está presente la industria farmacéutica. La Ayuda Oficial para el Desarrollo es importante pero sólo representa el 1% de lo que invierten los países en desarrollo en salud. En qué se gasta para promover la salud global y a dónde va este dinero es el objeto de este documento. Una de las preguntas que debemos hacernos tras la experiencia con COVID-19 es cómo vamos a preservar el interés público global mediante la creación de bienes públicos comunes y la protección de los derechos humanos en las actividades de prevención, preparación y respuesta a las pandemias presentes y futuras.

<https://www.southcentre.int/documento-de-investigacion-176-29-de-marzo-de-2023/>

### **Where Does Global Health Funding Come From and Where Does It Go? (Research Paper 176, 29 March 2023)**

*By Germán Velásquez*



In theory, the World Health Organization (WHO) is the coordinating agency for global health. Influential private and public actors have claimed the relevance and central role of this United Nations (UN) agency. In practice, paradoxically, the money budgeted for health goes largely to other institutions and not to the WHO. New institutions and mechanisms have been created to which funds are channeled (GAVI, The Global Fund, Act-A, CEPI, COVAX, etc.). These institutions or mechanisms are, in most cases, public-private partnerships where the pharmaceutical industry is usually present. Official Development Assistance is important but represents only 1 per cent of what developing countries' expenditure on health. How much is spent to promote global health and where this money goes is the subject of this paper. After the experience with COVID-19, a fundamental question that must be addressed is how the global public interest can be preserved by creating common public goods and protecting human rights in the prevention, preparedness, and response to present and future pandemics.

<https://www.southcentre.int/research-paper-176-29-march-2023/>

### **Policy Dilemmas for ASEAN Developing Countries Arising from the Tariff Moratorium on Electronically Transmitted Goods (Research Paper 177, 18 May 2023)**

*By Manuel F. Montes and Peter Lunenborg*

This paper examines the policy dilemmas facing developing countries in ASEAN in working within, and participating in, international negotiations toward making permanent the WTO tariff moratorium on duties applicable to electronically transmitted goods. In the context of ASEAN's countries' trade-oriented development strategies, the analysis considers the moratorium's impact on tariff revenues, economic performance, and industrial development prospects. The paper presents estimates of tariff impacts and studies the national policy implications of the moratorium. An extension of the moratorium would establish a special regime for a class of goods whose components are contentiously defined but with a potential of being an important source of tariff revenue and of having an impact on industrial development in the future for developing ASEAN countries. This special regime for electronically transmitted goods cannot be justified as a global public good and is unnecessary. The removal of the regime would restore national space in developing ASEAN countries and allow them to obtain tariff revenues from the trade of these goods and to upgrade domestic capabilities in participating in the digital economy.

<https://www.southcentre.int/research-paper-177-18-may-2023/>

### **A Response to COVID-19 and Beyond: Expanding African Capacity in Vaccine Production (Research Paper 178, 22 May 2023)**

*By Carlos M. Correa*

The unequal global distribution of vaccines against the deadly COVID-19 virus has cast a spotlight on the lack of access to vaccines on the African continent, and the vulnerability that such a lack places on both the economies of African nations and the health of their people. Various initiatives have been launched to overcome the dependence of African nations on vaccines produced elsewhere. If implemented in timely and effective ways, those initiatives will contribute to the diversification of African economies and strengthen the capacity of nations on the continent to address their public health needs during pandemics and at other times. While establishing a viable vaccine industry on the continent presents serious challenges, the African Continental Free Trade Area (AfCFTA) can provide the framework for leveraging economies of scale to stimulate the production of needed vaccines across the region.

<https://www.southcentre.int/research-paper-178-22-may-2023/>

## **Reinvigorating the Non-Aligned Movement for the Post-COVID-19 Era (Research Paper 179, 14 July 2023)**

*By Yuefen Li, Daniel Uribe and Danish*

The Non-Aligned Movement (NAM) was born out of the need felt by newly emerging post-colonial nations not to be compelled to be part of any single political or military bloc during the Cold War. As the international community finds itself once again in the midst of heightened geo-political tensions, the principles of non-alignment have seen a resurgence in the Global South, providing NAM with the potential to become a major force in the configuration of a new international order.

Over six decades after its inception, the NAM stands at a crucial juncture, where consolidating non-alignment among developing countries can help build solidarity, promote collaboration and defend the interest of developing countries in the reconfiguration of global governance. Dealing with these challenges requires unprecedented levels of international cooperation, both North-South and South-South. As the grouping of non-aligned countries, the NAM could play an important role against global fragmentation, build solidarity, and strengthen multilateralism.

This paper therefore looks at the role and position of the NAM at this time, and how it can be reinvigorated to address the most critical challenges facing its Member States and other developing countries today. Considering the history, evolution and important achievements of the NAM, the paper provides some proposals that can support NAM Member States in their recovery from the COVID-19 pandemic and make progress in implementing the 2030 Agenda for Sustainable Development.

<https://www.southcentre.int/research-paper-179-14-july-2023/>

## **Neglected Dimension of the Inventive Step as Applied to Pharmaceutical and Biotechnological Products: The case of Sri Lanka's patent law (Research Paper 180, 9 August 2023)**

*By Ruwan Fernando*

Apart from the basic statutory definition in section 65 of the Intellectual Property Act of Sri Lanka, there do not appear to be any detailed statutory guidelines or judicial decisions to provide any framework for the assessment of inventive step in Sri Lanka. The current statutory definition is highly insufficient to evaluate the standard of obviousness in relation to biotechnological and pharmaceutical claims based on a combination or modification of a prior art reference.

The Courts in both developed and developing countries have adopted a variety of tests to evaluate the obviousness standard of a claimed invention based on a combination or modification of a prior art reference. Sri Lanka, as a developing country, should look at the development that has taken place in other jurisdictions and adapt the patent law to local conditions when developing tests or guidelines in a manner that is compatible with the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and its biotechnology/pharmaceutical policy guidelines.

This approach that is appropriate to Sri Lanka is twofold. First, it is most likely to prevent the issuance of patents on trivial or incremental inventions that do not provide any technical advance to the existing prior art and are a mere extension of what is already known in the prior art. Second, it is most likely to protect genuine technical advances to the existing prior art while at the same time enhancing competition and promoting local innovations so that the local researchers will be able to draw on the existing knowledge for the purpose of follow-on innovations

<https://www.southcentre.int/research-paper-179-14-july-2023/>

## **Trends, Reasons and Prospects of De-dollarization (Research Paper 181, 14 August 2023)**

*By Yuefen Li*

The 1944 “Bretton Woods Agreement” gave birth to the new international financial system marked by the centrality of the US dollar which is a crucial pillar of the global power of the United States. Over the past eight decades, the asymmetry of the shrinking US economic weight in the world economy and growing dominant role of the dollar has become more and more glaring. The disadvantages of overreliance on the dollar have been keenly felt, especially by developing countries. The recent moves to weaponize the dollar and the payment clearance system have triggered another wave of reassessment by national states and enterprises of the role of the dollar and led to the hitherto most broad-based de-dollarization process covering from Southeast Asia to Latin America and the Middle East. De-dollarization has been incrementally taking place in different forms and led by BRICS and some commodity exporting countries. However, there are many challenges to meaningful de-dollarization. Overall, de-dollarization efforts, despite important progress, have been limited and partial. There has been progress in reducing overreliance on the dollar through foreign exchange reserve diversification and trade invoicing as evidenced by the decline in the dollar’s share of allocated foreign exchange reserves and the increase of trade invoiced and transacted in currencies other than the dollar. However, on aspects requiring the deep financial market and wide network such as foreign exchange transactions, issuance of debt and payment clearance, the dollar’s share has not suffered a decline. To reform the international financial system, the BRICS in particular should continue to take the lead in furthering the de-dollarization efforts.

<https://www.southcentre.int/research-paper-181-14-august-2023/>

### **Multistakeholderism: Is it good for developing countries? (Research Paper 182, 7 September 2023)**

*By Harris Gleckman*

*Published by South Centre and Transnational Institute*

The preparations for the September 2024 Summit of the Future (SOTF) are well underway. In this process, the UN Secretary-General and most OECD countries argue that multistakeholderism should now be accepted as a part of global governance and multilateralism. This paper argues the opposite: multistakeholderism undermines multilateralism and limits the role of developing countries in global governance.

Global governance operates via a common narrative, a set of institutions, and the exercise of power. The first section of the paper provides the background to the World Economic Forum’s role in developing the narrative and the preliminary efforts of transnational corporations (TNCs) and major Northern NGOs to build an institutional structure for multistakeholderism. The first section also locates these developments in the context of TNC pressures on the UN and developing countries, going back 50 years to President Allende’s appeal to the General Assembly and UNCTAD.

The second section identifies six fundamental challenges presented by multistakeholderism to multilateralism and G77 governments.

- (a) an erosion of sovereignty
- (b) the outsourcing of global governance
- (c) a decline in accountability and trust in the international community
- (d) a shift in implementation from OECD governments to TNCs based in OECD countries
- (e) a narrowing of the range of policy directions to those that are compatible with a commercial return; and
- (f) a corruption of diplomatic language by masking the legitimate difference in governance actors as equivalent ‘stakeholders’

After an indepth analysis of each challenge, the paper concludes with a menu of multilateral options to respond today and in the context of the SOTF to multistakeholderism’s intrusion into global governance. The choices include counter-moves on the political level and on the procedural level, the combination of which allows governments to create a variety of counter-strategies.

<https://www.southcentre.int/research-paper-182-7-september-2023/>

## **Least Developed Countries and Their Progress on the Sustainable Development Goals (Research Paper 183, 15 September 2023)**

*By Peter Lunenborg*

This Research Paper reviews Least Developed Countries' (LDCs) collective progress on the implementation of the Sustainable Development Goals (SDGs), based on the available data on the indicators for the 169 SDG targets. It makes recommendations for LDCs and other States to consider advancing in relevant UN processes as well as the WTO's.

LDCs made progress on 28% of the SDGs. This collective progress shows that these countries are far from achieving what were deemed achievable goals in 2015. With respect to trade-related SDGs, LDCs have not made progress on any of the five trade-related SDGs that mention LDCs specifically.

This paper does not delve into the causes of this gap, but it suggests that international cooperation and, particularly, the developed countries' assistance, has been insufficient to address the needs of a large part of the world population that still lives in poverty and without hope of a better future. However, the Doha Programme of Action (DPoA), a development framework with targets specifically for LDCs - which overlap with SDG targets- appears to dilute several original SDG targets, in particular those in SDG 17 (Partnerships for the Goals).

<https://www.southcentre.int/research-paper-183-15-september-2023/>

## **Promoting Jordan's Use of Compulsory Licensing During the Pandemic (Research Paper 184, 15 September 2023)**

*By Laila Barqawi*

This paper addresses the difficulties in utilizing Article 31 bis of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) on compulsory licensing for the export of pharmaceuticals during the pandemic through the case study of Jordan. This paper also recommends that Jordanian officials seek to capitalize on the pandemic whilst the Jordanian Defense Law and Orders are in effect to include Emergency Use Authorization (EUA) as a direct ground for applying compulsory licensing, introduce clauses similar to those introduced by countries who have signed FTAs with the US, as well as deactivate harmful clauses within its national laws that prevent the application and utilization of a compulsory license. Further, Jordanian officials should seek the opportunity, considering the change of stance of the Biden administration towards compulsory licensing, to re-negotiate favourable terms in the Jordanian – US Free Trade Agreement (JUSFTA). Moreover, Jordanian officials should also form a syndicate that calls for the overhauling of TRIPS at Article 31 bis when an EUA is invoked in any country.

<https://www.southcentre.int/research-paper-184-15-september-2023/>

## **Foreign Investment Flows in a Shifting Goeconomic Landscape (Research Paper 185, 13 October 2023)**

*By Danish*

The economic shocks from the pandemic and rising goeconomic tensions have triggered an accelerated restructuring of foreign investment flows in global value chains. As the previous determinants of foreign investment are rapidly changing, many new risks and opportunities abound for developing countries looking to attract FDI into their economies. This paper therefore looks at some of the important issues affecting foreign investment flows to developing countries both now and in the future. It then lays out some policy imperatives which can help countries ensure that the inbound foreign investment is responsible, sustainable and contributes to achieving the national development priorities.

<https://www.southcentre.int/research-paper-185-13-october-2023/>



## **POLICY BRIEFS**

### **Repenser la R&D pour les produits pharmaceutiques après le choc du nouveau coronavirus COVID-19 (Rapport sur les politiques 75, Janvier 2021)**

*Par Dr. Germán Velásquez*

La crise sanitaire mondiale sans précédent provoquée par la pandémie de coronavirus –COVID-19–, au cours du premier trimestre 2020, ramène avec une urgence particulière la discussion sur le modèle de recherche et développement (R&D) pour les produits pharmaceutiques et autres technologies de la santé. La crise COVID-19 montre qu'il est urgent de repenser la gouvernance mondiale de la santé publique pour la R&D en matière de santé. L'adoption d'un instrument contraignant – comme le permet l'article 19 de la Constitution de l'OMS – sur cette question a été proposée il y a de nombreuses années. Ce document soutient qu'il est temps de relancer et de concrétiser cette initiative.

<https://www.southcentre.int/rapport-sur-les-politiques-75-janvier-2021/>

### **Countries' Policy Space to Implement Tobacco Packaging Measures in the Light of Their International Investment Obligations: Revisiting the Philip Morris v. Uruguay Case (Investment Policy Brief 20, January 2021)**

*By Alebe Linhares Mesquita and Vivian Daniele Rocha Gabriel*

This Policy Brief aims to provide a concise analysis of the international investment dispute involving Philip Morris subsidiaries and the Republic of Uruguay. It depicts the main legal and political background that preceded the case, analyzes the decision reached by the arbitral tribunal, and assesses the award's major regulatory and policy implications. It intends to contribute to the discussions on how and to what extent States can adopt tobacco control measures without violating their international obligations to protect the investment and intellectual property of tobacco companies. The main lesson that can be learned from the analysis of the *Philip Morris v. Uruguay* case is that investors' rights are not absolute and can be relativized when there is a clash between private and public interests, such as in the case of public health. As a result, claims such as indirect expropriation and fair and equitable treatment can be dismissed. Finally, one of the main consequences is the progressive change in the design of international investment treaties, containing more provisions related to the right to regulate.

<https://www.southcentre.int/investment-policy-brief-20-january-2021/>

### **WIPO Negotiations for an International Legal Instrument on Intellectual Property and Genetic Resources (Policy Brief 87, February 2021)**

*By Nirmalya Syam*

Over the past few years, Member States of the World Intellectual Property Organization (WIPO) have engaged in negotiations for concluding an international legal instrument on intellectual property and genetic resources. While developing countries have a major interest in securing through this instrument a mandatory requirement for applicants of IP rights over innovations that utilize genetic resources or associated traditional knowledge to disclose their source or origin, certain developed countries that are major markets for such products are absolutely opposed to recognizing the disclosure requirement as an objective of the legal instrument under negotiation. Other developed countries are agreeable to a disclosure requirement with a narrow scope, broad exceptions, and weakened remedies against non-compliance. This Policy Brief analyses the current state of play in the negotiations considering the different positions as reflected in the draft negotiating text, as well as a proposal by the Chair of the WIPO intergovernmental committee where the negotiations are taking place, to bridge the difference and take the negotiations forward. This brief concludes that any meaningful international legal instrument on IP and GRs in WIPO

must recognize the fundamental issue of misappropriation of GRs through the IP system that should be resolved through a mandatory disclosure requirement as the principal mechanism. It would also be critical to ensure that the WIPO instrument is coherent with other related international legal instruments such the Convention on Biological Diversity, the Nagoya Protocol on access and benefit-sharing; specialized instruments like the FAO Plant Treaty as well as related mechanisms or fora like the WHO (on use of pathogens as a genetic resource) and the United Nations Convention for the Law of the Sea (UNCLOS) negotiations on marine genetic resources beyond areas of national jurisdiction.

<https://www.southcentre.int/policy-brief-87-february-2021/>

### **Making the UN Tax Committee more effective for developing countries (Tax Cooperation Policy Brief 13, February 2021)**

*By Abdul Muheet Chowdhary*

The United Nations Committee of Experts on International Cooperation in Tax Matters (UN Tax Committee) is an important and influential subsidiary body of the Economic and Social Council (ECOSOC) that shapes standards and guidelines on international taxation. These are the rules through which Multinational Enterprises (MNEs) are taxed. Its role post-COVID-19 has become even more important as countries struggle to raise revenue. Despite being under-resourced, it has produced valuable guidance, especially on the crucial question of the digital economy. As a new Membership of the Committee is about to be selected, this Policy Brief provides practical recommendations on how the Committee can be reformed to be made more effective, especially for the interests of developing countries.

<https://www.southcentre.int/tax-cooperation-policy-brief-13-february-2021/>

### **The UNFCCC Virtual Regional Workshops on Gender and Climate Change 2020 (Climate Policy Brief 25, February 2021)**

*By Mariama Williams*

In the last week of November 2020, the United Nations Framework Convention on Climate Change (UNFCCC)'s Gender and Climate Team presented its hallmark Global Gender Event as part of the virtual United Nations (UN) Climate Dialogues 2020 (Climate Dialogues). The Climate Dialogues provided "a platform for Parties and other stakeholders to showcase progress made in 2020 and exchange views and ideas across the subsidiary bodies and COP agendas mandated for 2020". They were held in lieu of the annual meeting of the Conference of the Parties (COP) previously slated to take place in the United Kingdom in December 2020. The virtual Global Gender Event held on November 26, 2020 occurred in two parts. Part 1, **Acting on the gender and climate GAP: progress and reflections** highlighted progress and reflections made at the regional workshops on gender and climate change held by the Gender team earlier in the year. Part 2, **Women for Results: showcasing women's leadership on climate change** showcased women's leadership on climate change including the five winning projects of the 2020 UN Global Climate Action Awards.

<https://www.southcentre.int/climate-policy-brief-25-february-2021/>

### **Need for Extension of the LDC Transition Period Under Article 66.1 of the TRIPS Agreement Until Graduation and Beyond (Policy Brief 88, March 2021)**

*By Nirmalya Syam*

Least developed country (LDC) Members of the World Trade Organization (WTO) have submitted a duly motivated request for the extension of the transition period under Article 66.1 of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which exempts

LDCs from implementing the obligations for protection and enforcement of intellectual property rights under the Agreement, in view of their vulnerabilities, special needs, economic, administrative and financial constraints, and the need for a sound and viable technological base. This request, submitted prior to the expiry of the current transition period on 1 July 2021, seeks a further extension for as long as those Members remain LDCs, and also for an additional period of 12 years after their graduation. This request is legitimate in view of the varied challenges that LDCs face, which have been aggravated through the reversal of development gains due to the public health and economic impact of the COVID-19 pandemic. These vulnerabilities will also continue to afflict the LDCs even after graduation, as recognized in several reports by different United Nations (UN) agencies as well as resolutions of the UN General Assembly. Therefore, WTO Members must display political will and translate global solidarity pledges into action and unconditionally support the request for extension of the transition period for LDCs under the TRIPS Agreement.

<https://www.southcentre.int/policy-brief-88-march-2021/>

### **Competition Regulation in Healthcare in South Africa (Policy Brief 89, March 2021)**

*By Hardin Ratshisusu*

South Africa's nascent competition regulatory regime is coming of age and has potential to address historical market concentration challenges previously enabled by the apartheid regime, prior to its dismantling in the 1990s. Many sectors of the economy are highly concentrated, including the private healthcare sector, with market outcomes that breed market failures, lack of competitiveness and high cost of care. Looking through competition in the healthcare sector it becomes evident that the market structure challenges do not only require domestic interventions, but also a global response to address some policy and regulatory gaps.

<https://www.southcentre.int/policy-brief-89-march-2021/>

### **Proposals to Advance the Negotiations of the Post 2020 Biodiversity Framework (Policy Brief 90, March 2021)**

*By Dr. Viviana Muñoz Tellez*

Informal consultations are ongoing in virtual format towards the adoption of a Post-2020 Global Biodiversity Framework by the Conference of the Parties (COP) to the Convention on Biological Diversity (CBD). The Fifteenth meeting of the CBD-COP is scheduled to be held on 11–24 October 2021, in Kunming, China. For negotiations to succeed, the Framework must be ambitious, balanced and achievable, building on past commitments. All three pillars of the CBD must be equally advanced. The Rio principles in particular on common but differentiated responsibilities (CBDR), must be clearly reflected. This policy brief advances proposals towards advancing negotiations on the current zero-draft of the Framework towards realizing the 2050 global vision of living in harmony with nature.

<https://www.southcentre.int/policy-brief-90-march-2021/>

### **Compulsory license in Germany: Analysis of a landmark judicial decision (Policy Brief 91, April 2021)**

*By Christoph Spennemann and Clara Warriner*

This policy brief analyzes how the German Federal Court of Justice addressed compulsory licensing under German patent law, where the request for a compulsory license was used in preliminary proceedings as a defense against alleged patent infringement.

<https://www.southcentre.int/policy-brief-91-april-2021/>

**Could COVID-19 trigger 'localizing' of international investment arbitration? (Investment Policy Brief 21, April 2021)**

*By Danish*

In light of the challenges and travel restrictions due to the COVID-19 pandemic, many developing countries have been unable to effectively participate in international investment arbitration proceedings, traditionally held in locations like Washington D.C. and The Hague. To ease the heavy burdens currently being placed on States and ensuring investor confidence, this Policy Brief argues for the 'localization' of investor-State dispute settlement (ISDS) proceedings in host States and regions where the investment is actually located. It highlights the various advantages that localizing ISDS can bring, and the different regional initiatives already working towards this purpose. The brief also considers relevant legal and policy aspects, and seeks to provide concrete suggestions for the localization of ISDS as a small step towards the holistic reform of international investment arbitration.

<https://www.southcentre.int/investment-policy-brief-21-april-2021/>

**Expanding the production of COVID-19 vaccines to reach developing countries  
Lift the barriers to fight the pandemic in the Global South (Policy Brief 92, April 2021)**

*By Carlos M. Correa*

The unfolding of COVID-19 has shown that the international system has been unable to ensure equal access to the vaccines and other products necessary to fight the pandemic. While the need for a strong response remains obvious, proposals for scaling up the production of COVID-19 vaccines across the globe are still blocked in the World Trade Organization.

<https://www.southcentre.int/policy-brief-92-april-2021/>

**A New WHO International Treaty on Pandemic Preparedness and Response: Can It Address the Needs of the Global South? (Policy Brief 93, May 2021)**

*By Dr. Germán Velásquez and Nirmalya Syam*

A recent joint communiqué by 25 Heads of Government and the WHO Director-General have called for the negotiation of a pandemic treaty to enable countries around the world to strengthen national, regional and global capacities and resilience to future pandemics. The COVID-19 pandemic has demonstrated the fragility of the mechanisms at the disposal of WHO for preparedness and response to pandemics. The use of binding instruments to promote and protect health in the context of pandemics is needed. If WHO Member States decide that an international treaty to prepare and respond to pandemics is the way forward, it would be important to have clarity from the outset on the elements and areas that will be the subject of negotiation. The first step should be to identify the aspects of pandemic preparedness and response that the current crisis has revealed are not working, and how to build up on the existing instruments, notably the International Health Regulations (IHR). This paper discusses some of the critical issues that should be addressed in such a treaty if negotiations are launched, in view of the needs of countries at different levels of development and with disparate capacities to implement treaty obligations.

<https://www.southcentre.int/policy-brief-93-may-2021/>

## **The Tax Sovereignty Principle and Its Peaceful Coexistence with Article 12B of the UN Model Tax Convention (Tax Cooperation Policy Brief 14, June 2021)**

*By Kuldeep Sharma, ADIT (CIOT, UK)*

Article 12B of the United Nations (UN) Model Tax Convention (MTC) provides developing countries with a practical and easy way to administer policy solutions for taxing the digital economy, in particular income from Automated Digital Services. It merges seamlessly with the existing provisions of the UN MTC and it is completely aligned and coexistent with the Tax Sovereignty Principle.

<https://www.southcentre.int/tax-cooperation-policy-brief-14-june-2021/>

## **Conceptualizing a UN Multilateral Instrument (Tax Cooperation Policy Brief 15, June 2021)**

*By Radhakishan Rawal*

Recent changes to the United Nations (UN) Model Tax Convention have resulted in provisions that are more advantageous for developing countries in raising revenue through international taxation, i.e. taxation of foreign income. These include taxation of income from automated digital services, software payments, capital gains and others. Normally, these would be incorporated into bilateral tax treaties through time-taking negotiations. A UN Multilateral Instrument (MLI) provides a speedy manner for updating multiple tax treaties through a single negotiation. This will help developing countries in collecting revenue more quickly. This Policy Brief discusses the possible structure of such an MLI.

<https://www.southcentre.int/tax-cooperation-policy-brief-15-june-2021/>

## **The Role of Courts in Implementing TRIPS Flexibilities: Brazilian Supreme Court Rules Automatic Patent Term Extensions Unconstitutional (Policy Brief 94, June 2021)**

*By Vitor Henrique Pinto Ido*

This policy brief provides a background, summary and analysis of the Brazilian Federal Supreme Court decision of 6 May 2021 that ruled automatic patent term extensions unconstitutional, striking down Article 40, Sole Paragraph, of the Brazilian Industrial Property Code of 1996. It concludes that this is a landmark ruling that contributes to the implementation of a more balanced patent regime in Brazil, with a positive impact on access to medicines in the country. It is an important precedent in relation to the role that courts may play in defining the contours of intellectual property protection and the TRIPS flexibilities.

<https://www.southcentre.int/policy-brief-94-june-2021/>

## **Systemic reform of the international debt architecture is yet to start (Policy Brief 95, June 2021)**

*By Yuefen Li*

The COVID-19 pandemic has pushed the reform of the international debt architecture to the policy agenda. Up to now policy measures to address the crushing debt burden of developing countries have focused on boosting time bound liquidity provision, which is insufficient in amount and restrictive in scope as debt-ridden and pandemic struck middle-income countries have not been covered. Even the implementation of these policy measures has been hindered by existing systemic problems. The reform of the debt architecture is yet to start. However, complacency seems to emerge. The risk of “wasting” the crisis should be avoided.



<https://www.southcentre.int/policy-brief-95-june-2021/>

### **Investment Policy Options for Facing COVID-19 Related ISDS Claims (Investment Policy Brief 22, June 2021)**

*By Daniel Uribe and Danish*

Developing and least developed countries have undertaken a number of measures to fight against the multidimensional impacts of the COVID-19 pandemic. Such measures and those that may be adopted in the context of the recovery efforts are, however, susceptible to challenges by foreign investors using investor-State dispute settlement mechanisms.

This policy brief first considers the kinds of measures States have adopted to limit the spread of COVID-19, protect their strategic sectors and promote economic recovery, including through foreign investment aftercare and retention. It then addresses how the investor-State dispute settlement system (ISDS) has been used by investors in times of crises, based on the analysis of the awards in several cases brought against both developed and developing countries.

Against this backdrop, the brief elaborates on the different options and initiatives States can take for preventing ISDS claims at the national, bilateral, regional and multilateral levels. It concludes with some policy advice for developing and least developed countries to face possible COVID-19 related ISDS claims in the future.

<https://www.southcentre.int/investment-policy-brief-22-june-2021/>

### **UNCITRAL Working Group III: Moving forward towards consensus or losing balance? (Investment Policy Brief 23, July 2021)**

*By Daniel Uribe and Danish*

This policy brief considers some concerns arising from the ongoing discussions on procedural reform of investor-State Dispute Settlement (ISDS) in the United Nations Commission on International Trade Law (UNCITRAL) Working Group III. It highlights the need to allocate sufficient time to deliberate upon the important issues being raised by developing countries. It further discusses some structural reform options that have been identified by the Working Group and reflects on some concerns arising from a possible 'single undertaking' approach being implemented through a future possible multilateral agreement on ISDS.

<https://www.southcentre.int/investment-policy-brief-23-july-2021/>

### **Article 12B – A tax treaty solution by the UN Tax Committee for taxing digital incomes (Tax Cooperation Policy Brief 16, July 2021)**

*By Rajat Bansal*

Taxation of income of multinational enterprises engaged in digitalised businesses by source or market jurisdictions is currently the most important challenge before the international tax community. The current membership of the United Nations Tax Committee in April 2021 finalised a tax treaty solution to address this challenge. This brief explains the rationale for coming up with a particular solution of inserting a new Article in the United Nations Model Tax Convention, its merits and how it can be beneficial for all countries, especially the developing ones.

<https://www.southcentre.int/tax-cooperation-policy-brief-16-july-2021/>

## **Precios justos para la cobertura sanitaria universal: El impacto de la judicialización de la salud (Informe sobre políticas 96, Julio 2021)**

*Por Silvina Andrea Bracamonte y José Luis Cassinero*

En el presente trabajo se describen las principales directrices y recomendaciones sobre políticas de precios para ayudar a los países a desarrollar estrategias efectivas, como herramientas para lograr el acceso equitativo a los productos sanitarios con precios asequibles, desechando el creciente fenómeno de la judicialización de la salud como vía adecuada para abordar con un enfoque sistémico esta problemática compleja.

<https://www.southcentre.int/informe-sobre-politicas-96-julio-2021/>

## **An Albatross Around the Neck of Developing Nations – MFN Clause in Tax Treaties incomes (Tax Cooperation Policy Brief 17, July 2021)**

*By Deepak Kapoor, IRS*

The Most Favoured Nation (“MFN”) clause in double taxation avoidance conventions epitomises the basic principle of non-discrimination and intends to bring parity in business and investment opportunities among treaty partner countries and jurisdictions. Inclusion of provisions like MFN and non-discrimination clauses in tax treaties are intended to promote equity among treaty partners. In the context of tax treaties between developed and developing countries, the MFN clauses also act as negotiating tools to bargain for better treaty tax rates.

<https://www.southcentre.int/tax-cooperation-policy-brief-17-july-2021/>

## **The WTO TRIPS Waiver Should Help Build Vaccine Manufacturing Capacity in Africa (Policy Brief 97, July 2021)**

*By Faizel Ismail*

The current global health crisis created by the COVID-19 pandemic has re-focused our attention on the inadequacy of the TRIPS agreement and the patent system to address global public health crises. This time, developing countries must ensure that the TRIPS waiver succeeds in creating the impetus for the building of manufacturing capacity in the poorest countries, especially in Africa, for vaccines, pharmaceuticals and other health technologies. This is the only effective way in which African countries can reduce their dependence on imports of essential medicines and build their health security, contributing to the achievement of the sustainable development goals, for the poorest countries.

<https://www.southcentre.int/policy-brief-97-july-2021/>

## **The Implementation of the UN Declaration on the Rights of Peasants and Other People Working in Rural Areas: what is next? (Policy Brief 98, July 2021)**

*By Luis Fernando Rosales Lozada*

The UN Declaration on the Rights of Peasants and Other People Working in Rural Areas (UNDROP) was adopted in December 2018. However, its application seems challenging. The South Centre organized a virtual meeting to discuss the implementation of the UNDROP on 4th June 2021, aiming to promote a debate about future actions to move forward the implementation of the UNDROP. The meeting provided an opportunity to listen to the views of government representatives, peasants' associations, civil society organizations and academia. During the meeting, different questions were discussed such as how the current health and social crisis, caused by the COVID-19 pandemic, has impacted the situation of peasants, the role of the

UNDROP in promoting and protecting peasants' rights, the latest developments in the realization of the rights of peasants under the UNDROP and what steps are needed to promote its implementation.

<https://www.southcentre.int/policy-brief-98-july-2021/>

**Un nuevo tratado internacional de preparación y respuesta ante pandemias: ¿Podrá atender a las necesidades del Sur Global? (Informe sobre políticas 93, Julio 2021)**

*Por Germán Velásquez y Nirmalya Syam*

Un reciente comunicado conjunto de 25 Jefes de Gobierno y el Director General de la OMS han pedido que se negocie un tratado sobre pandemias que permita a los países de todo el mundo reforzar las capacidades y resiliencia nacionales, regionales y mundiales ante futuras pandemias. La pandemia del COVID-19 ha demostrado la fragilidad de los mecanismos a disposición de la OMS para la preparación y la respuesta a las pandemias. Es necesario utilizar instrumentos vinculantes para promover y proteger la salud en el contexto de las pandemias. Si los Estados miembros de la OMS deciden que el camino a seguir es un tratado internacional para la preparación y respuesta a las pandemias, sería importante tener claro desde el principio los elementos y áreas que serán objeto de negociación. El primer paso debe ser identificar los aspectos de la preparación y la respuesta ante una pandemia que la crisis actual ha puesto de manifiesto que no funcionan, y cómo aprovechar los instrumentos existentes, especialmente el Reglamento Sanitario Internacional (RSI). Este documento analiza algunas de las principales cuestiones que deberían abordarse en un tratado de este tipo si se inicia la negociación, teniendo en cuenta las necesidades de países que están en diferentes niveles de desarrollo y con capacidades dispares para aplicar las obligaciones del tratado.

<https://www.southcentre.int/informe-sobre-politicas-93-julio-2021/>

**Un nouveau traité international de l'OMS sur la préparation et la riposte aux pandémies: pourra-t-il répondre aux besoins des pays du Sud? (Rapport sur les politiques 93, Juillet 2021)**

*Par Dr. Germán Velásquez et Nirmalya Syam*

Dans un récent communiqué signé par 25 chefs de gouvernement et le Directeur général de l'OMS, ceux-ci ont appelé à la négociation d'un traité sur les pandémies afin de permettre aux pays du monde entier de renforcer les capacités et la résilience des pays aux niveaux national, régional et mondial face aux futures pandémies. La pandémie de COVID-19 a démontré la fragilité des mécanismes dont dispose l'OMS pour se préparer et réagir aux pandémies. L'utilisation d'instruments contraignants pour promouvoir et protéger la santé dans le contexte des pandémies est nécessaire. Si les États Membres de l'OMS décident que le recours à un traité international de préparation et de riposte aux pandémies est la voie à suivre, il serait important de clarifier dès le départ les éléments et les domaines qui feront l'objet de négociations. La première étape devrait consister à identifier les aspects de la préparation et de la réponse aux pandémies dont la crise actuelle a révélé les inefficacités, et à déterminer comment s'appuyer sur les instruments existants, notamment le Règlement sanitaire international (RSI). Ce document examine certaines des questions essentielles qui devraient être abordées dans un tel traité si les négociations sont lancées, en tenant compte des besoins des pays à niveaux de développement différents et des capacités disparates pour mettre en œuvre les obligations découlant du traité.

<https://www.southcentre.int/rapport-sur-les-politiques-93-juillet-2021/>

**The TRIPS COVID-19 Waiver, Challenges for Africa and Decolonizing Intellectual Property (Policy Brief 99, August 2021)**

*By Yousuf Vawda*

The intellectual property (IP) regimes of African countries are a function of their colonial past, which imposed strong protections, and which have been entrenched through the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement). This has had a devastating effect on their ability to access necessary health products both before and during the current COVID-19 pandemic. It is important to reflect on the challenges that African countries face, before considering the implications of the WTO TRIPS waiver on COVID-19 (henceforth, waiver). In assessing the challenges faced by these countries, as well as the possibilities of improving access, this paper argues that while the waiver offers the best available solution to overcome the current supply shortages of a range of COVID-19 health products, in the longer term a break from this past—the decolonization of IP regimes—is necessary.

<https://www.southcentre.int/policy-brief-99-august-2021/>

### **EU Proposals regarding Article 31*bis* of the TRIPS Agreement in the Context of the COVID-19 Pandemic (Policy Brief 100, August 2021)**

*By Nirmalya Syam*

This Policy Brief presents an analysis of the proposal by the European Union (EU) with regards to Article 31*bis* of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), as part of a Declaration on the TRIPS Agreement and Public Health in the circumstances of a pandemic. It discusses the EU's proposed clarifications, why Article 31*bis* does not provide an effective solution to promote access to pharmaceutical products and possible options.

<https://www.southcentre.int/policy-brief-100-august-2021/>

### **The Investment Facilitation Framework & Most Favoured Nation (MFN) Treatment (Policy Brief 101, September 2021)**

*By Peter Lunenborg*

The issue of Investment Facilitation (IF) is one of the 'Joint Statement Initiatives' which has been under negotiation for a number of years between certain World Trade Organization (WTO) Members. It has not been without controversy as there is no multilateral mandate at the WTO for these negotiations. Questions have been raised about how the outcomes of these IF negotiations can be brought into the WTO framework. Despite these uncertainties, there is a draft Investment Facilitation Framework (IFF) text. This Policy Brief discusses the Most Favoured Nation (MFN) treatment as contained in Article 2 of the Investment Facilitation Framework (IFF), also referred to as the Investment Facilitation for Development Agreement (IFDA). This brief highlights the potential implications of the proposed text and proposes some options.

<https://www.southcentre.int/policy-brief-101-september-2021/>

### **Combatting Tax Treaty Abuse: Tools available under the BEPS Multilateral Instrument (Tax Cooperation Policy Brief 18, September 2021)**

*By Kuldeep Sharma, ADIT (CIOT, UK)*

The anxiety of taxpayers, consultants and advisors over the consistent application of Principal Purpose Test (PPT) provisions in tax treaties can now be put to rest as tax authorities are expected to consistently read the PPT provisions in conjunction with the preamble, i.e. the key to application of PPT provisions lies in the preamble of the treaty itself. This follows on taking a leaf out of the Preamble to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion & Profit Shifting (MLI), Vienna Convention, Commentaries on PPT in the respective Organisation for Economic Co-operation and Development (OECD) and United Nations (UN) Model Tax Convention (MTC), 2017 and Australian Taxation Office's (ATO) instructions on PPT which abundantly highlight on conjoint application of the preamble in the course of invocation of PPT

provisions. Now, the entire focus of extending treaty benefits has shifted to undertaking bonafide transactions and preventing double taxation as against a tendency of securing tax savings through tax avoidance. Therefore, PPT as read with the preamble can clearly be invoked to combat treaty-shopping arrangements, abusive tax planning and abusive tax avoidance arrangements or transactions. At the same time, tax authorities in any part of the world may not be inclined to invoke PPT as read with the preamble in respect of any arrangement or transaction when taxpayers are able to discharge their onus establishing that (below mentioned conditions to be satisfied in tandem):

- genuine business and commercial reasons for a transaction exist;
- a purpose for the transaction cannot be ascribed to non-taxation or reduced taxation through tax evasion or tax avoidance;
- despite no tax advantages, the transaction would be carried out exactly in the same way; and
- it cannot reasonably be considered that one of the principal purposes of the arrangement or transaction is to obtain treaty benefits and that the object and purpose of the treaty is getting defeated.

<https://www.southcentre.int/tax-cooperation-policy-brief-18-september-2021/>

### **O papel dos tribunais na implementação das flexibilidades do TRIPS: Supremo Tribunal Federal (STF) do Brasil declara inconstitucionais as extensões automáticas de prazos de patentes (*Policy Brief 94, Setembro de 2021*)**

*Por Vitor Henrique Pinto Ido*

Este *policy brief* traz uma contextualização, um resumo e uma análise da decisão do Supremo Tribunal Federal do Brasil, de 6 de maio de 2021, que declarou inconstitucionais as extensões automáticas de prazos de patentes, revogando o Artigo 40, Parágrafo Único, da Lei de Propriedade Industrial do Brasil, de 1996. Conclui-se que esta é uma decisão histórica que contribui para a implementação de um regime de patentes mais equilibrado no Brasil, com impacto positivo no acesso a medicamentos no país. É um precedente importante no que se refere ao papel que os tribunais podem desempenhar na definição dos contornos da proteção à propriedade intelectual e das flexibilidades do Acordo TRIPS.

<https://www.southcentre.int/policy-brief-94-setembro-de-2021/>

### **Accelerating COVID-19 Vaccine Production via Involuntary Technology Transfer (*Policy Brief 102, September 2021*)**

*By Dr. Olga Gurgula*

This policy brief explains that the currently discussed proposals at the WTO related to increasing the production of COVID-19 vaccines, including the EU proposal to clarify the use of compulsory licensing and the submission by South Africa and India on the intellectual property (IP) waiver, require complementary mechanisms to rapidly improve the production of COVID-19 vaccines that are urgently needed today. The key problem is that to accelerate the manufacture of COVID-19 vaccines, access to knowledge and know-how, that are protected by trade secrets owned by several pharmaceutical companies, is required. It is therefore important that governments implement an additional mechanism of compulsory licensing of trade secrets that would allow an involuntary transfer of COVID-19 vaccine technologies. Such a mechanism would be compliant with the TRIPS Agreement and relevant whether the TRIPS waiver is adopted or not agreed upon. While this mechanism must provide full access to the information necessary to manufacture the vaccines in question, it must also ensure the protection of the transferred trade secrets.

<https://www.southcentre.int/policy-brief-102-september-2021/>

**Strong Intellectual Property Protection, Weak Competition Rules – or the Other Way Around to Accelerate Technology Transfer to the Global South? Ten Considerations for a “Prodevelopment” IP-Related Competition Law (Policy Brief 103, September 2021)**

*By Klaus D. Beiter*

Competition law provisions relating to intellectual property (IP) rights should play an enhanced role in facilitating the domestic and international transfer and dissemination of technology. IP-related competition rules in the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) create an obligation for Member States to apply competition law in the IP context. TRIPS competition rules should be read in a “prodevelopment” fashion – IP rights need to be read reductively, IP-related competition law expansively. Ten considerations for a “prodevelopment” IP-related competition law are formulated.

<https://www.southcentre.int/policy-brief-103-september-2021/>

**Developing Country Demands for an Equitable Digital Tax Solution (Tax Cooperation Policy Brief 19, October 2021)**

*By Abdul Muheet Chowdhary*

The taxation of the digitalized economy is the foremost challenge in international taxation today. Countries around the world, especially developing countries, are struggling with taxing the rising profits of major tech giants which operate on entirely new business models that have made traditional international tax rules obsolete. A “Two Pillar solution” is being negotiated in the OECD / G20 Inclusive Framework on BEPS that seeks to update these rules, re-allocate taxing rights and establish a global minimum tax. However, as it stands, the solution has very limited tax revenue benefits for developing countries and is administratively complex. For the solution to be durable, it must be equitable, and accordingly must incorporate the concerns of developing countries going forward.

<https://www.southcentre.int/tax-cooperation-policy-brief-19-october-2021/>

**Some Key Elements for Developing Countries in Climate Change Negotiations of COP 26: Climate Finance, Article 6 Negotiations and Implications (Climate Policy Brief 26, October 2021)**

*By M. Natalia Pacheco Rodríguez and Luis Fernando Rosales*

Human influence is deepening the climate crisis at an unprecedented pace. Developing countries' economies have been hit hard by the crisis caused by COVID-19. Means of implementation are crucial for them to contribute to the achievement of the Paris Agreement goal. Developed countries must fulfill their commitments to provide US\$ 100 billion per year by 2025 to climate finance. The latest years' negotiations have shown the importance of improving the reporting methodology and the need for an agreed operational climate finance definition. In turn, Article 6 negotiations offer an opportunity to ensure higher ambition of both mitigation and adaptation through cooperative approaches while respecting the agreed balance between market and non-market approaches. What should developing countries expect on these issues at COP 26?

<https://www.southcentre.int/climate-policy-brief-26-october-2021/>

**Making the UN Tax Committee's Subcommittees More Effective for Developing Countries (Tax Cooperation Policy Brief 20, October 2021)**



*By Abdul Muheet Chowdhary, Sebastien Babou Diasso, and Aaditri Solankii*

New United Nations (UN) Tax Committee Members have been appointed by the UN Secretary-General and among them 13 out of 25 are from developing countries. The Committee sets international tax standards, vital for financing for development, and works mainly through its Subcommittees. However, an unhealthy trend over time has been the disproportionate involvement of business representatives in the Subcommittees, which can be harmful for promoting the interests of developing countries. This policy brief examines this trend and outlines some of the tools available to developing countries to promote their interests in the Subcommittees.

<https://www.southcentre.int/tax-cooperation-policy-brief-20-october-2021/>

### **Compulsory licensing vs. the IP waiver: what is the best way to end the COVID-19 pandemic? (Policy Brief 104, October 2021)**

*By Olga Gurgula*

This policy brief examines the currently discussed proposals at the World Trade Organization (WTO) that aim to resolve the problem of the production shortages of COVID-19 vaccines. This includes the two key submissions, ie the proposal by South Africa and India on the Intellectual Property (IP) waiver, partially supported by the United States (US), and the European Union (EU) proposal to clarify the use of compulsory licensing. While each of these mechanisms may help to improve the production of COVID-19 vaccines to various degrees, there is intense debate about which of these proposals is the most effective. This policy brief outlines the strengths and weaknesses of each of them with a view to informing the policy decisions by WTO Members on the best way to promptly accelerate the vaccine production that is urgently needed today.

<https://www.southcentre.int/policy-brief-104-october-2021/>

### **The International Treaty on Plant Genetic Resources for Food and Agriculture: Saving, Sharing and Taking Care of the Plants and Seeds that Feed the World (Policy Brief 105, October 2021)**

*By Dr. Kent Nnadozie*

This Policy Brief provides an introduction to the International Treaty on Plant Genetic Resources for Food and Agriculture and its contribution to conserve, sustainably use and fairly and equitably share the benefits of plant genetic resources for food and agriculture, for sustainable agriculture and food security. The brief also provides an update on the involvement of the ITPGRFA in the prevailing issues under discussion in various biodiversity-related fora, including ongoing negotiations for a Post-2020 Global Biodiversity Framework, and response to the COVID-19 global pandemic.

<https://www.southcentre.int/policy-brief-105-october-2021/>

### **Strengthening WHO for Future Health Emergencies while Battling COVID-19: Major Outcomes of the 2021 World Health Assembly (Policy Brief 106, November 2021)**

*By Nirmalya Syam and Mirza Alas*

The 74th World Health Assembly of the World Health Organization (WHO) took place in May 2021 in a time when developing countries had to confront a substantial surge in COVID-19 infections and fatalities, while continuing to face inadequate access to vaccines. Meanwhile, the majority of the global supplies were secured by a few rich countries, ignoring the pleas of the WHO Secretariat. However, even though discussions around the COVID-19 response and strengthening emergency preparedness and response dominated the Assembly, WHO Member States could not achieve any concrete outcome to addressing the question of equitable access to vaccines and other health technologies for COVID-19. In this context, this policy brief describes some of the major outcomes of

the Assembly.

<https://www.southcentre.int/policy-brief-106-november-2021/>

### **Streamlining the Architecture of International Tax through a UN Framework Convention on Tax Cooperation (Tax Cooperation Policy Brief 21, November 2021)**

*By Abdul Muheet Chowdhary and Sol Picciotto*

The architecture of international taxation at present is fragmented among multiple institutions. The UN Tax Committee, the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) and the Global Forum on Transparency and Exchange of Information for Tax Purposes are some of the key institutions which set multiple and overlapping international tax standards. The lack of a genuinely global international tax body has long been a lacunae in the international economic system and a disadvantage for developing countries, who are unable to participate in international tax standard setting as full and equal participants. This has been borne out most recently by the Two Pillar Solution for taxing the digital economy that has come from the OECD/G20 Inclusive Framework. The G-77's renewed demand for a global tax body shows the issue continues to remain a priority for developing countries.

This Policy Brief provides a way for bringing the existing plethora of institutions under unified, universal and democratic control through a UN Framework Convention on Tax Cooperation (UN FCTC). This idea builds on the long-standing idea of a UN Tax Convention, which has also been recommended by the UN FACTI Panel. A UN FCTC would function similarly to the UN Framework Convention on Climate Change (UN FCCC), through a Conference of Parties (COP) which would give the existing institutions such as the UN Tax Committee and Inclusive Framework mandates to work on. In this regard, it would replace the narrow mandates of the OECD and G20 with mandates coming from all the Parties to the UN FCTC, which could be all countries, both developed and developing. A UN FCTC thus provides a practical and realistic way forward for a genuinely universal, intergovernmental framework for international tax rule making under the auspices of the United Nations.

<https://www.southcentre.int/tax-cooperation-policy-brief-21-november-2021/>

### **The Doha Ministerial Declaration on TRIPS and Public Health on its Twentieth Anniversary (Policy Brief 107, November 2021)**

*By Nirmalya Syam, Viviana Munoz, Carlos M. Correa and Vitor Ido*

This Policy Brief reviews the role of the Doha Declaration on TRIPS and Public Health in the twenty years since its adoption. It finds that the Doha Declaration has contributed to advance the use of the TRIPS flexibilities to promote public health and should be considered an important subsequent agreement to the TRIPS Agreement, despite the continuing challenges for WTO members to implement the TRIPS flexibilities in full. This brief also analyses the extent to which the Paragraph 6 System that became an amendment of the TRIPS Agreement as a new article 31 bis, pursuant to the Doha Declaration, has facilitated access to medicines and vaccines for countries with none or insufficient pharmaceutical manufacturing capacity. It finds that the system to date has not lived up to its promise. The Policy Brief recommends that WTO members assess and identify the challenges for the full use of the TRIPS flexibilities to promote public health, and advances that supplementary tools will need to be designed to never again allow such inequity in access to life saving vaccines and treatments as in the present COVID-19 pandemic.

<https://www.southcentre.int/policy-brief-107-november-2021/>

### **Potential Claims related to IP and Public Health in Investment Agreements: COVID-19, the Proposed TRIPS Waiver and Beyond (Investment Policy Brief 24, 9 December 2021)**

*By Cynthia Ho*

An under-examined issue during the COVID-19 crisis is the potential liability of countries under investment agreements for taking steps to mitigate COVID issues. This Policy Brief provides an overview of how countries may be liable to companies for taking domestic action to protect public health, including pre-COVID claims related to Intellectual Property (IP), as well as possible claims because of COVID emergency measures, including claims that could result if the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Waiver was adopted. The current COVID-19 crisis opens the opportunity to consider and reevaluate the unnecessary threat of international agreements that allow for investment claims and potentially consider their termination.

<https://www.southcentre.int/investment-policy-brief-no-24-9-december-2021/>

### **Conceptualisation d'un instrument multilatéral des Nations Unies (IML des NU) (Rapport sur les politiques en matière de coopération fiscale 15, Juin 2021)**

*Par Radhakishan Rawal*

Les récentes modifications apportées au modèle de convention des Nations unies concernant les doubles impositions entre pays développés et pays en développement ont donné lieu à l'introduction de dispositions plus avantageuses pour les pays en développement en matière d'imposition des revenus, en permettant en particulier l'imposition des revenus étrangers. Il s'agit notamment des revenus tirés des services numériques automatisés, des rémunérations sur les logiciels, de plus-values et autres. Ces dispositions sont généralement intégrées, au terme de longues négociations, dans les conventions fiscales bilatérales. Une convention des Nations Unies, en tant qu'instrument multilatéral, permet en une seule négociation de modifier plusieurs conventions fiscales et contribue ainsi à ce que les pays en développement puissent percevoir plus rapidement des recettes fiscales. Le présent rapport sur les politiques examine la forme qu'un tel instrument multilatéral peut revêtir.

<https://www.southcentre.int/rapports-sur-les-politiques-en-matiere-de-cooperation-fiscale-15-juin-2021/>

### **Article 12B – Une solution de convention fiscale par le Comité fiscal des NU pour taxer les revenus numériques (Rapport sur les politiques en matière de coopération fiscale 16, Juillet 2021)**

*Par Rajat Bansal*

L'imposition sur les revenus des entreprises multinationales dans des activités numériques par les juridictions de la source ou de marché est actuellement le défi le plus important pour la communauté fiscale internationale. La composition actuelle du Comité fiscal des Nations Unies a finalisé, en avril 2021, un accord de convention fiscale pour relever ce défi. Ce rapport explique la raison d'être d'une solution particulière consistant à insérer un nouvel article dans le Modèle de convention des Nations Unies, ses mérites et comment il peut être bénéfique pour tous les pays, en particulier les pays en développement.

<https://www.southcentre.int/rapports-sur-les-politiques-en-matiere-de-cooperation-fiscale-16-juillet-2021/>

### **Un albatros autour du cou des pays en développement – Clause NPF dans les conventions fiscales (Rapport sur les politiques en matière de coopération fiscale 17, Juillet 2021)**

*Par Deepak Kapoor, IRS*

L'inclusion dans les conventions en matière de double imposition d'une clause de la nation la plus favorisée (« NPF ») est une incarnation du principe fondamental de la non-discrimination et vise à permettre aux pays signataires de tirer également parti des perspectives en matière de commerce

et d'investissement. L'objectif de dispositions telles que les clauses NPF et de non-discrimination dans les conventions fiscales est de favoriser l'équité entre les différents pays signataires. Dans les conventions fiscales conclues entre pays développés et pays en développement, les clauses NPF servent également d'outils de négociation pour obtenir de meilleurs taux d'imposition.

Cependant ces clauses ont aujourd'hui des effets négatifs pour les pays de source des revenus, qui sont pour la plupart des pays en développement. Lorsqu'elles sont appliquées entre deux pays également développés, les clauses NPF ne constituent pas, généralement, une source de danger potentielle, mais lorsque la convention est conclue entre un pays développé et un pays en développement, où l'un des pays reçoit plus d'investissements de l'autre qu'il n'en réalise, le danger est réel. De fait, des difficultés sont apparues récemment en raison d'interprétations divergentes de ces clauses par les tribunaux, qui ont contraint les pays source à appliquer, sur la base des termes contenus dans la clause NPF, un taux d'imposition plus avantageux que celui prévu dans la convention fiscale et à modifier son champ d'application, remettant en cause l'objectif et l'utilité même des clauses NPF.

Il ressort des procédures judiciaires intentées en Afrique du Sud et en Inde que les clauses NPF peuvent aboutir à une réduction de la fiscalité et entraîner une érosion involontaire de la base d'imposition des pays de source des revenus. Le problème réside également dans la rédaction et la formulation ambiguë des clauses NPF, qui entraînent des répercussions négatives inattendues pour les pays ayant pris des engagements dans le cadre de ces conventions. Il est aujourd'hui urgent pour les pays source de procéder à un examen approfondi des clauses NPF figurant dans les conventions fiscales existantes, de la manière dont elles s'articulent entre elles et des retombées négatives qu'elles pourraient avoir sur d'autres conventions.

<https://www.southcentre.int/rapports-sur-les-politiques-en-matiere-de-cooperation-fiscale-17-juillet-2021/>

### **Global Minimum Corporate Tax: Interaction of Income Inclusion Rule with Controlled Foreign Corporation and Tax-sparing Provisions (Tax Cooperation Policy Brief 22, 12 January 2022)**

*By Kuldeep Sharma, ADIT (CIOT,UK), FTI (Australia), Insolvency Professional (IBBI)*

The OECD/G20 Inclusive Framework on BEPS (the Inclusive Framework) agreed on 8 October 2021 to the Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy. The Two-Pillar Solution will ensure that MNEs will be subject to a minimum tax rate of 15%, and will re-allocate profit of the largest and most profitable MNEs to countries worldwide. Under these recommendations, *inter alia*, Pillar Two consists of two interlocking domestic rules (together the Global Anti-Base Erosion Rules (GloBE)), which includes an Income Inclusion Rule (IIR) to impose a top-up tax on a parent entity in respect of the low taxed income of a constituent entity. The IIR shall be incorporated in domestic laws of opting jurisdictions, and seems to have profound interaction with the Controlled Foreign Corporation (CFC) and tax-sparing provisions. The IIR operates in a way that is closely comparable to a CFC rule and raises the same treaty questions as raised by CFC rules, although there are a number of differences between the IIR and the CFC rules. In the context of IIR, there may be a case when the Ultimate Parent Entity (UPE) is taxed on the Constituent Entities' (CEs) income and the spared tax is not considered as covered taxes for calculating the Effective Tax Rate (ETR) of the CE. This generates a situation for developing countries in which they have to shore up their ETR by overhauling their tax incentive regimes and retooling domestic legal framework for more effective taxation of MNEs to avoid losing a significant portion of their tax right/base to a developed country. Adoption of IIR (which is an extension of CFC rules) under Pillar Two is therefore going to create conflict with the tax-sparing rules. From the perspective of developing countries, the adoption of GloBE implies losing tax incentives as a tax policy instrument to attract foreign direct investment. This is why every country involved, but especially developing countries, should undertake a thorough examination to determine whether such measures are convenient for their interests in the long run.

<https://www.southcentre.int/tax-cooperation-policy-brief-22-12-january-2022/>

**Artículo 12B: una solución del tratado tributario del Comité sobre Cooperación Internacional en Cuestiones de Tributación de la ONU para la tributación de ingresos digitales (Informes sobre políticas en materia de cooperación tributaria 16, Julio de 2021)**

*Por Rajat Bansal*

La tributación sobre los ingresos de las empresas multinacionales dedicadas a actividades digitales por las jurisdicciones de origen y las de mercado es actualmente el desafío más importante para la comunidad tributaria internacional. El actual conjunto de miembros del Comité en cuestiones de tributación de las Naciones Unidas finalizó, en abril de 2021, una medida de tratados tributarios para abordar este desafío. Este informe explica la justificación para la solución particular de agregar un nuevo artículo a la Convención Modelo de las Naciones Unidas, sus méritos y cómo esto puede ser beneficioso para todos los países, especialmente los en desarrollo.

<https://www.southcentre.int/informes-sobre-politicas-en-materia-de-cooperacion-tributaria-16-julio-de-2021/>

**Una carga molesta para naciones en vías de desarrollo: Cláusula de NMF en tratados impositivos (Informes sobre políticas en materia de cooperación tributaria 17, Julio de 2021)**

*Por Deepak Kapoor, IRS*

La cláusula de la nación más favorecida ("NMF") de los convenios para evitar la doble tributación encarna el principio básico de no discriminación y tiene por objeto aportar paridad a las oportunidades empresariales y de inversión entre los países y las jurisdicciones partes en los tratados. La incorporación de disposiciones como las cláusulas de la NMF y de no discriminación en los tratados de tributación pretende promover la equidad entre las partes en los tratados. En el contexto de los tratados de tributación entre países desarrollados y en desarrollo, las cláusulas de la NMF también actúan como herramienta de negociación para contemplar mejores tipos impositivos en los tratados.

Sin embargo, últimamente, estas cláusulas han empezado a manifestar unos efectos negativos en los países de origen, que en su mayor parte son países en desarrollo. Por lo general, no parece que las cláusulas de la NMF estén creando posibles riesgos si son operativas entre dos países con el mismo grado de desarrollo, pero, cuando la relación se establece entre un país desarrollado y otro en desarrollo, donde una parte recibe de la otra más inversiones de las que hace, ese tipo de riesgo es inevitable. Recientemente, se han producido problemas a raíz de diversas interpretaciones de las cláusulas de la NMF por parte de los tribunales que han obligado a los países de origen a ampliar los beneficios de los tipos reducidos y el ámbito de aplicación restringido a los países parte en el tratado con arreglo a las normas de la NMF. Esa clase de interpretaciones beneficiosas han ido más allá del objetivo y el propósito básicos de las cláusulas de la NMF.

A tenor de causas judiciales que han tenido lugar recientemente en Sudáfrica y la India, parece que las cláusulas de la NMF están creando oportunidades de "reducción de impuestos" y están dando lugar a una erosión involuntaria de la base imponible de los países de origen. El problema también radica en la redacción y las formulaciones ambiguas de las cláusulas de la NMF, que finalmente provocan resultados negativos inesperados para los países que están obligados por compromisos futuros. Por consiguiente, en estos momentos, las jurisdicciones de origen necesitan con urgencia un examen exhaustivo de las cláusulas de la NMF existentes en los tratados de tributación, sus relaciones cruzadas y sus posibles efectos secundarios negativos en otros tratados.

<https://www.southcentre.int/informes-sobre-politicas-en-materia-de-cooperacion-tributaria-17-julio-de-2021/>

**Global Minimum Tax Rate: Detached from Developing Country Realities (Tax Cooperation Policy Brief 23, 11 February 2022)**

*By Sebastien Babou Diasso*

Under the umbrella of the G20 and the OECD, the Inclusive Framework adopted on 8 October 2021 a two-pillar solution to address tax challenges arising from the digitalization of the economy. However, these solutions do not respond to the needs of many developing countries, in particular the global tax minimum rate of 15%, in a context where most developing countries, defined as Member States of the South Centre and the G-77+China, have an average effective tax rate higher than the adopted rate. This policy brief provides information of the current effective tax rates in some developing countries, and highlights why the minimum rate of 15% in Pillar Two is insufficient for them. Tax revenue mobilization is important for developing countries to achieve the sustainable development goals. It is thereby recommended that developing countries simply ignore Pillar Two and maintain their current higher rate or increase their rate to an appropriate level and enforce it through unilateral measures rather than the rule order under Pillar Two, which they will have to follow if they decide to implement it.

<https://www.southcentre.int/tax-cooperation-policy-brief-23-11-february-2022/>

### **Taux Minimum d'Impôt Mondial: Détaché des réalités des pays en développement (Rapport sur les politiques en matière de coopération fiscale 23, 11 Février 2022)**

*Par Sébastien Babou Diasso*

Sous la direction des pays du G20 et de l'organisation de Coopération et de Développement Economique (OCDE), le Cadre Inclusif sur la réforme de la fiscalité internationale a adopté le 8 octobre 2021 une solution à deux piliers visant à résoudre les défis auxquels sont confrontés les pays dans le système fiscal actuel au niveau international. Cependant, le moins que l'on puisse dire, c'est que ces solutions n'apportent pas de réponses aux préoccupations de nombreux pays en développement, en particulier le taux d'impôt minimum de 15%, dans un contexte où la plupart des pays en développement membres de Centre Sud et du G-77+Chine ont déjà des taux effectifs bien au-dessus de ce minimum. Cette note vise à informer sur les niveaux actuels des taux d'imposition effectifs dans les pays en développement, pour lesquels les données sont disponibles, et à montrer pourquoi il ne serait pas pertinent de prendre en compte le taux minimum adopté dans le cadre inclusif. Mobiliser plus de ressources fiscales des entreprises multinationales est important pour les pays en développement pour la réalisation des Objectifs de Développement Durable. Nous recommandons donc que les pays en développement ignorent simplement le pilier deux et maintiennent leurs taux d'imposition actuels, ou les augmentent à des niveaux plus adaptés à travers l'application de mesures unilatérales plutôt que d'accepter d'être soumis à la procédure indiquée dans le pilier deux s'ils décident de l'appliquer.

<https://www.southcentre.int/rapport-sur-les-politiques-en-matiere-de-cooperation-fiscale-23-11-fevrier-2022/>

### **Mainstreaming Equity in the International Health Regulations and Future WHO Legal Instruments on Pandemic Preparedness and Response (Policy Brief 108, 25 March 2022)**

*By Nirmalya Syam*

The Member States of the WHO are about to commence the most significant negotiations that could set the paradigm for international legal obligations for preparedness and response to future pandemics. These negotiations focus on amendments to the International Health Regulations (2005) (IHR) as well as the negotiation of a treaty or other legal instrument under the WHO Constitution that will complement the IHR to ensure better preparedness and response to future pandemics, drawing from the experiences of the ongoing COVID-19 pandemic. The most critical consideration for developing countries in these negotiations will be mainstreaming equity concerns, currently missing from the existing rules and mechanisms available globally to enable developing countries to effectively prevent and respond to a pandemic outbreak. In this context, this brief suggests some elements of equity that should be pursued through specific textual proposals by developing countries



through amendments to the IHR.

<https://www.southcentre.int/policy-brief-108-25-march-2022/>

**Draft Fisheries Subsidies Agreement: some key issues to address for a sustainable catch (Policy Brief 109, 31 March 2022)**

*By Peter Lunenborg*

This Policy Brief reviews the draft Chair's text for a Fisheries Subsidies Agreement (WT/MIN(21)/W/5). Pursuant to Sustainable Development Goal 14.6, any agreement must effectively discipline fisheries subsidies especially of larger scale fisheries and distant water fishing fleets and must cater to the needs of developing countries including in the form of effective Special and Differential Treatment (S&DT).

This Brief highlights several provisions of the text which would need to be improved to reach its mandated objectives. These provisions include the fisheries management flexibilities in Article 4.3 and Article 5.1.1 which would result in the continuation of fisheries subsidies; provisions on subsidies to fishing in Areas Beyond National Jurisdiction (ABNJ), subsidies to vessels not flying the flag of the subsidizing Member and non-specific fuel subsidies; due process requirements for determinations of Illegal, Unreported and Unregulated (IUU) fishing by coastal Members; treatment of subsidies to finance companies; the proposal purported to address forced labour; treatment of Regional Fisheries Management Organisations/Arrangements (RFMO/As) in the text; the relationship between the future Agreement and the Agreement on Subsidies and Countervailing Measures (ASCM) including their Committees; and the Agreement's S&DT provisions.

<https://www.southcentre.int/policy-brief-109-31-march-2022/>

**Conceptualización de un Instrumento multilateral de la ONU (Informe sobre políticas en materia de cooperación tributaria 15, Junio de 2021)**

*Por Radhakishan Rawal*

Los cambios que ha sufrido recientemente la Convención Modelo de las Naciones Unidas sobre la Doble Tributación entre Países Desarrollados y Países en Desarrollo han dado lugar a disposiciones mas favorables a los países en desarrollo, al aumentar los ingresos fiscales a través de la imposición de tributos internacionales, por ejemplo, en la imposición de tributos a los ingresos procedentes del extranjero. En esta imposición se incluyen, entre otros, los impuestos sobre los ingresos procedentes de servicios digitales automatizados, pagos de programas informáticos y plusvalías. Normalmente, estos impuestos se incorporarían en convenios fiscales bilaterales a través de largas negociaciones. En cambio, un instrumento multilateral de las Naciones Unidas permitiría actualizar de una manera mas acelerada varios convenios tributarios por medio de una sola negociación. Esto ayudará a los países en desarrollo a recaudar ingresos con mayor prontitud. En este informe sobre políticas se aborda la posible estructura de un instrumento multilateral de esa índole.

<https://www.southcentre.int/informe-sobre-politicas-en-materia-de-cooperacion-tributaria-15-junio-de-2021/>

**Analysis of the Outcome Text of the Informal Quadrilateral Discussions on the TRIPS COVID-19 Waiver (Policy Brief 110, 5 May 2022)**

*By Carlos M. Correa and Nirmalya Syam*

Almost one and a half years after the proposal for a waiver of certain provisions of the TRIPS Agreement regarding health technologies for COVID-19 was proposed by India and South Africa

with the support of the majority of WTO Members, the TRIPS Council has been unable to reach consensus on the proposed waiver or engage in text negotiations. In this context, the TRIPS Council agreed to suspend the discussions to allow the possibility of some solution to emerge from informal high-level consultations between the European Union, the United States of America, India and South Africa. Recently, the WTO Director-General transmitted the outcome of the informal consultations along with a draft text to the TRIPS Council. In this context, this policy brief analyzes the elements of the draft text that has been transmitted to the TRIPS Council. The proposed solution, which offers clarifications and limited waivers on some of the provisions governing compulsory licenses on patents relating to vaccines, reflects developed countries' strong opposition to the broader waiver sought by the proponents to rapidly expand manufacturing capacity and the supply of health products needed to address the pandemic.

<https://www.southcentre.int/policy-brief-110-5-may-2022/>

### **Advancing Global Response to Antimicrobial Resistance: Examining Current Global Initiatives (Policy Brief 111, 13 May 2022)**

*By Mirza Alas*

Antimicrobial resistance (AMR) is a severe ongoing crisis threatening our health systems. Since adopting the WHO Global Action Plan on AMR in 2015, there has been progress, particularly in improving awareness, surveillance and implementation of infection, prevention, and control measures. However, there has been a slower response related to optimizing the use of antimicrobials in the animal sector and actions related to the environment. Unfortunately, the COVID-19 pandemic has also undermined the implementation of activities to address AMR, including shifting resources to other areas and deprioritizing responses to AMR due to the ongoing pandemic. While national-level actions are at the core of the AMR response, given its global nature and impact, there is broad recognition of the need to ensure that national efforts are complemented with measures at the global level. Examining global initiatives to address AMR and how they can be strengthened to accelerate action is critical to better understand the importance of global coordination and increasing investment to close the gaps that remain.

<https://www.southcentre.int/policy-brief-111-13-may-2022/>

### **IPR-related Statistics in WTO Trade Policy Reviews (Policy Brief 112, 28 June 2022)**

*By Peter Lunenborg*

The WTO Secretariat Trade Policy Review (TPR) report is an important tool for a WTO Member which synthesizes objective trade-related information in a single document and enables the monitoring of developments in trade. Relevant statistics are therefore an important element of a TPR report.

Currently the practice of using statistical information on intellectual property rights (IPRs) across TPRs is not uniform. This Policy Brief surveys the use of IPR-related statistics in WTO TPRs with a view to exploring possible harmonization and inclusion of common information elements in future TPRs. Harmonized information would provide a baseline for comparison between countries and across time for a single country with respect to the level of IPR protection and immediate benefits derived from the creation of and trade in IPRs.

<https://www.southcentre.int/policy-brief-112-28-june-2022/>

### **L'intégration de l'équité dans le Règlement sanitaire international et les futurs instruments juridiques de l'OMS sur la préparation et la riposte aux pandémies (Rapport sur les politiques 108, 25 Mars 2022)**

*Par Nirmalya Syam*

Les États membres de l'OMS sont sur le point d'entamer les négociations les plus importantes qui pourraient définir le paradigme des obligations juridiques internationales en matière de préparation et de riposte aux futures pandémies. Ces négociations portent sur les amendements au Règlement sanitaire international (2005) (RSI) ainsi que sur la négociation d'un traité ou d'un autre instrument juridique dans le cadre de la Constitution de l'OMS qui complètera le RSI afin d'assurer une meilleure préparation et une meilleure riposte aux futures pandémies, en tirant parti de l'expérience de la pandémie actuelle de COVID-19. La considération la plus critique pour les pays en développement dans ces négociations sera l'intégration des préoccupations d'équité, actuellement absentes des règles et des instruments existants disponibles au niveau mondial pour permettre aux pays en développement de prévenir et de répondre efficacement à une pandémie. Dans ce contexte, ce document suggère quelques éléments d'équité qui devraient être poursuivis par des propositions textuelles spécifiques des pays en développement par le biais des amendements au RSI.

<https://www.southcentre.int/rapport-sur-les-politiques-108-25-mars-2022/>

### **La incorporación de la equidad en el Reglamento Sanitario Internacional y en futuros instrumentos jurídicos de la OMS sobre preparación y respuesta frente a pandemias ONU (Informe sobre políticas 108, 25 Marzo 2022)**

*Por Nirmalya Syam*

Los Estados miembros de la OMS están a punto de iniciar las negociaciones más importantes que podrían establecer el paradigma de las obligaciones jurídicas internacionales en materia de preparación y respuesta a futuras pandemias. Estas negociaciones se centran en las enmiendas al Reglamento Sanitario Internacional (2005) (RSI), así como en la negociación de un tratado u otro instrumento jurídico en el marco de la Constitución de la OMS que complementa el RSI para garantizar una mejor preparación y respuesta ante futuras pandemias, basándose en las experiencias de la actual pandemia de COVID-19. La consideración más crítica para los países en desarrollo en estas negociaciones será la integración de las preocupaciones de equidad, actualmente ausentes de las normas y mecanismos existentes a nivel mundial para permitir a los países en desarrollo prevenir y responder eficazmente a un brote pandémico. En este contexto, este informe sugiere algunos elementos de equidad que deberían perseguirse a través de propuestas textuales específicas de los países en desarrollo mediante enmiendas al RSI.

<https://www.southcentre.int/informe-sobre-politicas-108-25-de-marzo-de-2022/>

### **A Global Asset Registry to track hidden fortunes and for asset recovery (Tax Cooperation Policy Brief 24, 29 July 2022)**

*By Ricardo Martner*

Financial opacity and offshore hidden wealth have become a major economic and political problem. Tax havens continue to exist and provide financial secrecy services that allow the richest individuals in the world to hide their wealth from national tax authorities. Implementing a Global Asset Registry could help tax authorities to identify, record and tax all wealth, regardless of where it is held. It would also be a critical tool in efforts to recover stolen assets of countries suffering from widespread corruption.

<https://www.southcentre.int/tax-cooperation-policy-brief-24-29-july-2022/>

### **UN Model Tax Convention: Selective Territoriality – The Specter of Privileged Player in a Rigged Game (Tax Cooperation Policy Brief 25, 30 September 2022)**

*By Muhammad Ashfaq Ahmed*

This paper lays out the chessboard on which taxes on international incomes from immovables are

contested, bargained, and harvested as per pre-determined rules that are starkly tilted in favor of developed countries. This embedded and pronounced bias in the international taxes regime in favor of developed countries makes them a privileged player. The developed countries then make maneuvers to optimize on their economic gains at the expense of developing nations rendering it a rigged game setting. The paper derives its rationale from an exceptionally selective choice of territoriality on incomes from immovables, which was astonishingly not aligned with the expected reverse capital movement, that is, from developing to developed countries. The genesis and evolution of selective territoriality are traced through its various institutional development phases – League of Nations (LN), Organisation for Economic Co-operation and Development (OECD), and United Nations (UN). An overwhelming international consensus on selective territoriality on incomes from immovables notwithstanding, the UN's role is brought into spotlight to argue that the developing countries may have suffered massively over the past one hundred years by instinctively believing in the UN Model Tax Convention's (MTC) efficacy and blindly pursuing Article 6 in their bilateral double taxation conventions (DTCs). The inimical implications of herd-mentality on part of developing countries got galvanized in the particular wake of developed countries employing innovative optimization tools – citizenship/residence by investment programs, tax havenry, manipulable ownership structures, beneficial ownership legislations, and porous exchange of information regime – to maximize on the economic gains. The paper undertakes both normative and structuralist evaluation of selective territoriality to sum up that this is an unjust principle of distribution of fiscal rights at the international level particularly in asymmetric economic relationships, and can hold its ground only until developing countries attain full cognition of the reality and start raising their vocal chords in unison to dismantle it.

<https://www.southcentre.int/tax-cooperation-policy-brief-25-30-september-2022/>

### **A Breakthrough in Negotiations on Intellectual Property, Protection of Genetic Resources and Traditional Knowledge in WIPO? (Policy Brief 113, 11 October 2022)**

*By Dr. Viviana Muñoz Tellez*

This Policy Brief provides a brief summary of the current negotiations in the World Intellectual Property Organization (WIPO) for an international legal instrument or instruments relating to intellectual property to ensure the balanced and effective protection of genetic resources (GRs), associated traditional knowledge (TK) and traditional cultural expressions (TCEs). The General Assembly in June 2022 took a significant decision to schedule a Diplomatic Conference in 2024 to conclude a treaty on the protection of GRs and associated TK. However broader protection for TK and TCEs is not part of the decision. The 44th session of the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC), held on 12–16 September 2022, focused on advancing text-based negotiations on these issues and two more sessions will follow. Developing countries must coordinate closely, in parallel to the IGC sessions, to agree on a common negotiating position for the treaty to be concluded no later than in 2024.

<https://www.southcentre.int/policy-brief-113-11-october-2022/>

### **Reducing the Unnecessary Use of Antimicrobials in Animal Farming (Policy Brief 114, 19 October 2022)**

*By Dr. Viviana Muñoz Tellez*

Antimicrobial resistance is aggravated due to excessive and inappropriate use of antimicrobials in human and animal health and in plant and animal agriculture. While international standards are being developed, governments are rolling out regulations with the aim to curb the overuse and misuse of antimicrobials, to preserve their efficacy for as long as possible. This Policy Brief discusses two new regulations introduced by the European Union (EU) on medicated animal feed (Regulation (EU) 2019/4 and veterinary medicinal products (Regulation (EU) 2019/6) that entered into effect on 28 January 2022. As part of the implementation of the regulations, the EU should devise a comprehensive plan to help implementation by countries and producers of animal food products of

the Global South, linked to supporting the transition to sustainable agricultural systems and development.

<https://www.southcentre.int/policy-brief-114-19-october-2022/>

### **Understanding the Main Elements for an Operational Definition of Climate Finance (Climate Policy Brief 27, 25 October 2022)**

*By Luis Fernando Rosales Lozada*

An operational definition of climate finance could contribute to facilitating access of developing countries to needed public and private financial resources to support them on climate action required to face the climate crisis and its impacts. The climate finance definition adopted by the UNFCCC Standing Committee on Finance in 2014 aimed to clarify the goals of climate finance, but it has not solved the main questions about climate finance. Although agreeing on an operational definition of climate finance in the multilateral negotiations may facilitate the flows of climate finance, achieving an outcome still faces some obstacles.

It is urgent for developing countries' government officials and delegations to be aware of the different elements that need to be considered to achieve an appropriate definition. This policy brief analyses the different elements to be considered in the negotiation of an operational definition of climate finance, that can be effective in promoting developing countries' interests in the context of the current international framework to address climate change.

<https://www.southcentre.int/climate-policy-brief-27-25-october-2022/>

### **Revenue Effects of the Global Minimum Corporate Tax Rate for African Economies (Tax Cooperation Policy Brief 26, 31 October 2022)**

*By Seydou Coulibaly*

This policy brief provides the first piece of empirical evidence on the revenue implications of the recent global minimum tax rate reform agreement for African economies. We implement a regression discontinuity design to evaluate the effect of having an effective corporate tax rate of at least 15% on tax revenue collection for a panel of 28 African economies over the period 2000-2020.

The estimation results indicate that the implementation of the global minimum effective corporate tax rate of 15% proposed under Pillar II of the Organisation for Economic Co-operation and Development (OECD) Two Pillar Solution has a positive but not statistically significant likely impact on corporate tax revenue and total tax revenue at the conventional significance levels. This suggests that the global minimum tax deal is unlikely to increase tax revenue for African economies. These findings exhort the Inclusive Framework and all the stakeholders of the global tax reform negotiations to consider revising the global minimum tax rate rules to ensure that the agreement will effectively benefit African countries through better tax revenue collection.

<https://www.southcentre.int/tax-cooperation-policy-brief-26-31-october-2022/>

### **Technology Transfer and Climate Change: A developing country perspective (Climate Policy Brief 28, 14 November 2022)**

*By Nicolás M. Perrone*

The role of technology transfer in climate change negotiations is vital. If technology is to help us mitigate and adapt to climate change, the international community needs to ensure sufficient innovation and technology transfer. One of the main challenges of the technology transfer regime for environmentally sound technologies is that a private and market-led model may not meet global technology transfer needs. This policy brief suggests that governments should explore market, hybrid

and non-market approaches to accelerate the transfer of environmentally sound technologies. Developing countries' governments should also explore cooperative approaches to improve their bargaining power, reduce costs and ensure adaptation and innovation capacity in the developing world.

<https://www.southcentre.int/climate-policy-brief-28-14-november-2022/>

**Taxing Big Tech: Policy Options for Developing Countries (Tax Cooperation Policy Brief 27, 21 December 2022)**

*By Abdul Muheet Chowdhary and Sébastien Babou Diasso*

Even as the COVID-19 crisis wreaked havoc on the global economy, it gave rise to a small set of winners, namely Big Tech. The increasing prevalence of remote work and an acceleration of the digitalization of the economy allowed Big Tech companies to raise enormous revenues during the pandemic, which in some cases dwarfed the gross domestic product (GDP) of several countries. This policy brief explores the rising untaxed profits of Big Tech in particular, and the digitalized economy in general, and explains why the existing rules are insufficient. It also critically examines the solution that has been devised by the Organisation for Economic Co-operation and Development (OECD), an intergovernmental organization of developed countries. Finally, it outlines alternative policy options that are more suitable for developing countries to tax the profits of Big Tech.

<https://www.southcentre.int/tax-cooperation-policy-brief-27-21-december-2022/>

**Climate Finance Withholding Mechanism: Exploring a potential solution for climate finance needs of the developing countries (Tax Cooperation Policy Brief 28, 20 January 2023)**

*By Radhakishan Rawal*

The developed countries' commitment to provide climate finance to the developing countries has remained unfulfilled. The Climate Finance Withholding Mechanism (CFWM) is a potential solution for addressing climate finance needs of the developing countries. The CFWM adopts the well settled "withholding mechanism" under the tax laws to provide a steady flow of funds to the developing countries.

Multinational enterprises' (MNEs) tax residents of developed countries earn income from the developing countries and pay tax on such income in the developed countries. The CFWM requires retention in the developing country, of the amount of tax so payable by the MNE, towards climate finance commitments of the developed countries. The CFWM does not result in additional tax outflow for the MNEs and also does not adversely impact taxing rights of the developed countries. The CFWM results in application of tax revenue of the developed countries towards their climate finance commitments. The CFWM does not address all the issues related to the climate finance problem but only attempts to speed up the flow of funds to the developing countries from where the relevant income originates.

<https://www.southcentre.int/tax-cooperation-policy-brief-28-20-january-2023/>

**Policy responses for fostering South-South and Triangular Cooperation in response to the food crisis in the area of trade (Policy Brief 115, 14 February 2023)**

*By Peter Lunenborg*

The Russia-Ukraine conflict since 24 February 2022 and the various sanctions imposed on Russia are having tremendous global repercussions, including on developing countries. This world is already experiencing multiple crises such as COVID-19 and measures in response to the virus including lockdowns, money printing and increases in government debts, conflicts and tensions in other parts



of the world as well as climate change and extreme weather events such as extreme flooding or droughts. The conflict is compounding and aggravating these shocks.

In the short to medium term, prices in particular for energy (oil, gas), derived products (fertilizers) and food (in particular cereals) will remain elevated. Availability might also suffer. As a result, food insecurity is and will remain a serious concern in the near and medium term. Policy actions are required to mitigate any potential famine(s) which may arise and to build resilience for the future.

This paper explores concrete options for developing countries to address food insecurity in the short, medium and long term, including purchase policies, better implementation of WTO rules and increase in domestic investment in wheat and fertilizers production.

<https://www.southcentre.int/policy-brief-115-14-february-2023/>

### **Digital taxation under the OECD Amount A and UN Article 12B mechanisms for market jurisdictions in Africa: a comparative analysis (Tax Cooperation Policy Brief 29, 3 March 2023)**

*By Erica Rakotonirina*

This Policy Brief examines the need for the evolution and harmonization of international taxation in the face of the digitalization of economic transactions.

Between the OECD proposal for shared taxation of residual profits through the Amount A mechanism and the UN proposal of Article 12B for taxing income from Automated Digital Services on a gross basis through shared but capped taxation, with an optional variant of the taxation of net profits, African States need to make vital political and technical choices.

The strategic negotiations must include regulatory sustainability, the right balance and fiscal fairness between the divergent interests of residence states vs source states (which include almost all African countries), and MNEs in their quest for profit and expansion.

The Policy Brief carries out quantified evaluation of possible revenue estimates using a case study approach. However, such an exercise remains difficult for questions of accessibility and reliability of data relating to the activities of multinational companies.

To be realistic, the scope of the study was restricted to a reference company in the digital sector but targeted economies of different scales. The results of the revenue estimates represent an optimistic case of the impacts on tax revenues of the application of the OECD and UN measures on different types of economies.

<https://www.southcentre.int/tax-cooperation-policy-brief-29-3-march-2023/>

### **Understanding the Functioning of EU Geographical Indications (Policy Brief 116, 7 March 2023)**

*By Andrea Zappalaglio*

This contribution investigates the functioning of the EU sui generis Geographical Indication (GI) system, with a specific focus on the regime for the protection of agricultural products and foodstuffs within the scope of EU Regulation 1151/2012. In particular, based on the results of the recent "Study on the Functioning of the EU Geographical Indications System" of the Max Planck Institute for Innovation and Competition (February 2022), this paper: (1) clarifies the nature of EU GIs as it emerges from an empirical assessment of the specifications of all the products that appear on the EU register; (2) comparatively analyses the national practices of the EU Member States and explores the discrepancies that exist among them to date; (3) provides an in-depth assessment of the structures of the specifications of EU GIs, highlighting the domestic specificities; (4) investigates the contents and functions of the amendments to the specifications of the registered products. It concludes by

emphasizing the importance of the present research in light of the current EU international agenda, with a specific focus on the bilateral agreements recently or currently negotiated.

<https://www.southcentre.int/policy-brief-116-7-march-2023/>

**The Midterm Comprehensive Review of the International Decade for Action on Water for Sustainable Development amid growing tension between a human rights perspective and the commodification and privatization of water (Policy Brief 117, 14 March 2023)**

*By Luis Fernando Rosales Lozada*

Climate change is affecting the availability of water resources in different regions around the world. In addition, some growing trends towards water commodification and privatization could exacerbate the problem since they are guided by profit maximization strategies. The United Nations (UN) will hold the Midterm Comprehensive Review (MCR) of the Implementation of the Objectives of the International Decade for Action, "Water for Sustainable Development", 2018–2028, from 22 to 24 March 2023. This is an important opportunity for the international community to assess the challenges on access to clean drinking water and sanitation. The MCR debates and outcomes should be guided by a human rights approach towards promoting access to water for all in 2030 in alignment with Sustainable Development Goal (SDG) 6.

<https://www.southcentre.int/policy-brief-117-14-march-2023/>

**Enforcing Secondary Taxing Rights: Subject to Tax Rule in the UN Model Tax Convention (Tax Cooperation Policy Brief 30, 25 March 2023)**

*By Abdul Muheet Chowdhary and Sebastien Babou Diasso*

The Global Anti Base Erosion (GloBE) Rules under OECD's Pillar Two recommendations, with a minimum effective tax rate of 15%, are expected to play a significant role to end the 'race to the bottom' in corporate taxation, which is one of the main drivers of profit shifting. However, the thrust of these rules is designed in a manner to give priority to the developed countries. In this light, the Subject to Tax Rule (STTR), which is a treaty-based rule that allows source jurisdictions to impose limited source taxation on certain payments that are taxed below a minimum rate in the country of residence, is of extreme significance for the developing countries. Under Pillar Two, application of STTR is restricted to base eroding payments or mobile income between related parties only, which does not address Base Erosion and Profit Shifting (BEPS) concerns in an entirety. That apart, the withholding tax rate of 9% proposed by the OECD may not result in generation of significant resources for the developing countries. In this light, developing countries keenly expect that the UN Tax Committee should devise an STTR that is simple to operate, has a broad scope covering all payments in a tax treaty and imposes a higher withholding tax closer to 15% to bring meaningful revenues for them. Also, developing countries desire that STTR provisions may be introduced at the earliest so as to speedily implement them through the UN Multilateral Instrument under contemplation. This Policy Brief also examines existing average withholding tax rates on interest and royalty payments in existing tax treaties of 48 South Centre and 52 G-77+China Member States and finds that out of a total of 100 developing countries, only 25 would stand to benefit from the STTR in its restricted form in Pillar Two, further strengthening the need for an improved version formulated by the United Nations.

<https://www.southcentre.int/tax-cooperation-policy-brief-30-25-march-2023/>

**Taxation of Computer Software: Need for Clear Guidance in the UN Model Tax Convention (Tax Cooperation Policy Brief 31, 25 March 2023)**

*By Abdul Muheet Chowdhary and Sebastien Babou Diasso*

Developing countries pay enormous sums of money for the right to use intellectual property such as patents, trademarks, copyrights, etc. Such payments are known as 'royalties'. The scale is enormous,

and just 27 South Centre Member States paid \$45 billion in 2020 as royalties. Some proportion of these payments are for the right to use computer software. Developing countries can gain significant revenues if the United Nations can provide clear international tax guidelines that payments for the right to use computer software should be taxable as royalties. This Policy Brief provides the world's first country-level revenue estimates for 34 of the South Centre's Member States and finds that they could collect potentially \$1 billion in tax revenues in 2020 had they been able to tax payments for the use of computer software as royalties.

<https://www.southcentre.int/tax-cooperation-policy-brief-31-25-march-2023/>

### **Leveraging South-South and Triangular Cooperation for Reducing Poverty and Hunger, and Promoting Rural Development (Policy Brief 118, 21 April 2023)**

*By Yuefen Li, Daniel Uribe and Danish*

The world is experiencing unprecedented global multidimensional crises that have increased poverty, hunger and food insecurity, with the sharpest impacts being felt among rural areas and communities. Deepening international cooperation is essential to help developing countries face economic headwinds and recover from lasting scars of the COVID-19 pandemic and climate change-induced natural disasters. In this scenario, scaling up of South-South and Triangular Cooperation (SSTC) can play a critical role in catalyzing sustainable development initiatives in developing and least developed countries.

This policy brief therefore considers how SSTC can be effectively leveraged for undertaking initiatives on poverty alleviation, hunger reduction and rural development through strengthening of national SSTC institutional setups. It also explores how SSTC can facilitate increased coordination among stakeholders, and considers areas for fostering mutually beneficial initiatives between developing countries. This brief then focuses on the institutional setup for SSTC in some selected countries across Asia, Africa and Latin America, and considers their role in mainstreaming of SSTC. It further considers some recent experiences from developing countries that use SSTC modalities, outlining important initiatives which could be shared with partners to support poverty alleviation, food security and rural development efforts. Finally, the brief provides some important conclusions and lessons learned which can support developing countries' efforts to achieve the SDGs and the 2030 Agenda.

<https://www.southcentre.int/policy-brief-118-21-april-2023/>

### **Global Minimum Taxation of Multinationals: Opportunities and risks for some African States (Tax Cooperation Policy Brief 32, 30 May 2023)**

*By AMAGLO Kokou Essegbe, KOUEVI Tsotso and ADJEYI Kodzo Senyo*

To face the challenges posed by the digitization of the economy, the OECD's Inclusive Framework has developed two Pillars to address tax base erosion and profit shifting. The objective of Pillar Two is to define the minimum amount of tax to be paid by multinational enterprises in the jurisdictions where they operate. The OECD's Inclusive Framework has adopted an average effective rate of 15% for this purpose. The objective of this study is to show whether the implementation of Pillar Two in African jurisdictions constitutes an opportunity or a risk for them.

The results show that it is an opportunity for countries with a low effective tax rate and a risk for countries with a high effective tax rate. Therefore, setting a 15% income tax rate for non-resident multinationals is an opportunity for some African countries. For it would constitute for these countries a source of additional tax revenue mobilization. For this reform to be an opportunity for Africa, however, the minimum effective tax rate must be raised to at least 20%, as was demanded by the African Tax Administration Forum (ATAF).

The risk that lies in the application of an effective rate of 15% for Africa as a whole is that some African countries might have to reduce their effective tax rate. This would be a loss of revenue for those African countries. Since most countries in the African jurisdiction have effective tax rates and statutory

corporate income tax rates that are more than 20 percent, above the set average effective rate, multinationals would seek to shift their profits to the countries with the most advantageous taxation. This could lead to a transfer of profits to other jurisdictions.

<https://www.southcentre.int/tax-cooperation-policy-brief-32-30-may-2023/>

### **Strengthening efforts towards fulfilling the human right to food and the right to clean, safe and healthy environment (Policy Brief 119, 23 June 2023)**

*By Danish and Daniel Uribe*

In the face of the unprecedented global crises that the world is currently facing, upholding and fulfilling the human right to food and a clean, safe and healthy environment have become critically important. The Human Rights Council (HRC) adopted two important resolutions on these issues in its 52nd Session, held from 27 February to 04 April 2023. The present policy brief discusses the implications and scope of these resolutions to strengthen and advance fundamental human rights, building resilience and promoting the role of multilateralism as a tool to face the triple planetary crises and recover better from the impacts of the COVID-19 pandemic.

<https://www.southcentre.int/policy-brief-119-23-june-2023/>

### **Taxation of Digital Services: what hope for the African States? (Tax Cooperation Policy Brief 33, 26 June 2023)**

*By ADJEYI Kodzo Senyo, KOUEVI Tsotso and AMAGLO Kokou Essegbe*

Globalization makes it necessary to adapt multinational taxation by taking into account the place of use or consumption of goods and services. "Pillar 1" of the OECD aims to allow States in which multinationals market products or services, or collect data and content from users, to benefit from a portion of their residual consolidated worldwide profit. Since residual profit is a function of the turnover and profit achieved in the jurisdiction, this solution can only be an advantage if, beyond the rules of fair taxation, efforts are made to promote the use of digital services. Internet access is one of the levers that can increase the consumption of digital services. The current situation in Africa according to statistics published by the International Telecommunication Union (ITU) shows low rates of internet access compared to other continents.

<https://www.southcentre.int/tax-cooperation-policy-brief-33-26-june-2023/>

### **Towards A Latin American and Caribbean Medicines Agency (AMLAC) (Policy Brief 120, 11 July 2023)**

*By Germán Velásquez*

On 26 April 2023 in Acapulco, Mexico, the Medicines Regulatory Authorities of Colombia (INVIMA), Cuba (CECMED) and Mexico (COFEPRIS) signed the "Declaration of Acapulco" for the creation of the Latin American and Caribbean Medicines and Medical Devices Regulatory Agency (AMLAC). This declaration was confirmed in Bogota, Colombia on 16 June 2023 in a meeting called "Regulatory convergence" by the heads of the medicines regulatory agencies of Argentina, Brazil, Chile, Colombia, Cuba and Mexico who agreed on the progressive creation of a Latin American and Caribbean Medicines Agency (AMLAC).

AMLAC was created to contribute to regional integration through harmonisation and convergence in health regulation, the creation of a regional medicines market in pursuit of access to safe, effective and quality medicines and medical devices.

<https://www.southcentre.int/policy-brief-120-11-july-2023/>

**Hacia una Agencia Latinoamericana y del Caribe de Medicamentos (AMLAC) (Informe sobre políticas 120, 11 de julio de 2023)**

*Por Germán Velásquez*

El 26 de abril de 2023 en Acapulco, México, las Autoridades Reguladoras de Medicamentos de Colombia (INVIMA), Cuba (CECMED) y México (COFEPRIS) firmaron la “Declaración de Acapulco” para la creación de la Agencia Latinoamericana y del Caribe de Regulación de Medicamentos y Dispositivos Médicos (AMLAC). Esta declaración fue confirmada en Bogotá, Colombia el 16 de junio de 2023 en una reunión titulada “Convergencia regulatoria” por los responsables de las agencias reguladoras de medicamentos de Argentina, Brasil, Chile, Colombia, Cuba y México que acordaron la creación progresiva de una Agencia Latinoamericana y del Caribe de Medicamentos -AMLAC-.

La AMLAC fue creada para contribuir a la integración regional a través de la armonización y convergencia en materia de regulación sanitaria, la creación de un mercado regional de medicamentos en busca del acceso a medicamentos y dispositivos médicos seguros, eficaces y de calidad.

<https://www.southcentre.int/informe-sobre-politicas-120-11-de-julio-de-2023/>

**Assessing the State of Play in the WHO Pandemic Instrument Negotiations (Policy Brief 121, 18 July 2023)**

*By Viviana Muñoz Tellez*

This Policy Brief discusses the state of play of the negotiations of the pandemic instrument at the World Health Organization. The Intergovernmental Negotiating Body (INB) is increasing its meetings as the target deadline for completion in the first half of 2024 draws closer. To advance, the political will needs to be scaled up in the next months. The expectations should not be lowered to focus on the lowest common denominator. Real progress needs to be made in priority areas of concern for developing countries to keep momentum.

<https://www.southcentre.int/policy-brief-121-18-july-2023/>

**Conceptualizing Remote Worker Permanent Establishment (Tax Cooperation Policy Brief 34, 24 July 2023)**

*By Radhakishan Rawal*

COVID-19 impacted humanity in many ways and one such impact is wide acceptance of the concept of Work From Home (WFH) by the corporate sector. Previously, WFH did exist in some countries, perhaps at a much smaller scale, but compulsions of COVID-19 have made WFH a new normal. This new normal also creates new tax challenges for the Multinational Enterprises (MNEs). Does the employee create a taxable presence in the countries where they are working remotely through a “permanent establishment” and if yes what are the profits attributable to such permanent establishment?

The existing treaty provisions are likely to result in widespread litigation on these issues. It is desirable that a new provision is introduced in the tax treaties to tackle these issues. The suggested remote worker permanent establishment provision adopts a very simple measurable threshold for determination of permanent establishment and also attempts to balance taxing rights of the country of source as well as residence. A simple standardised approach could be adopted for determining the profits attributable to such permanent establishment.

<https://www.southcentre.int/tax-cooperation-policy-brief-34-24-july-2023/>

**The GloBE Rules: Challenges for Developing Countries and Smart Policy Options to Protect Their Tax Base (Tax Cooperation Policy Brief 35, 18 August 2023)**

*By Emmanuel Eze, Sol Picciotto, Muhammad Ashfaq Ahmed, Abdul Muheet Chowdhary, Bob Michel and Tommaso Faccio*

The OECD global minimum tax of 15%, known as the Global Anti-Base Erosion (GloBE) Rules, have meant that developing countries need to consider what policy responses to take to ensure they collect the minimum tax and not cede it to developed countries. One option being promoted by the OECD is the “Qualified Domestic Minimum Top Up Tax” (QDMTT), with the claim that it will help developing countries collect the minimum tax of 15%. This Policy Brief points out that under the QDMTT MNEs can still pay zero taxes, it does not guarantee tax collection, it is complex to administer, it curtails national sovereignty in the form of the “peer review” mechanism and it is relevant mainly for tax havens which are destinations of profit shifting. The Brief then outlines policy options relevant for developing countries, namely Alternative Minimum Taxes (AMTs) and reform of tax incentives.

<https://www.southcentre.int/tax-cooperation-policy-brief-no-35-18-august-2023/>

**Beyond the Two Pillar Proposals: A Simplified Approach for Taxing Multinationals (Tax Cooperation Policy Brief No. 36, 26 October 2023)**

*By Sol Picciotto, Muhammad Ashfaq Ahmed, Alex Cobham, Rasmi Ranjan Das, Emmanuel Eze, Bob Michel*

This paper puts forward an alternative to the proposed multilateral convention under Pillar One of the BEPS project, by building on and going beyond the progress made so far. A new direction was signalled in 2019 by the G-24 paper proposing a taxable nexus based on significant economic presence, combined with fractional apportionment. The resulting measures agreed under the two Pillars entail acceptance in principle of this approach, and also provide detailed technical standards for its implementation. These include: (i) a taxable nexus based on a quantitative threshold of sales revenues; (ii) a methodology for defining the global consolidated profits of MNEs for tax purposes, and (iii) detailed technical standards for defining and quantifying the factors that reflect the real activities of MNEs in a jurisdiction (sales, assets and employees).

The time is now right to take up the roadmap outlined by the G-24. The work done shows that technical obstacles can be overcome, the challenge is essentially political. This paper aims to provide a blueprint for immediate measures that States can take, while engaging in deliberation at national, regional and international levels for a global drive towards practical and equitable reforms. Unitary taxation with formulary apportionment is the only fair and effective way to ensure taxation of MNEs where economic activities occur, as mandated by the G20. It can ensure that MNE profits are taxed once and only once, provide stability and certainty for business, and establish a basis for international tax rules fit for the 21st century.

*\* Also available in French, Spanish, Portuguese and Arabic*

<https://www.southcentre.int/tax-cooperation-policy-brief-no-36-26-october-2023/>



## OTHER PUBLICATIONS

### Global Cooperation Instead of Confrontation (January 2021)

*By Peter Lunenborg and Fernando Rosales*

The world faces many challenges besides the current coronavirus pandemic, including hunger, environmental destruction, climate change, the proliferation of nuclear weapons and rising inequality. Global cooperation is necessary to address these challenges and, in some areas, the global community is responding to them. Calls to form a coalition against a particular country, such as from the United States towards China, divert attention from the problems the world is facing and hamper progress in addressing these global challenges. History taught us that the best way to resolve our differences and to move forward is through dialogue and cooperation, not confrontation.

<https://www.southcentre.int/sc-document-january-2021/>

### South Centre's Submission to the 3<sup>rd</sup> Intersessional Meeting for Dialogue and Cooperation on Human Rights and the 2030 Agenda for Sustainable Development (January 2021)

#### ***Strengthening human rights for fighting inequalities and building back better***

The COVID-19 pandemic has caused a global crisis without precedent in modern history. Its effects have not been felt equally among all countries as it has exacerbated the profound economic and social inequalities affecting the most vulnerable. In light of the lessons, we have learned – and are still learning – from the fight against COVID-19 pandemic, the 3<sup>rd</sup> Intersessional Meeting for Dialogue and Cooperation on Human Rights and the 2030 Agenda serves as a vital opportunity to understand the needs and realities of those who are still 'left behind'.

<https://www.southcentre.int/sc-submission-january-2021/>

### South Centre Contribution in response to UPOV Circular E-20/246 (February 2021)

The South Centre, as an intergovernmental observer to the UPOV Council, submits this contribution on views on the implementation of the exception of acts done privately and for non-commercial purposes in relation to smallholder farmers. The South Centre appreciates this opportunity to inform the possible development of guidance regarding the implementation of the exception of acts done privately and for non-commercial purposes in relation to smallholder farmers.

<https://www.southcentre.int/sc-submission-february-2021/>

### Scope of Compulsory License and Government Use of Patented Medicines in the Context of the COVID-19 Pandemic (February 2021)

To meet public health needs, such as in the current COVID-19 emergency, governments can use **compulsory licenses** and **government use** as a tool for procurement and import of patented medicines.

These mechanisms are provided for in most laws worldwide. The WTO TRIPS Agreement, as reaffirmed by the Doha Declaration on TRIPS and Public Health, recognises the right of WTO members to grant compulsory licenses and their freedom to determine the grounds upon which such licenses may be granted (read our Call for Action on Intellectual Property and Trade Measures to Address the Covid-19 Crisis [here](#)).

The South Centre offers a guide for the issuance of compulsory licenses and government use, see [here](#), [aquí](#) en español.

This table provides information of instances of their use.

<https://www.southcentre.int/covid-19-compulsory-licenses-table-february-2021/>

### **Scope of Compulsory License and Government Use of Patented Medicines in the Context of the COVID-19 Pandemic (March 2021)**

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<https://www.southcentre.int/covid-19-compulsory-licenses-table-march-2021/>

### **Strengthening United Nations Action in the Field of Human Rights through the Promotion of International Cooperation (March 2021)**

COVID-19 could be an opportunity for effective international cooperation for the achievement of the Sustainable Development Goals, taking Human Rights as its fundamental pillar, the South Centre notes in its submission for the United Nations Secretary-General's report.

<https://www.southcentre.int/sc-submission-march-2021/>

### **Comments on Discussion Draft: Taxation of Software Payments as Royalties (March 2021)**

#### *South Centre Tax Initiative*

The South Centre supports the proposal being discussed in the UN Committee of Experts on International Cooperation in Tax Matters (UN Tax Committee) to tax payments for computer software as royalties. This will help developing countries more effectively tax the digitalized economy and will bring clarity to the application of existing bilateral tax treaties.

<https://www.southcentre.int/sc-submission-march-2021-2/>

### **Policy Paper on National Strategies for South-South and Triangular Cooperation (South Centre and IsDB Joint Publication, April 2021)**

*This paper was developed jointly by the Islamic Development Bank (IsDB) and the South Centre based on the concept of the Islamic Development Bank on National Ecosystems for South-South and Triangular Cooperation.*

For developing countries to realize the full potential of South-South and Triangular Cooperation (SSTrC) for achieving their national sustainable development objectives, it is important to formulate national SSTrC strategies as part of their national SSTrC ecosystems. Such national strategies would serve as guidance for a country's SSTrC activities, initiatives and institutional framework, both as provider and beneficiary of SSTrC. This policy brief highlights the importance of developing national

SSTrC strategies for achieving national development objectives and lays out the main elements that can be taken into consideration by developing countries for designing their national SSTrC strategies. While many developing countries do not have an explicit SSTrC strategy in place yet, the state of play shows that its elements can be found in various policies, institutional guidance and national development strategies. The absence of a holistic approach and a nationally acknowledged strategy carries the risk of fragmentation and incoherence in undertaking SSTrC activities. The potential of national SSTrC strategies for enabling effective responses to crises (such as COVID-19) is also explored.

<https://www.southcentre.int/sc-and-isdb-joint-publication-april-2021/>

### **Submission to the Special Session of the General Assembly on Challenges and Measures to Prevent and Combat Corruption and Strengthen International Cooperation**

*South Centre, 28 May 2021*

The South Centre submission to UNGASS2021 highlights the need for strong inter-institutional and cross-sectorial coordination and more effective and open government tools. The UNGASS2021 should support the implementation of the FACTI Panel recommendations as means to enhance States' effort to combat corruption.

<https://www.southcentre.int/sc-submission-june-2021/>

### **Propiedad intelectual y acceso a medicamentos: una introducción a cuestiones clave – algunos términos y conceptos básicos (Material de capacitación 1, Junio 2021)**

*Por Germán Velásquez*

La propiedad intelectual y las patentes en particular se han convertido en uno de los temas más debatidos sobre el acceso a los medicamentos, desde la creación de la Organización Mundial del Comercio (OMC) y la entrada en vigor del Acuerdo sobre los Aspectos de los Derechos de Propiedad Intelectual relacionados con el Comercio (ADPIC). Las patentes no son de ninguna manera las únicas barreras para el acceso a medicamentos que salvan vidas, pero pueden desempeñar un papel significativo, o incluso determinante. Durante el período de protección de la patente, la capacidad del titular de la patente para determinar los precios, en ausencia de competencia, puede hacer que el medicamento resulte inalcanzable para la mayoría de las personas que viven en los países en desarrollo. Este primer número de los "Materiales de capacitación del South Centre" pretende, en su primera parte, ofrecer una introducción a cuestiones clave en el ámbito del acceso a los medicamentos y la propiedad intelectual. La segunda parte describe y define algunos términos y conceptos básicos de esta área relativamente nueva de las políticas farmacéuticas, que son los aspectos comerciales de los derechos de propiedad intelectual que regulan la investigación, el desarrollo y el suministro de medicamentos y las tecnologías sanitarias en general.

<https://www.southcentre.int/material-de-capacitacion-1-junio-2021/>

### **Written Contribution to the United Nations Committee on the Economic, Social and Cultural Rights Draft General Comment on Land and Economic, Social and Cultural Rights (July 2021)**

As mentioned by the UN Committee on Economic, Social and Cultural Rights (CESCR), the purpose of the general comment is to clarify the specific obligations of States parties relating to land and the governance of tenure of land under the International Covenant on Economic, Social and Cultural Rights (ICESCR). In line with such an objective, the South Centre is keen to submit the following written contribution to the draft general comment on Land and Economic, Social and Cultural Rights (draft general comment). It will consider some of the concerns that developing countries have raised in relation to their development realities and needs, mainly arising from the challenges they face due to the current COVID-19 pandemic crisis and the need for a fair and inclusive recovery.

<https://www.southcentre.int/sc-submission-july-2021/>

**Comments on the STATEMENT ON A TWO-PILLAR SOLUTION TO ADDRESS THE TAX CHALLENGES ARISING FROM THE DIGITALISATION OF THE ECONOMY (South Centre Contribution, August 2021)**

*The BEPS Monitoring Group, 31 July 2021*

On 1 July 2021 a statement was issued by the OECD outlining the agreement reached through the Inclusive Framework of the OECD/G20 base erosion and profit shifting (BEPS) project. These comments by the BEPS Monitoring Group (BMG) aim to contribute to a wider public understanding of the issues involved. The BMG is a network of experts on various aspects of international tax, set up by a number of civil society organizations which research and campaign for tax justice including the Global Alliance for Tax Justice, Red de Justicia Fiscal de America Latina y el Caribe, Tax Justice Network, Christian Aid, Action Aid, Oxfam, and Tax Research UK. This report has not been approved in advance by these organizations, which do not necessarily accept every detail or specific point made here, but they support the work of the BMG and endorse its general perspectives. It is based on previous reports, and has been drafted by Sol Picciotto with comments and contributions by Abdul Muheet Chowdhary (Senior Programme Officer, South Centre Tax Initiative), Jeffery Kadet, Annet Oguttu, Sudarshan Rangan, Attiya Waris, and Francis Weyzig.

<https://www.southcentre.int/sc-contribution-august-2021/>

**South Centre Submission to the 18th Session of the CGRFA (August 2021)**

The South Centre presents its compliments to the Commission on Genetic Resources for Food and Agriculture (CGRFA) and is pleased to send to the Commission the following information on its programmes and activities relevant to the prioritized themes for the 18<sup>th</sup> session of the CGRFA.

<https://www.southcentre.int/sc-submission-august-2021/>

**Virtual Consultation in support of the UN Working Group's 2021 Report to the UN General Assembly on Human Rights-Compatible International Investment Agreements (Report, August 2021)**

*South Centre, 23 June 2021*

Foreign direct investment (FDI) should support States' efforts to "bring the SDGs and goals of the Paris Agreement to life for all people, everywhere." However, achievement of these objectives is slowed down in the current situation where investor-State dispute settlement (ISDS) mechanisms are included in international investment agreements (IIAs). These mechanisms have increased the exposure of States to claims from foreign investors against regulatory measures taken to protect and guarantee a clean and safe environment, public health, human rights, social inclusion, and poverty reduction.

In the current scenario marked by the impact of the COVID-19 pandemic, FDI can be a valuable source of financing a better and fairer recovery, including investment needed to achieve the full realisation of all human rights. But to achieve this potential, there is a need to reshape the international investment regime, including through the reform of its substantive rules and standards, as well as of the ISDS mechanisms embedded in existing IIAs.

The South Centre and the United Nations Working Group on human rights and transnational corporations and other business enterprises convened a virtual consultation to identify and assess the different challenges developing countries face while negotiating or reforming IIAs in line with their international human rights obligations. The virtual consultation aimed at highlighting and discussing some of the most common concerns and challenges those developing countries face in the promotion of responsible investment practices, including an exploratory discussion about balancing the rights

and obligations of investors in IIAs and safeguarding the sovereign right of States to regulate in the public interest for building back better and fairer in face of the COVID-19 pandemic. It also discussed possible reforms of the ISDS mechanism.

<https://www.southcentre.int/south-centre-report-august-2021/>

### **Patenting of Plants and Exceptions to Exclusive Rights: Lessons from European Law (Study, September 2021)**

Biotechnology has increased the use of patent law to protect the outcomes of plant breeding. While the TRIPS Agreement allows countries to exclude the patentability of plants and essentially biological processes to obtain them, many developing countries are granting patents on plants and plant components, such as seeds, cells, and genes. These patents can limit access to plant materials for further research and breeding and prevent farmers from saving and re-using seeds that incorporate patented materials. This study shows how European legislation has sought to strike a balance between the protection of plant-related inventions and the rights of breeders and farmers through the introduction of specific exceptions to patent rights and discusses what lessons can be drawn for developing countries.

<https://www.southcentre.int/south-centre-study-september-2021/>

### **Contribution of the South Centre to the Report of the Secretary-General on the Implementation of UN General Assembly Resolution A/75/L.97 dated 9 June 2021 on the “Necessity of ending the economic, commercial and financial embargo imposed by the United States of America against Cuba” (September 2021)**

This input by the South Centre is prepared in response to the UN Secretary-General’s request as a contribution to the report of the Secretary-General as per resolution A/75/L.97, with respect to the imposition of unilateral economic, financial and trade measures against Cuba, in violation of basic principles of the UN Charter.

<https://www.southcentre.int/sc-contribution-to-unsg-report-on-us-embargo-against-cuba-2021/>

### **Comments on Draft Agenda of the UN Tax Committee (September 2021)**

The South Centre welcomes the UN Tax Committee’s invitation of public comments into its draft agenda and four-year work plan. By engaging the public in preparing the work plan, the UN Tax Committee’s work can be more responsive to the needs of developing countries, and of UN Member States as a whole. By stating that “the goal to ensure that the Committee’s agenda is practical and relevant to developing countries and includes the most pressing challenges they face in tax policy and administration” the Committee has shown a laudable intent which is also in line with its mandate, which is to give special attention to developing countries. The South Centre offers its written comments on the three topics on which inputs have been requested. These have been prepared based on consultation with the South Centre’s Member States, which are exclusively developing countries.

<https://www.southcentre.int/sc-submission-september-2021/>

### **International Taxation from Global South Perspectives (Report, October 2021)**

*By Badr Mandri, Sebastien Babou Diasso, and Aaditri Solankii*

South Centre (SC) in collaboration with the Policy Center for the New South (PCNS) organized on October 13, 2021, a webinar on the issue of International Taxation from the Global South perspectives.

Tax revenue mobilization plays a key role in financing the economic and social development of countries. When well designed and implemented, tax policy can help developing countries raise revenue and increase their spending, especially in the social sector. Indeed, tax revenue as a share of GDP represent only 15% to 20% in low and middle-income countries, because of obstacles such as the imbalanced and complex international standards designed for developed countries, and the difficulties in collecting taxes in developing countries.

<https://www.southcentre.int/report-international-taxation-from-global-south-perspectives/>

### **A New Treaty on Pandemics: Some Key Issues from a Global South Perspective (Working Paper, 23 November 2021)**

*By Tamara Luciana Bustamante, Josefina del Rosario Lago, Mariana Magliolo, & Lucas Javier Segal, Facultad de Derecho, Universidad de Buenos Aires*

In view of both the difficulty that negotiations on a possible new treaty will present for States of the Global South and their special needs, this paper aims to contribute by identifying and giving content to certain key issues —though not exhaustive— that should be taken into account by negotiators of a possible new treaty on pandemics or any other instrument on the subject in the future. The selected key issues are addressed through four cross-cutting questions: (i) Why is each issue relevant for the Global South, (ii) where it is currently regulated, (iii) what are the problems it entails, and (iv) how could a new instrument address them.

<https://www.southcentre.int/working-paper-on-pandemic-treaty-23-november-2021/>

### **Outcomes and Recommendations of the FIRST AFRICAN FISCAL POLICY FORUM (16 December 2021)**

*South Centre and Coalition for Dialogue on Africa*

The Coalition for Dialogue on Africa (CoDA) and the South Centre co-organized the First African Fiscal Policy Forum on 16 December 2021 with the theme “Inequalities in Taxing Rights”. It was the first of a series of dialogues aimed to bring together key stakeholders from Africa and the Global South on tax matters, to examine the legitimacy of the international tax reform processes and illicit financial flows and the place and role of Africa in the processes. The dialogue discussed contents of the Two-Pillar Solution of the Organization for Economic Cooperation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) and its implications for African countries. It analyzed other alternatives to the Inclusive Framework, including recommendations of institutions such as the United Nations High-level Panel on Financial Accountability, Transparency and Integrity (UN-FACTI) and Article 12B on Taxation of Automated Digital Services of the UN model Tax Convention. The forum sought to discuss the reasons some countries such as Nigeria, Kenya, Pakistan, and Sri Lanka did not endorse the Inclusive Framework proposals and made recommendations for African countries.

<https://www.southcentre.int/outcomes-first-african-fiscal-policy-forum-16-december-2021/>

### **South Centre Comments on Draft Model Rules for Nexus and Revenue Sourcing (21 February 2022)**

The South Centre offers its comments on the Draft Model Rules for Nexus and Revenue Sourcing. As a procedural matter, the extremely rapid pace of discussions is a matter of great concern for developing countries, a matter also raised by the African Tax Administration Forum (ATAF). While an urgent solution is needed to the taxation of the digitalization of the economy, this must mean one which incorporates the interests of developing countries.

<https://www.southcentre.int/south-centre-comments-on-draft-model-rules-for-nexus-and-revenue-sourcing-21-february-2022/>



## **Comments on the Model Rules for the Globe (South Centre Contribution, 9 February 2022)**

*The BEPS Monitoring Group*

The global minimum tax should provide an incentive for developing countries to raise their effective tax rate as close as possible to their statutory tax rates, which are often higher than the 15% rate. The average rate for South Centre and G-77+China Member States is around 25%. In any case it should be at least 15%, since any undertaxed profits would in any case be taxed at that rate by developed countries. Leading OECD countries have already adopted measures to protect their source tax base, which they intend to retain, such as the UK's diverted profits tax and the US's base erosion anti-abuse tax. Poorer countries have even more reason to do likewise. They should consider introducing or strengthening measures such as an alternative minimum tax on deemed or book profits, versions of which already exist in many countries. These are compatible with the GloBE rules, and should be regarded as an essential complement, to ensure that it contributes to both fair and effective taxation of MNE profits.

<https://www.southcentre.int/sc-submission-comments-on-the-model-rules-for-the-globe-9-february-2022/>

## **Direct Monetary Costs of Intellectual Property for Developing Countries A changing balance for TRIPS? (South Centre Report, 2 March 2022)**

It is startling that almost no discussion exists on the direct monetary costs for countries of the IP international regulatory framework. Indeed, on top of the inherent costs on 'access' or 'learning' abilities, there are some important tangible, measurable, direct monetary costs to countries. These costs are the financial payments that occur simply for the use of intellectual property. These payments are relevant in any discussion on the role of IP in the context of development.

An overview of some findings is presented in this report, with the aim of promoting an assessment and discussion at the WTO and other fora whenever there is a consideration of the impacts of the IP international regulatory framework, notably the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) in individual countries.

<https://www.southcentre.int/sc-report-on-direct-monetary-costs-of-ip-2-march-2022/>

## **South Centre Comments on Draft Model Rules for Tax Base Determinations (4 March 2022)**

The South Centre today provided its comments to the OECD Inclusive Framework's Task Force on Digital Economy (TFDE) on the Draft Model Rules for Tax Base Determinations. These rules are part of the overall OECD project on the taxation of the digitalized economy known as Pillar One. They determine the amount of a Multinational Enterprise's (MNE) profits that will then be partially redistributed to market jurisdictions, which are expected to be largely developing countries.

The Model Rules for Tax Base Determinations are of importance as this affects the amount of tax revenues that developing countries will finally be able to collect under the so-called "Amount A" of Pillar One.

<https://www.southcentre.int/south-centre-comments-on-draft-model-rules-for-tax-base-determinations-4-march-2022/>

## **Comments on the Draft Model Rules on Nexus and Revenue Sourcing (South Centre Contribution)**

*The BEPS Monitoring Group, 18 February 2022*

These comments by the BEPS Monitoring Group (BMG) analyse the draft model rules on nexus and revenue sourcing, released by the OECD Secretariat on 4 February 2022 for public consultation, in the continuing work to address the tax challenges of the digitalised economy by the Task Force on the Digital Economy (TFDE) set up by the G20/OECD Inclusive Framework on BEPS. The BMG is a network of experts on various aspects of international tax, set up by a number of civil society organizations which research and campaign for tax justice including the Global Alliance for Tax Justice, Red de Justicia Fiscal de America Latina y el Caribe, Tax Justice Network, Christian Aid, Action Aid, Oxfam, and Tax Research UK. This report has not been approved in advance by these organizations, which do not necessarily accept every detail or specific point made here, but they support the work of the BMG and endorse its general perspectives. It is based on our previous reports, and has been drafted by Sol Picciotto and Jeffery Kadet, with comments and contributions by Abdul Muheet Chowdhary, Sakshi Rai, Sudarshan Rangan, Attiya Waris and Yansheng Zhu.

<https://www.southcentre.int/sc-contribution-comments-on-the-draft-model-rules-on-nexus-and-revenue-sourcing-18-february-2022/>

### **South Centre Comments on Draft Model Rules for Domestic Legislation on Scope (19 April 2022)**

The South Centre today provided its comments to the OECD Inclusive Framework's Task Force on Digital Economy (TFDE) on the Draft Model Rules for Domestic Legislation on Scope. These rules are part of the overall OECD project on the taxation of the digitalized economy known as Pillar One. They determine the amount of a Multinational Enterprise's (MNE) profits that will then be partially redistributed to market jurisdictions, which are expected to be largely developing countries.

The Model Rules for Domestic Legislation on Scope are of importance as this affects which Multinational Enterprises (MNEs) will come under the scope of the "digital" tax, known as "Amount A" of Pillar One. In other words, they determine which companies will finally pay the tax.

<https://www.southcentre.int/south-centre-comments-on-draft-model-rules-for-domestic-legislation-on-scope-19-april-2022/>

### **South Centre Comments on Amount A: Extractives Exclusion (29 April 2022)**

The South Centre today provided its comments to the OECD Inclusive Framework's Task Force on Digital Economy (TFDE) on the Amount A: Extractives Exclusion. These rules are part of the overall OECD project on the taxation of the digitalized economy known as Pillar One. They determine the amount of a Multinational Enterprise's (MNE) profits that will then be partially redistributed to market jurisdictions, which are expected to be largely developing countries.

Extractive Exclusion is of critical importance to developing countries as it is meant to ensure that revenues from natural resources such as mining, oil, gas, etc are excluded from the scope of the tax, known as Amount A.

<https://www.southcentre.int/south-centre-comments-on-extractives-exclusion-29-april-2022/>

### **DATA FOR DEVELOPMENT: HOW TO LEGALLY CHARACTERIZE DATA?**

#### ***SOUTH CENTRE'S CONTRIBUTION TO THE eTRADE FOR ALL LEADERSHIP DIALOGUE OF THE UNCTAD eCOMMERCE WEEK 2022***

Radical technological changes have always challenged pre-existing legal frameworks as demonstrated, for instance, by the commercialization of computer software independently from hardware and the use of genetic information to develop biotechnological innovations in various areas such as health and agriculture. The emergence of big data is a new and outstanding example of such situations. With the growing digitalization of multiple activities, ranging from education and health to

'smart farming' and the supply of the most diverse goods, the production and storage of data have exploded. Individuals, businesses and governments are generating an immense amount of data and this will only continue to grow in the future. Yet, the legal characterization of data is still a matter of considerable divergencies and debate. Policy makers and scholars are still searching for legal approaches suitable to address the complex relationships among producers, processors, controllers and users of data...

<https://www.southcentre.int/sc-contribution-unctad-ecommerce-week-2022/>

### **South Centre Comments on Regulated Financial Services Exclusion (20 May 2022)**

The South Centre today provided its comments to the OECD Inclusive Framework's Task Force on Digital Economy (TFDE) on the [Amount A: Regulated Financial Services Exclusion](#). These rules are part of the overall OECD project on the [taxation of the digitalized economy known as Pillar One](#). They determine the amount of a Multinational Enterprise's (MNE) profits that will then be partially redistributed to market jurisdictions, which are expected to be largely developing countries.

The Regulated Financial Services Exclusion seeks to remove financial institutions such as banks, insurance companies and asset managers from the scope of the tax, known as Amount A. This may greatly reduce the amount of tax that can be collected by the developing countries from the OECD solution.

<https://www.southcentre.int/south-centre-comments-on-regulated-financial-services-exclusion-20-may-2022/>

### **South Centre Contributions on 'taxation, illicit financial flows and human rights' to the report of the Independent Expert to the UN General Assembly, 77th session (30 May 2022)**

The South Centre offers its comments [to the report of the Independent Expert](#) on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights to the General Assembly, 77th session.

<https://www.southcentre.int/contributions-on-taxation-iffs-and-human-rights-to-ie-report-to-unga-77-30-may-2022/>

### **South Centre Comments on Tax Certainty Framework for Amount A, 10 June 2022**

The South Centre offers its comments to the OECD Inclusive Framework's Task Force on Digital Economy (TFDE) on the Tax Certainty Framework for Amount A.

<https://www.southcentre.int/south-centre-comments-on-tax-certainty-framework-for-amount-a-10-june-2022/>

### **South Centre Comments on Tax Certainty Framework for Issues Related to Amount A, 10 June 2022**

The South Centre offers its comments to the OECD Inclusive Framework's Task Force on Digital Economy (TFDE) on the Tax Certainty Framework for Issues Related to Amount A.

<https://www.southcentre.int/south-centre-comments-on-tax-certainty-framework-for-issues-related-to-amount-a-10-june-2022/>

## **South Centre Comments on the Draft Annotated Outline of a WHO Convention, Agreement or Other International Instrument on Pandemic Prevention, Preparedness and Response, 24 June 2022**

The South Centre welcomes the opportunity to provide comments on the draft annotated outline of a WHO convention, agreement or other international instrument on pandemic prevention, preparedness and response. Comments are provided with respect to the process and the content.

<https://www.southcentre.int/comments-on-draft-annotated-outline-of-who-convention-agreement-or-other-international-instrument-on-pandemic-prevention-preparedness-response-24-june-2022/>

## **Outcomes and Recommendations of the CoDA-South Centre Dialogue Series on Illicit Financial Flows (IFFs): Comparing Tax Revenues to Be Raised by Developing Countries from the OECD and UN Solutions for Taxing the Digital Economy (1 June 2022)**

The Coalition for Dialogue on Africa (CoDA) and the South Centre co-organised the first of a series of dialogues on Illicit Financial Flows (IFFs) on 1<sup>st</sup> June 2022. The dialogue was convened mainly to launch and discuss a research paper jointly commissioned by CoDA and the South Centre titled '[A Tough Call? Comparing Tax Revenues to Be Raised by Developing Countries from the Amount A and the United Nations Model Treaty Article 12B Regimes](#)'.

<https://www.southcentre.int/outcomes-coda-south-centre-dialogue-series-on-iffs-1-june-2022/>

## **South Centre Contribution – Comments on TAX CERTAINTY FOR 'RELATED ISSUES' IN PILLAR ONE**

*The BEPS Monitoring Group, 12 June 2022*

The BEPS Monitoring Group submitted comments to the OECD on the draft proposals for tax certainty on issues related to Amount A in Pillar One. Abdul Muheet Chowdhary, Senior Programme Officer of the South Centre Tax Initiative, was a contributor.

The best way to achieve certainty for allocating the rights to tax the profits of multinational enterprises (MNEs) is to formulate rules that are clear and simple, and in line with the business reality that they operate as unitary global enterprises. This is achieved in the design of Amount A in Pillar One, for which certainty can be ensured through an essentially administrative coordination process. This will deal with all the issues of definition and allocation of Amount A, including avoiding any double taxation.

Regrettably, however, Amount A has been designed as an exception, applicable only to a small part of the profits of around one hundred of the largest and most profitable MNEs, so that the existing rules on transfer pricing would continue to apply in all other cases. These rules are highly complex and rely on subjective judgments, and inevitably generate conflicts. These concern often highly contentious issues, particularly when they involve claims by host countries to tax more than the 'routine' profits from the local activities of foreign-based MNEs. Yet it is these very disputes to which this proposed procedure would apply for MNEs in scope of Pillar One.

The proposal would require any unresolved conflict to be referred to mandatory supra-national arbitration through a Panel, the majority of members of which would be business tax advisers. This is a fundamental abdication of state sovereignty, entrusting decisions involving often large amounts of government revenue to unaccountable private practitioners, who would operate in total secrecy, and provide no explanation or rationale for any decisions made. These proposals are totally inappropriate and unnecessary, and their inclusion would make it even more unlikely that many states will adopt Pillar One. In our view, since international tax disputes are between states, and concern important issues affecting government revenue, they should be settled only between governmental representatives.

<https://www.southcentre.int/sc-contribution-comments-on-tax-certainty-on-issues-related-to-amount->

## **South Centre Contribution – Comments on TAX CERTAINTY FOR PILLAR ONE AMOUNT A**

*The BEPS Monitoring Group, 12 June 2022*

The BEPS Monitoring Group submitted comments to the OECD on the consultation draft proposals to provide tax certainty for Amount A of Pillar One. Abdul Muheet Chowdhary, Senior Programme Officer of the South Centre Tax Initiative, was a contributor.

The best way of achieving tax certainty is to formulate rules that are simple, clear and objective. The design of Amount A is a major step forward, since it will allocate a portion of the global consolidated profits of multinational enterprises (MNEs) by a formulaic method, in contrast with the current rules. However, Pillar One is designed as an exceptional system that would apply to only a small part of the profits of only around one hundred of the largest and most profitable MNEs, retaining the current defective transfer pricing rules for all other purposes.

For Amount A itself, the small number of MNEs likely to be in scope should make it easier to roll out the system through administrative arrangements coordinated among the tax authorities concerned. Its design makes it easier to provide certainty through administrative arrangements that could and should involve only tax officials. We support the composition suggested in this draft for Review Panels, as well as the Government-Only option for Determination Panels, which provides an appropriate balance of officials from states that would benefit and those that would lose from an Amount A allocation. It is inappropriate, unnecessary, and we believe detrimental to include non-governmental experts, who would inevitably and overwhelmingly be current or retired business advisers who could not be truly independent.

Uncertainty will nevertheless be created in the short run because of the novelty of the system. It should now be recognised that the timescale for Pillar One has been far too ambitious, and to recalibrate the process. The proposals have been developed at great speed and largely under strict secrecy, and they require more effective participation of tax officials particularly from poorer countries, and much greater public scrutiny. A more careful process should aim to design the building blocks for a new approach to taxation of MNEs that could eventually be applied much more widely.

<https://www.southcentre.int/sc-contribution-comments-on-tax-certainty-for-amount-a-of-pillar-one-12-june-2022/>

## **South Centre Comments on Progress Report on Amount A of Pillar One (18 August 2022)**

The South Centre offers its comments to the OECD Inclusive Framework's Task Force on Digital Economy (TFDE) on the [Progress Report on Amount A of Pillar One](#).

In June 2022, the [Coalition for Dialogue on Africa \(CODA\)](#), a Special Initiative of the African Union, and the South Centre, jointly released [country-level revenue estimates](#) from Amount A compared with [Article 12B of the UN Model Tax Convention](#), for the 84 combined Member States of the [African Union](#) and the [South Centre](#). CODA and the South Centre have also provided [a set of recommendations to developing countries](#) on the taxation of the digitalized economy.

The Progress Report on Amount A, the latest version of the OECD's proposed solution for taxation of the digitalized economy, makes it clear that the revenues expected for developing countries will dwindle even further than estimated by CODA and the South Centre.

With each successive update of the rules, the proposed solution is becoming increasingly less appealing to the developing countries. The OECD must, at a minimum, release revenue estimates for the 141 jurisdictions of the Inclusive Framework such that each can take an informed decision in the national interest. As an organization that sets 'transparency' standards, OECD must itself be transparent and provide countries with the essential information needed for making what may become a historic decision for the international taxation regime.

<https://www.southcentre.int/south-centre-comments-on-progress-report-on-amount-a-of-pillar-one-18-august-2022/>

## **South Centre Contribution – Comments on Progress Report on Amount A of Pillar One**

*The BEPS Monitoring Group, 24 August 2022*

The BEPS Monitoring Group submitted comments to the Public Consultation on the Progress Report on Amount A of Pillar One released by the OECD in July on behalf of the Inclusive Framework on BEPS. Abdul Muheet Chowdhary, Senior Programme Officer of the South Centre Tax Initiative, was a contributor.

Pillar One marks a historic paradigm shift in international taxation, rightly described as ‘revolutionary’ by the OECD Secretary-General. For the first time it will allocate rights to tax multinational enterprises (MNEs) on a portion of their global profits among the countries from which they derive revenues, regardless of physical presence. Furthermore, the technical work that has now been done provides the methodologies to define for tax purposes the consolidated profits of MNE corporate groups, rules to determine the source of revenues from sales (including for services), and definitions and quantification of physical assets, employee numbers and employee remuneration.

We now therefore have the building blocks to ensure that MNEs can be taxed in accordance with the business reality that they are unitary enterprises, by apportioning their global profits for taxation by countries in which they have real economic activities, as mandated by the G20 in 2013.

Regrettably, however, the current proposals for implementation are designed to apportion only a part of the so-called ‘residual’ profit of less than one hundred of the largest and most profitable MNEs. This leaves in place the current defective rules for attributing the remaining profit of these in-scope MNEs, as well as for all others. Hence, instead of replacing the present flawed and complex rules with this new and simpler approach, it simply adds a new layer of complexity.

<https://www.southcentre.int/sc-contribution-comments-on-amount-a-of-pillar-one-24-august-2022/>

## **Key Messages from the High-level meeting organized by UNCTAD and South Centre on Building South-South Solidarity on Climate Adaptation**

*Geneva, 25 October 2022*

Drawing on the discussions from the meeting organised by UNCTAD and South Centre on 25th October 2022 on “Building South-South Solidarity for Climate Adaptation”, UNCTAD and South Centre believe that South-South solidarity is indispensable to ensure the needed international support for the Global South to break the eco-development trap, strengthen their climate adaption capacities, and achieve sustainable development. UNCTAD and South Centre therefore urge developing countries to build South-South solidarity and common positions in climate negotiations in the UNFCCC and the Paris Agreement as well as in the trade and environment discussions at the WTO and other multilateral fora.

<https://www.southcentre.int/key-messages-from-unctad-sc-hlm-on-s-s-solidarity-on-adaptation-25-october-2022/>

## **South Centre Comments on the ‘Progress Report on the Administration and Tax Certainty Aspects of Amount A of Pillar One’ (11 November 2022)**

The South Centre submits the following comments and recommendations to the OECD Inclusive Framework’s Task Force on Digital Economy (TFDE) on the Progress Report on the Administration and Tax Certainty Aspects of Amount A of Pillar One.



<https://www.southcentre.int/south-centre-comments-on-progress-report-on-administration-and-tax-certainty-aspects-of-amount-a-11-november-2022/>

### **Combating Illicit Financial Flows: “Now or Never”**

#### **Statement of H.E. Thabo Mbeki, Chairperson of the African Union High Level Panel on IFFs**

*21 November 2022*

“I fully support the creation of a globally inclusive, intergovernmental process at the UN. I urged all international organisations and Member States to resist attempts to block this important step forward, and thus call into question our global commitment to fighting illicit financial flows and corporate tax abuse in support of the Sustainable Development Goals.”

<https://www.southcentre.int/call-to-action-now-or-never-by-h-e-thabo-mbeki-21-november-2022/>

### **South Centre Comments on the ‘Amount A Draft Multilateral Convention Provisions on Digital Services Taxes and Other Relevant Similar Measures’ (20 January 2023)**

The South Centre provided its comments to the OECD Inclusive Framework’s Task Force on Digital Economy (TFDE) on the [Draft Multilateral Convention Provisions on Digital Services Taxes and other Relevant Similar Measures under Amount A of Pillar One](#) (MLC). This MLC is part of the components of Pillar One to address [the tax challenges arising from the digitalization of the economy](#). It aims to restrict countries which sign to the Pillar One MLC from implementing any digital tax policy solution apart from the OECD’s, such as Digital Service Taxes (DSTs) and other relevant similar measures.

These draft provisions are amongst the most controversial aspects of the Pillar One rules, as countries which decide to implement the OECD solution will be expected to give up the use of DSTs and similar measures on all companies, not just those in-scope of Amount A.

<https://www.southcentre.int/south-centre-comments-on-the-amount-a-draft-mlc-provisions-on-dsts-other-relevant-similar-measures-20-january-2023/>

### **South Centre Comments on Pillar One – Amount B (25 January 2023)**

The South Centre provided its comments to the OECD Secretariat on [Pillar One – Amount B](#). Amount B is part of the components of Pillar One to address [the tax challenges arising from the digitalization of the economy](#). It seeks to simplify transfer pricing rules for ‘baseline’ marketing and distribution functions.

Transfer pricing remains a highly complex and challenging area for developing countries. The ultimate objective of transfer pricing [is to determine a market price](#) for intra-company transactions, but doing this in practice is a largely subjective exercise, which makes it prone to abuse and profit shifting. Developing countries lose billions of dollars in revenue each year due to abusive transfer pricing.

Amount B is important for developing countries as it seeks to provide a simple method through which in-scope intra-company transactions can be priced, which can potentially ease tax administration, reduce disputes and increase tax certainty. However, the current form of the proposal renders it highly complex and unlikely to achieve its stated objective of simplification.

<https://www.southcentre.int/south-centre-comments-on-pillar-one-amount-b-25-january-2023/>

## **South Centre Contribution - COMMENTS ON PILLAR ONE – AMOUNT A: DRAFT MULTILATERAL CONVENTION PROVISIONS ON DIGITAL SERVICES TAXES AND OTHER RELEVANT SIMILAR MEASURES**

*The BEPS Monitoring Group, 25 January 2023*

The BEPS Monitoring Group submitted comments to the public consultation on the draft provisions on withdrawal of Digital Services Taxes and 'relevant similar measures'. Abdul Muheet Chowdhary, Senior Programme Officer of the South Centre Tax Initiative, was a contributor.

These draft articles would be included in the multilateral convention (MLC) to implement a new taxing right (Amount A), allowing states that decide to join the MLC to tax around 100 of the largest and most profitable multinational enterprises (MNEs) on a share of their 'residual' profits (25% of global profits over 10%), based on sales. In exchange, participating states would be required to withdraw any digital services taxes (DSTs) listed in Annex A of the MLC. Also, if they subsequently introduce any DSTs or 'relevant similar measures', as defined in these draft articles, they would lose their Amount A allocations.

Negotiations are continuing on some dozen issues, including the criteria for de facto discrimination, which we suggest should include a purpose test. and we urge further clarification also on others, in particular whether withholding taxes on fees for services would be treated as relevant similar measures.

Each country should carefully evaluate its potential gains from Amount A against the losses from measures proscribed under the MLC, following a full public debate. From the available evidence, our expectation is that many countries will find their projected allocation of Amount A from the MNEs in its scope to be insufficient. The narrower the scope of the proscription of alternative measures, the more likely it would be that countries would join the MLC, although its complexity will also be a deterrent, especially for low capacity countries.

<https://www.southcentre.int/sc-contribution-withdrawal-of-digital-services-taxes-relevant-similar-measures-25-january-2023/>

## **South Centre Supports Debates on Developments in Copyright Law and Access to Knowledge in Africa (South Centre Report on Copyright Week in South Africa, 23-27 January 2023)**

*By Vitor Ido*

A conference "A Right to Research in Africa? A Week of Debates on Copyright and Access to Knowledge" took place on 23-27 January 2023 at the University of Pretoria and the University of Cape Town, South Africa. The gathering of scholars, artists, librarians, researchers and government officials had the objective to discuss the evolution of copyright law and the role of limitations and exceptions (L&Es) to advance research in Africa. The week of debates was co-organized by the South Centre, ReCreate South Africa, Program on Information Justice and Intellectual Property (PIJIP) – American University Washington College of Law, Electronic Information for Libraries (EIFL), the University of Pretoria – Future Africa, the University of Cape Town – IP Unit, the Centre for Intellectual Property and Information Technology Law (CIPIT) – Strathmore University, Wikimedia Foundation and Masakhane.

<https://www.southcentre.int/sc-report-on-copyright-week-in-south-africa-23-27-january-2023/>

## **The Right to Seeds in Africa, The United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas and the Right to Seeds in Africa (South Centre Joint Publication, Geneva Academy Briefing No. 22, February 2023)**

*By Karine Peschard, Christophe Golay and Lulbahri Araya*

Pursuant to the United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas (UNDROP), the African Union and African states should ensure that their regional &

national laws & policies, as well as international bodies to which they are party, lead to effective protection of peasant rights, including their right to seeds.

The Geneva Academy acknowledges the support of the South Centre for the production of this publication.

<https://www.southcentre.int/sc-joint-publication-the-right-to-seeds-in-africa-february-2023/>

### **The UPOV accession process: Preventing appropriate PVP laws for new members (South Centre Joint Publication, February 2023)**

*By Nirmalya Syam, Shirin Syed, and Viviana Munoz-Tellez*

The International Union for the Protection of New Varieties of Plants (UPOV) is an intergovernmental organization established by the International Convention for the Protection of New Varieties of Plants adopted in Paris in 1961. UPOV requires its contracting parties to establish an intellectual property system for plant varieties that favors the interests of commercial plant breeders but does not address the needs of farming systems in developing countries or the rights of smallholder farmers.

The accession process for new countries to UPOV as provided in the UPOV Convention is based on an examination of conformity of the plant variety protection (PVP) law of the acceding country with obligations under the UPOV Convention. Only if the UPOV Council gives a positive decision on the basis of such conformity examination, the acceding state can deposit its instrument of accession. This accession process does not allow new members any flexibility to adapt their national PVP law to their own needs and accommodate their traditional agricultural sector and related public policy issues such as the livelihoods of farmers, sustainable agriculture, and implications for food security. Prior UPOV members have greater flexibility than new members in enacting domestic legislation to implement the obligations under the 1991 Act by adopting their own interpretations of the obligations, which cannot be reviewed by the UPOV Council at the time of their accession to the 1991 Act.

The various acts of the convention were essentially negotiated between developed countries. The UPOV accession procedure is unique compared to intellectual property treaties administered by the World Intellectual Property Organization (WIPO) as well as the accession processes in the World Trade Organization (WTO), the Convention on Biological Diversity and its protocols, or the Food and Agricultural Organization (FAO) International Treaty on Plant Genetic Resources. None of these agreements have an obligatory conformity examination of national legislation before accession. In addition, the UPOV Council's decisions regarding examination of conformity are not always consistent, and significant discretion is exercised by the UPOV Secretariat in interpreting the provisions of the convention as well as their implementation in national law. The UPOV Council's guidance document for the preparation of laws in accordance with the 1991 Act also provides an extremely narrow interpretation of the provisions of the convention.

Therefore, developing countries should consider whether, instead of accession to UPOV, it would be better for them to adopt their own sui generis system of PVP which allows them to enact a law in accordance with their needs and circumstances. It would also be important for the UPOV Council to adopt a national deference principle in conformity examinations; limit the examinations to a review of adopted laws, as the convention does not mandate the council or the secretariat to intervene in the process of development of national PVP laws; and not undertake additional examinations after a positive decision is given.

<https://www.southcentre.int/sc-joint-publication-upov-accession-process-february-2023/>

### **Strengthening United Nations Actions in the Field of Human Rights through the Promotion of International Cooperation (South Centre Submission to the United Nations Secretary-General Report, 24 February 2023)**

The South Centre submits the following written contribution to the United Nations Secretary General's Report on 'Strengthening the United Nations' action in the field of human rights through the promotion

of international cooperation', in line with the United Nations General Assembly (UNGA) resolution A/RES/76/164, adopted on 16 December 2021. The resolution recognises the need for respecting the political, economic and social realities of each society in compliance with the principles and purposes of the Charter of the United Nations. The report to be presented by the Secretary-General to the UNGA represents an important opportunity to recognise that global challenges do not affect all societies equally, and that they require a broader consideration of policies and innovative solutions that can cater to the unique realities and specific needs of each society.

<https://www.southcentre.int/sc-contribution-to-the-unsg-report-24-february-2023/>

### **South Centre Inputs to UN Secretary-General for “Promotion of inclusive and effective tax cooperation at the United Nations” (16 March 2023)**

The South Centre submits the following comments and recommendations to the UN Secretary-General for the report being prepared in response to [UN General Assembly resolution 77/244](#) on “Promotion of inclusive and effective tax cooperation at the United Nations.”

<https://www.southcentre.int/south-centre-inputs-to-un-secretary-general-16-march-2023/>

### **Submission by the South Centre to the USITC hearing on Covid-19 diagnostics and therapeutics (17 March 2023)**

India, South Africa and co-sponsors made a proposal for a waiver to certain provisions of the provisions of the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) in March 2020. In June 2022, the WTO Ministerial Decision on the TRIPS Agreement provided a partial waiver to obligations in Article 31, namely an exception to the 31.f export restrictions, in relation to patents for Covid-19 vaccines. No decision has yet been made with respect to diagnostics and therapeutics for Covid-19.

In this context, the U.S. Trade Representative (USTR) requested the U.S. International Trade Commission (USITC) to prepare a report on Covid-19 diagnostics and therapeutics.

Read below the submission by the South Centre to the USITC investigation: *COVID-19 Diagnostics and Therapeutics: Supply, Demand, and TRIPS Agreement Flexibilities* (Inv. No. 332-596).

<https://www.southcentre.int/south-centre-submission-to-usitc-17-march-2023/>

### **Contribución del Centro Sur al Informe del Secretario General sobre la aplicación de la Resolución A/RES/77/7 de la Asamblea General de la ONU sobre la “Necesidad de poner fin al bloqueo económico, comercial y financiero impuesto por los Estados Unidos de América contra Cuba” (Marzo 2023)**

Esta aportación del Centro Sur se presenta en respuesta a la solicitud del Secretario General como contribución al informe del Secretario General de acuerdo a la resolución **A/RES/77/7**, con respecto a la imposición de medidas económicas, financieras y comerciales unilaterales por parte de los Estados Unidos de América, contra Cuba, en violación de los principios básicos de la Carta de las Naciones Unidas.

<https://www.southcentre.int/contribucion-al-informe-del-secretario-general-sobre-la-aplicacion-de-la-resolucion-a-res-77-7-marzo-2023/>

### **Submission to the Global Digital Compact Apply Human Rights Online**

South Centre  
Geneva, April 2023

The South Centre's Board approved in September 2022 its Programme of Work 2023-2025 where the policy dimensions of digital transformation are highlighted as one of the priority areas for developing countries, including the need to harness digital technologies in education, health and the production of goods and services, support the development of a domestic digital industry, improve their digital infrastructure, advance digital equity and inclusion, effectively tax the digital companies and contribute to shaping the digital governance architecture to advance the Sustainable Development Goals (SDGs).

Following the call made in the Declaration on the Commemoration of the Seventy-Fifth Anniversary of the United Nations (A/RES/75/1) for improved digital cooperation, the United Nations (UN) Secretary General's Roadmap for Digital Cooperation and his report 'Our Common Future', the South Centre submits the following written contribution to the UN Secretary General ahead to the Summit of the Future with the objective of providing support to developing countries in the intergovernmental process concerning the digital transformation.

<https://www.southcentre.int/sc-submission-to-the-global-digital-compact-april-2023/>

### **Response to the Call for Inputs by the UN Special Rapporteur on human rights and the environment (June 2023)**

**“Should the interests of foreign investors trump the human right to a clean, healthy and sustainable environment?”**

*South Centre*

To realize the right to clean, healthy & sustainable environment and reduce ISDS risks, States need to align their FDI policies with human rights, climate action and SDGs, including via reform of the international investment regime.

<https://www.southcentre.int/sc-contribution-call-for-inputs-by-un-sr-on-hrs-environment-14-june-2023/>

### **Inputs – Special Rapporteur on the Right to Development (June 2023)**

**“Role of businesses in realising the right to development”**

*South Centre*

The Human Rights Council, in its resolution 33/14 of 29 September 2016, established the mandate of the [United Nations Special Rapporteur on the right to development](#). In 2023, the Special Rapporteur will present a report on “the role of business in realising the right to development in the context of the [2030 Agenda for Sustainable Development](#) and other relevant international human rights instruments” to the United Nations General Assembly in October 2023.

With the objective of collecting information regarding the role of businesses in realising the right to development, Prof Surya Deva, Special Rapporteur on the Right to Development, made an open call for inputs from various stakeholders such as States, international organisations, national human rights institutions, civil society organisations, and others.

In line with its programme of work, the South Centre is keen to submit the following information to the Special Rapporteur on the Right to Development considering the need to achieve progress on the fulfilment of social rights, in particular the Right to Development (RtD) and its interface with issues such as climate change, corporate responsibility, food security and small farmers' livelihood.

<https://www.southcentre.int/sc-contribution-call-for-inputs-by-un-sr-on-rtd-june-2023/>

## **MATRIX OF KEY ISSUES IN THE WTO TRIPS COUNCIL (June 2023)**

*Health, Intellectual Property and Biodiversity Programme, South Centre*

The following matrix provides a factual overview and analysis of the standing and non-standing agenda items of the regular session of the WTO TRIPS Council. The matrix also discusses the TRIPS Implementation issues as part of the WTO Doha Development Round of negotiations.

<https://www.southcentre.int/matrix-of-key-issues-in-trips-council-june-2023/>

## **Climate Finance Readiness E-book (July 2023)**

The global landscape of climate finance is highly fragmented and complex, involving multiple pathways, actors, institutions, and instruments. Funds provided by developed countries to developing countries for climate adaptation and mitigation actions are channelled through various multilateral funds – both within and outside the scope of the operating entities of the UNFCCC's financial mechanism.

Developing countries indisputably need climate finance to flow at a sufficient scale and in a timely manner. While the options and possibilities for countries to access climate finance are expected to increase, with a multitude of funding channels, this can also make the process even more complicated and confusing. Which funds to turn to? For which activities? At what costs? These are a few of the many questions that climate change decision-makers must contend with. Each fund is administered with complicated rules and procedures, which makes it very challenging for developing countries to navigate when seeking to fund their domestic climate actions. There is currently no 'one-stop-shop' to provide useful and quick answers.

The Climate Finance Readiness E-book is a series of short briefs prepared by the South Centre to provide developing countries with a «help desk» to access and more effectively and efficiently utilise the complex web of climate finance information available to them. This brief will be updated periodically and will shine a spotlight on different geographical areas. The South Centre welcomes questions, comments, and suggestions for this series of briefs to continuously improve its help desk function on Climate finance.

<https://www.southcentre.int/climate-finance-readiness-e-book-july-2023/>

## **TAXING MULTINATIONALS: THE BEPS PROPOSALS AND ALTERNATIVES (6 July 2023)**

*BEPS Monitoring Group*

This briefing by the BEPS Monitoring Group (BMG) analyses the outcomes of the latest phase of the G20/OECD project on base erosion and profit shifting, and outlines options and alternatives, especially for developing countries. The BMG is a network of experts on various aspects of international tax, set up by a number of civil society organizations which research and campaign for tax justice including the Global Alliance for Tax Justice, Red de Justicia Fiscal de America Latina y el Caribe, Tax Justice Network, Christian Aid, Action Aid, Oxfam, and Tax Research UK. This report has not been approved in advance by these organizations, which do not necessarily accept every detail or specific point made here, but they support the work of the BMG and endorse its general perspectives. It is based on previous reports, and has been drafted by South Centre's Abdul Muheet Chowdhary, Alex Cobham, Emmanuel Eze, Tommaso Faccio, Jeffery Kadet, Bob Michel, and Sol Picciotto.

<https://www.southcentre.int/sc-contribution-taxing-multinationals-the-beps-proposals-and-alternatives-6-july-2023/>

## **South Centre Comments on Pillar One – Amount B August 2023**

The South Centre submits the following comments and recommendations to the OECD Secretariat on Pillar One – Amount B.



<https://www.southcentre.int/south-centre-comments-on-pillar-one-amount-b-august-2023/>

**Submission to the UN Working Group on Business and Human Rights for its report on Investors, Environmental, Social and Governance and Human Rights (October 2023)**

*South Centre*

The South Centre has contributed to an upcoming report by the UN Working Group on Business and Human Rights on Investors, Environmental, Social and Governance and Human Rights which will be presented to the Human Rights Council at its 56th Session in 2024. Greater uptake in ESG reporting must be accompanied by mandatory corporate due diligence, accountability & remedies.

<https://www.southcentre.int/sc-submission-to-un-wg-on-b-hrs-october-2023/>

**Taxation of the Digital Economy (South Centre & Geneva Graduate Institute Report, October 2023)**

*by Adnan Sose, Nicolás Tascon and Anders Viemose*

As globalisation has pushed through complex inter-State trade in goods and services, in parallel there is a growing complexity in determining the taxation of Multinational Enterprises (MNEs) in an increasingly digitalized economy. This report reviews existing bilateral tax treaties between South Centre's Member States and States where most digitalised MNEs are headquartered, using a threshold of EUR 750 million in annual turnover to limit the number of in-scope MNEs in the study. This analysis produced primary data on South Centre Member States' source taxing rights scores and the implications of this on tax treaty negotiations to enable effective taxation in the digital economy through the inclusion of the United Nations (UN) solution for digital taxation, Article 12B of the UN Model Tax Convention. Further, the study sought to identify 'weak' tax treaties with low source taxing rights which merited a comprehensive renegotiation beyond the inclusion of Article 12B. Furthermore, the reports examined the treatment of "Computer Software" in the tax treaties under study, and concluded with recommendations going forward.

<https://www.southcentre.int/sc-iheid-report-october-2023/>

## **SOUTHVIEWS**

### **The Right to Development and its Role in International Economic Law (SouthViews No. 212, 28 January 2021)**

*By Olasupo Owoeye*

This paper provides a brief discussion on the right to development and examines some of the criticisms often raised against its significance as a cognizable human right. The paper argues that the principles encapsulated in the right to development represent the foundational principles of the international legal order. The right to development is therefore both a human right and an economic right. Thus, the principles it embodies are not only incorporated into the International Bill of Human Rights, they are also well reflected in World Trade Organization agreements and the field of international economic law. The paper argues that the right to development can play an important role in the interpretation and enforcement of rights under international economic law.

<https://www.southcentre.int/southviews-no-212-28-january-2021/>

### **Access to Medical Equipment in a Pandemic Situation: Importance of Localized Supply Chains and 3D Printing (SouthViews No. 213, 23 February 2021)**

*By Muhammad Zaheer Abbas, PhD*

The response to the COVID-19 crisis highlighted the weaknesses of the free trade system and failures of the traditional supply chains. Public health preparedness for future pandemics demands nation-states to increase their local production of medical supplies in order to reduce their dependence on third countries. Globally connected local production, enabled by digital fabrication tools, is arguably the best policy response to collaboratively address supply-chain vulnerabilities. 3D printing technology, which is the most prominent manifestation of digital fabrication ecosystems, can play a key role in enhancing the local production capacity in a time- and cost- efficient manner. This paper calls for an increased focus on local production and proposes a more systematic use of 3D printing capabilities to address shortages of critical medical equipment in a health emergency.

<https://www.southcentre.int/southviews-no-213-23-february-2021/>

### **Increasing ecocides: On the need for a new global platform for redress (SouthViews No. 214, 26 February 2021)**

*By Dr S Faizi*

Dr S Faizi argues that the community of nations should criminalise ecocide and create a mechanism to prosecute the culprits. This should be done by establishing an Environmental Security Council as a democratic, independent multilateral body, and by no means by overburdening the International Criminal Court (ICC) with this new agenda when ICC itself is in dire need of strengthening to enforce its original mandate.

<https://www.southcentre.int/southviews-no-214-26-february-2021/>

### **Technology and inequality: can we decolonise the digital world? (SouthViews No. 215, 6 April 2021)**

*By Padmashree Gehl Sampath*

In this article, the author argues that techno-centric explanations of progress and industrialisation are deeply entrenched in a wider social context that encourages us to ignore the historical roots of current inequalities – which, in fact, are not amenable to a technological solution alone. Making the data

economy work for all will require a serious reflection on how we want to frame this debate, and how to align ourselves to a common vision of social progress that technology could help to accomplish.

<https://www.southcentre.int/southviews-no-215-6-april-2021/>

### **An Introduction to the UN Technology Bank for the Least Developed Countries (SouthViews No. 216, 4 May 2021)**

*By Spring Gombe*

Adoption, adaptation and diffusion of technology offer Least Developed Countries (LDCs) substantial potential to increase economic productivity and development and to narrow the technological gap with developed countries. It is in recognition of the need for sustained and sustainable mechanisms to enable the transfer of technologies between countries that the United Nations (UN) Technology Bank for the Least Developed Countries was born.

<https://www.southcentre.int/southviews-no-216-4-may-2021/>

### **Financing for development from the perspective of the right to development (SouthViews No. 217, 14 May 2021)**

*Summaries of two reports by Saad Alfarargi, Special Rapporteur on the right to development*

In 2020, the United Nations (UN) Special Rapporteur on the right to development, Saad Alfarargi, submitted two reports, one to the UN Human Rights Council (HRC) and the other to the UN General Assembly, on the issue of financing for development (FFD) from the perspective of the right to development (RTD). The first report (A/HRC/45/15) analyzed national-level FFD, while the second report (A/75/167) focused on the international dimension of FFD. In both reports the Special Rapporteur highlighted relevant challenges, with a particular focus on how to ensure the meaningful participation of rights-holders.

<https://www.southcentre.int/southviews-no-217-14-may-2021/>

### **The Proposed Pandemic Treaty and the Challenge of the South for a Robust Diplomacy (SouthViews No. 218, 19 May 2021)**

*By Obijiofor Aginam*

The motivation for a pandemic treaty is infallible because of the 'globalization of public health' in a rapidly evolving interdependence of nations, societies, and peoples. Notwithstanding the lofty purposes of the proposed pandemic treaty as a tool for effective cooperation by member-states of the WHO to address emerging and re-emerging disease pandemics in an inter-dependent world, the proposal nonetheless raises some structural and procedural conundrums for the Global South. The negotiation of a pandemic treaty should, as a matter of necessity, take into account the asymmetries of World Health Organization member-states and the interests of the Global South.

<https://www.southcentre.int/southviews-no-218-19-may-2021/>

### **Opportunities and Challenges: Tax Cooperation and Governance for Asia-Pacific Countries (SouthViews No. 219, 31 May 2021)**

*By Sakshi Rai*

An informal technical meeting was organised on April 8<sup>th</sup> 2021 by the Secretariat of the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030

Agenda (FACTI Panel) for tax officials from the Asia-Pacific, to discuss the relevance of the Panel's recommendations in the context of the region as well as to familiarise tax officials with its final report.

<https://www.southcentre.int/southviews-no-219-31-may-2021/>

### **Improve nexus rule for fair distribution of taxing rights to developing countries (SouthViews No. 220, 28 June 2021)**

*By Radhakishan Rawal*

One of the open issues for Pillar One in the discussion on the taxation of the digital economy is the nexus threshold, which would determine which Multinational Enterprises (MNEs) have a taxable presence. Big developed economies or smaller developing economies both may be deprived of taxing rights as a result of nexus thresholds as presently described in the Pillar One proposal. Further, even where smaller thresholds are adopted, some countries may still be denied taxing rights. Financial threshold was never a parameter of distributing taxing rights between the countries. A minor tweaking of the tax certainty process could address the issue.

This article recommends giving the taxing right over Amount A of Pillar One, which covers the main portion of taxable profits from the digital economy to all the market jurisdictions, but to give rights related to affected tax jurisdictions only to those countries meeting the nexus thresholds. This approach will result in a fair distribution of taxing rights and will also ensure that there is no additional burden on the tax certainty process, which will be easier for developing countries.

<https://www.southcentre.int/southviews-no-220-28-june-2021/>

### **South-South and Triangular Cooperation: lessons from partnership between Argentina and Mozambique (SouthViews No. 221, 6 July 2021)**

*By Federico Villegas*

This article reviews some fruitful South-South and Triangular Cooperation (SSTrC) initiatives between Argentina and Mozambique. The initiatives received political support from both countries and showed that the relationship between South-South Cooperation and Triangular Cooperation can be mutually reinforcing. SSTrC may channel financial resources from development partners to projects and initiatives that can produce highly effective development results.

<https://www.southcentre.int/southviews-no-221-6-july-2021/>

### **Development Priorities for Africa in 2021 and Beyond (SouthViews No. 222, 12 July 2021)**

*By Judith Amelia Louis*

The author posits that Covid-19 is not the only major problem facing the global South and Africa in particular, although it is the most pressing for the times 2020-2021. The writer attempts to present important priority areas for attention by policymakers and decision makers at the national and regional levels in Africa within the context of the Covid-19 pandemic.

The paper recognizes that the social, economic, and political problems facing Africa are common to all its nation States and calls upon the African Union to play a more proactive role in shaping policy programs to address these persistent problems, including the crafting of statesmen genuinely committed to 'people-centered development'. The article discusses the issues impacting select priorities of socio-economic welfare; improved governance; human capital investment; regularization of migration and stemming the 'brain drain'. Suggested policy actions are prescribed as solutions towards achieving development. Urgent action in controlling their economies with the acquisition and retention of requisite skills and technology is the undertone of the paper given the picture of poverty characterizing basic needs data for the continent. For example, in the health sector there are

shortages of medical personnel, a situation magnified by the Covid pandemic.

The author envisions Africa's development utilizing its vast untapped potential including, inter alia, a young population.

<https://www.southcentre.int/southviews-no-222-12-july-2021/>

**Financial integrity for sustainable development: Importance of developing country joint action on tax, corruption and money-laundering (SouthViews No. 223, 14 July 2021)**

*By Dr. Ibrahim Mayaki*

Countries are beginning to realize that the landmark agreement on the Sustainable Development Goals will be unrealized if financing is not found for the agenda. Much of that financing can be found if illicit financial flows are stopped. In March 2020, the Presidents of the United Nations General Assembly and Economic and Social Council convened a High-Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel) to review global cooperation and recommend further actions by the international community as a contribution. Dr. Ibrahim Mayaki, the Co-Chair of the FACTI Panel, outlines the measures that the FACTI Panel recommended to combat tax abuse, corruption and money-laundering. He emphasizes the importance of developing countries taking a leading role in proposing solutions, and the value of inclusive international institutions. The text below is based on remarks that were made at a briefing to the Group of 77 and China in Geneva in April 2021, jointly organized by the FACTI Panel Secretariat and the South Centre. The Panel's full report can be read at: <http://www.factipanel.org/report>.

<https://www.southcentre.int/southviews-no-223-14-july-2021/>

**Vaccination inequalities and the role of the multilateral system (SouthViews No. 224, 19 July 2021)**

*By Carlos M. Correa*

The COVID-19 crisis has evidenced the fragility of the multilateral system to address a global health challenge. There are multiple reasons behind it. Since donations are not enough, a global solution to the pandemic would have required concerted actions in several fronts. The author suggests that, while examining how the proposed "pandemic treaty" might contribute to a global solution in future health emergencies, immediate actions are needed.

<https://www.southcentre.int/southviews-no-224-19-july-2021/>

**Vaccine Nationalism (SouthViews No. 225, 21 July 2021)**

*By Prof. Ujal Singh Bhatia*

The author posits that the global public health impact of the Covid-19 pandemic along with the economic and distributional aspects of vaccines and treatments, involves a market failure without the underlying institutional safety nets for an effective, globally coordinated response. He proposes strong, self-standing institutions with clear mandates and resources to make effective interventions at three levels: political, financial and regulatory. Also, the WTO rules regarding export restrictions are at present too accommodative to allow for a quick response. For Intellectual Property, both manufacturing and licensing, and relaxation of IP rules should be considered.

<https://www.southcentre.int/southviews-no-225-21-july-2021/>

**Issues in Financing Education as a Human Right: Central principles for public policy responses (SouthViews No. 226, 3 September 2021)**

*By Kishore Singh*

The realization of the right to education requires adequate financing of education. Public policy responses to the need and importance of financing education remain inadequate. And now there is a trend towards decreasing public investment in education. Not only should States shoulder the primary responsibility for education under human rights law, but non-State actors should also invest in education because of corporate social responsibility. Besides, the need and importance of preserving education as a public good and public interest in education should be kept in the forefront as regards multi-stakeholders and provision of education through public-private partnerships. The role devolves upon the parliamentarians in shaping regional and global architecture. In the conclusion, the author proposes ten central principles for a Global Alliance to do the task of world-wide advocacy in support of the architecture for financing education.

<https://www.southcentre.int/southviews-no-226-3-september-2021/>

**Ending Extreme Poverty by Ending Global Tax Avoidance (SouthViews No. 227, 29 September 2021)**

*By Abdul Muheet Chowdhary*

The world is estimated to lose around USD 500-600 billion in revenues from corporate tax avoidance each year. Ensuring that governments can collect this revenue through ending global tax avoidance will play a major role in ending extreme poverty. Overseas aid provided to developing countries focused on eliminating extreme poverty must therefore incorporate addressing tax avoidance, especially by Multinational Enterprises, as a core component of their efforts.

<https://www.southcentre.int/southviews-no-227-29-september-2021/>

**Carving Out a Role for Human Rights in International Investment Law (SouthViews No. 228, 15 October 2021)**

*By Barnali Choudhury*

The public health burdens that have been imposed on governments by Covid-19 serve as an important reminder of the importance for states to be able to regulate public health as well as other human rights issues. Commentators are already describing the myriad of investment arbitration claims that states may expect to face for their acts in handling the Covid-19 crisis. By carving out a role for human rights in international investment law, states can ensure that protection of human dignity, not property interests, will continue to be their ultimate objective.

<https://www.southcentre.int/southviews-no-228-15-october-2021/>

**The Post COVID-19 Recovery: A Stringent Test for the Business and Human Rights Discourse (SouthViews No. 229, 25 October 2021)**

*By H.E. Ambassador Luis Benigno Gallegos Chiriboga*

Although the global economic outlook seems to be improving for the rest of 2021 and 2022, such benefits seem to only affect developed economies, while furthering the gap with emerging markets and developing economies. This shows that 'recovery for all' will remain gloomy for several years, as access to the COVID-19 vaccine continues to showcase the global inequalities between the rich and the poor. In this scenario, States require to make full use of their regulatory and policy space to protect and promote the human rights of all people and persons in their jurisdictions, including the



right to health, while safeguarding the necessary fiscal space towards guaranteeing development expenditures to build back fairer and better. It is time for reducing inequalities rather than increasing the gap between developed and developing nations.

<https://www.southcentre.int/southviews-no-229-25-october-2021/>

### **The Place of Multilateralism in Tax Reforms: Exclusionary Outcomes of a Purported Inclusive Framework (SouthViews No. 230, 25 November 2021)**

*By Alexander Ezenagu*

Countries have come to accept the wide application of international tax rules in both their domestic and international tax affairs. However, where international tax rules fall short of the legitimate expectations of countries and fail to provide necessary guidance, countries may be compelled to seek other sources of guidance. In this paper, it is argued that in the absence and failure of international tax rules to provide adequate guidance and encourage a fair tax system, countries should not be prohibited from exercising their fiscal sovereignty.

<https://www.southcentre.int/southviews-no-230-25-november-2021/>

### **Waive IP Rights & Save Lives (SouthViews No. 231, 29 November 2021)**

*By Srividhya Ragavan*

In October of 2020, when India and South Africa proposed a waiver from certain provisions of the TRIPS agreement, it was meant to increase local manufacturing capacity in these countries. The waiver was proposed as a tool to kick-start prevention, containment and treatment of COVID-19. While there is an imminent need to meet a growing supply-demand gap for all medical products, COVID-19 related products are urgently required in poorer nations to contain the pandemic. The waiver has an additional role to play in the larger trade schema. In enabling vaccination of populations across the globe, the waiver would be critical to normalize global trade. The paper below captures the benefits of the waiver and compares it with the existing flexibilities under the trade regime, being compulsory licensing.

<https://www.southcentre.int/southviews-no-231-29-november-2021/>

### **Améliorer des règles du nexus pour une répartition équitable des droits d'imposition pour les pays en développement (SouthViews No. 220, 28 juin 2021)**

*Par Radhakishan Rawal*

L'une des questions posées dans le Premier Pilier sur les discussions sur l'imposition de l'économie numérique est le seuil du nexus, c'est-à-dire le lien de rattachement au pays, qui déterminerait quelles entreprises multinationales (EMN) ont une présence imposable. Les grandes économies développées ainsi que les petites économies en développement peuvent être privées de droits d'imposition en raison des seuils des nexus tels que décrits actuellement dans la proposition du Premier Pilier. De plus, même si des seuils plus petits sont adoptés, certains pays peuvent encore se voir refuser des droits d'imposition. Un seuil financier n'a jamais été un paramètre de répartition des droits d'imposition entre les pays. Un ajustement mineur dans le processus de certitude fiscale pourrait résoudre le problème.

Cet article préconise d'accorder le droit d'imposition sur le montant A du Premier Pilier, qui couvre la portion principale des bénéfices imposables de l'économie numérique, à toutes les juridictions du marché, mais d'accorder les droits destinés aux juridictions fiscales concernées uniquement aux pays atteignant les seuils du nexus. Cette approche se traduira par une répartition équitable des droits d'imposition et garantira également qu'il n'y ait pas de charge supplémentaire dans le processus de la certitude fiscale, ce qui sera plus facile pour les pays en développement.

<https://www.southcentre.int/southviews-no-220-28-juin-2021/>

**Jamaica's Perspective on Reform of the Global Investment Regime (SouthViews No. 232, 10 December 2021)**

*By Omar Chedda*

The Covid-19 pandemic has dealt a severe blow to the world economy, and in particular, Jamaica's economy, due to supply chain bottlenecks and reduction of tourism, on which Jamaica is heavily dependent. This is the context in which Jamaica is now reviewing its investment regime to ensure that investments contribute to recovery, building resilience and sustainable development, while improving investor rights and obligations in line with global trends.

<https://www.southcentre.int/southviews-no-232-10-december-2021/>

**Mainstreaming Public Health Considerations in Adjudication of Intellectual Property Disputes: Implications of Specialized IP Courts and General Courts (SouthViews No. 233, 31 January 2022)**

*By Justice (Retd.) Prabha Sridevan*

How can the public interest dimension be considered in the adjudication of intellectual property (IP) disputes, in particular those concerning patents on health technologies such as medicines and vaccines? This is the main question addressed by Justice (Retd.) Prabha Sridevan, former Judge of the Madras High Court and former Chairperson of the Intellectual Property Appellate Board (IPAB) of India, as an expert facilitator, at the Asian Regional Course for Judges on Intellectual Property and Public Health organized by the South Centre in August 2021. Justice Sridevan addressed the pros and cons of adjudication through specialized courts vis-à-vis general courts.

<https://www.southcentre.int/southviews-no-233-31-january-2022/>

**South Asia and the Need for Increased Tax Revenues from the Digitalized Economy (SouthViews No. 234, 18 February 2022)**

*By Abdul Muheet Chowdhary*

It is understandable why Pakistan and Sri Lanka, both members of the OECD Inclusive Framework, rejected the Two Pillar solution of the OECD on the taxation of the digitalized economy. Both Pillars would have deprived them of badly needed revenues, especially Pillar One. South Asian countries, amongst the poorest in the world and with high levels of external debt, must conduct a careful cost-benefit analysis if they are considering proceeding with Pillar One. Agreeing to this means foregoing unilateral measures on all companies, including those out-of-scope and losing vital policy space. Further, the agreement will have a long shelf-life and likely last for the next 30-40 years. Thus, all developing countries, including from South Asia, should be clear about what they are 'getting into'.

<https://www.southcentre.int/southviews-no-234-18-february-2022/>

**The WTO TRIPS Waiver and Essential Security Rights in 2022 (SouthViews No. 235, 10 March 2022)**

*By Dr. Alexander Beyleveld*

Almost two years have passed since the start of the COVID-19 pandemic, and we are still far from bringing the pandemic to an end. One of the main reasons for this is the fact that large vaccine inequities remain worldwide. In order to address this problem, a large subset of World Trade

Organization (WTO) members are in favour of waiving certain obligations contained in the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement). Against this backdrop, this article contemplates the legal necessity of such a waiver given that Article 73 of the TRIPS Agreement contains essential security exceptions which may render the obligations in question inapplicable under the interpretation that the pandemic affects law and public order interests.

<https://www.southcentre.int/southviews-no-235-10-march-2022/>

### **Addressing Food Insecurity and Climate Change for Poverty Reduction in the Horn of Africa (SouthViews No. 236, 15 March 2022)**

*By Ali Issa Abdi*

This article provides an assessment of the impact of food insecurity and climate change on poverty reduction in the Horn of Africa (HoA), which is one of the most affected regions in the world by these interlinked challenges. The region is confronted by these interconnected and mutually reinforcing negative conditions, which are compounded by institutional constraints, insecurity and scarce financial resources. Consequently, to end hunger, malnutrition and poverty in all its forms by 2030, it is imperative to implement urgent and radical transformation of food production systems, and to adopt accelerated and scaled up global actions to strengthen resilience and people's livelihoods in response to climate variability and extremes.

<https://www.southcentre.int/southviews-no-236-15-march-2022/>

### **Mejora la regla del nexo para una distribución justa de derechos fiscales a países en vías de desarrollo (SouthViews No. 220, 28 de Junio de 2021)**

*Por Radhakishan Rawal*

Uno de los problemas abiertos para Pilar Uno en el debate de la tributación de la economía digital es el umbral del Nexo, que determinaría qué Empresas multinacionales (MNE) tienen una presencia tributable. Las economías muy desarrolladas o las economías más pequeñas en vías de desarrollo pueden verse privadas de derechos fiscales como resultado de umbrales de nexo como son descritos en la propuesta de Pilar Uno. Asimismo, inclusive cuando se adoptan umbrales más pequeños, a algunos países aún se les puede denegar derechos fiscales. El umbral financiero nunca fue un parámetro de distribución de derechos fiscales entre los países. Un ligero ajuste del proceso de certeza impositiva podría abordar el problema.

Este artículo recomienda otorgar el derecho fiscal por Monto A de Pilar Uno, que abarca la porción principal de ganancias tributables de la economía digital, a todas las jurisdicciones del mercado, pero otorgar derechos relacionados con las jurisdicciones impositivas afectadas solo a aquellos países que cumplen con los umbrales de Nexo. Este enfoque resultará en una distribución justa de derechos fiscales y también garantizará que no haya una carga adicional en el proceso de certeza impositiva, que será más sencillo para países en vías de desarrollo.

<https://www.southcentre.int/southviews-no-220-28-de-junio-de-2021/>

### **Structural Change and the Environment (SouthViews No. 237, 31 May 2022)**

*By Calixto Salomão Filho*

Free-riding and free driving are relevant problems undermining structural transformation in environmental matters. These two different trends of the markets give incentive to opportunistic and individualistic behavior that hinders the abilities of international markets to create positive environmental externalities. To the contrary, they might lead to monopolistic concentration and negative environmental externalities.

Law, instead of allowing them (through carbon markets compensations only, for example) should look for alternatives of structural transformation of markets. Both well known concepts as the common goods and newer ideas as the possibility of positive screening of transformative market alternatives (or transformed enterprises) might be really useful for such a goal and consequently for the production of positive environmental externalities.

<https://www.southcentre.int/southviews-no-237-31-may-2022/>

### **Doha Twenty Years On – Has The Promise Been Betrayed? (SouthViews No. 238, 20 June 2022)**

*By Yousuf Vawda and Bonginkosi Shoji*

The Doha Declaration's twentieth anniversary in November 2021 has taken place in the midst of the COVID-19 pandemic. The experience of the past two years has demonstrated that the very factors that necessitated the Declaration—the problems of inequitable access to medicines and other health technologies for the world's poor—continue to plague us.

Has the promise of the Doha Declaration been betrayed? In this contribution, we critically engage with this question, focusing our appraisal on whether the Doha Declaration has been successful in fulfilling its commitments to: (a) advancing access to health; (b) equity and fairness in the relations between WTO Members States; and (c) recognising perspectives from the developing world in formulating IP policy. Ultimately, we conclude that the promise of the Doha Declaration has failed to materialise.

There are many reasons for this. For instance, developed country governments have intentionally undermined the Declaration by their insistence on inserting more onerous TRIPS-plus provisions in free trade agreements and economic partnership agreements, which decimate the limited flexibilities permitted by the TRIPS Agreement. And where countries have sought to use such flexibilities, they have been assailed by an over-litigious pharmaceutical industry, and threats by governments such as the US 301 Watch List. For these reasons, we argue for the need for alternative paradigms to challenge Western hegemony and norms regarding IP and other trade-related issues, and for effectively challenging this through the application of a “decoloniality” approach.

<https://www.southcentre.int/southviews-no-238-20-june-2022/>

### **Farmers, Seeds & the Laws: Importing the Chilling Effect Doctrine (SouthViews No. 238, 30 June 2022)**

*By Saurav Ghimire*

As an increasing number of countries are formulating Plant Variety Protection (PVP) laws, a growing number of farmers are affected by plant breeders' rights. In addition, the seed certification law also affects farmers' relations with seeds. Discussing the farmers' interaction with the PVP law and seed certification law in Indonesia, this article establishes that the farmers have internalised the law beyond the scope of the legal text, such that they self-limit breeding, saving, and exchanging of seeds even in legally permissible situations. Based on the chilling effect doctrine, this article argues that the related laws should be relaxed to ensure that they do not over deter farmers from exercising their rights. This article calls for both negative and positive state obligations to address the chilling effect on farmers arising from both state and private actors.

<https://www.southcentre.int/southviews-no-239-30-june-2022/>

### **Competition Law and Intellectual Property: A Study Drawing from The Eli Lilly Case on 'Sham Litigation' in Brazil (SouthViews No. 240, 1 September 2022)**

*By Pablo Leurquin*

Competition authorities may be the best equipped institutions to penalize certain illicit practices that involve intellectual property rights. This article analyzes the decision by the Brazilian Administrative Council for Economic Defense (Conselho Administrativo de Defesa Econômica – CADE) in the Eli Lilly case, in which the company was convicted for abusive use of the right to petition (sham litigation) with anti-competitive effects. It examines general aspects of technological dependence in the Brazilian pharmaceutical industry, presents the legal premises necessary for the understanding of the decision made by the competition authority, and analyzes the legal grounds for the sanction imposed on Eli Lilly.

<https://www.southcentre.int/southviews-no-240-1-september-2022/>

### **The South's Role and Responsibilities in the Next Phase of Multilateralism (SouthViews No. 241, 12 September 2022)**

*By Elizabeth Sidiropoulos and Luanda Mpungose*

The global erosion of trust in the global institutions is the direct result of non-delivery on the most crucial challenges that face humanity such as inequality, poverty, and climate change. South-South Cooperation can play a vital role in reinvigorating multilateralism. Beyond its horizontal engagements it has already begun supporting and enriching processes, institutions and norms-building at the global level. However, changing the superstructures that have discriminated against many developing countries will require a strategy that involves prioritising, coalition-building and coordination.

<https://www.southcentre.int/southviews-no-241-12-september-2022/>

### **A Proposal for a New Approach to Restructuring African Eurobonds: The DOVE Fund and Principles (SouthViews No. 242, 4 November 2022)**

*By Daniel Bradlow*

This article argues that the current arrangements for restructuring sovereign bonds do not meet Africa's needs. African states and their supporters should create a DOVE (Debts of Vulnerable Economies) Fund that can purchase the bonds of African sovereign debtors in distress and commit to restructure them in accordance with the DOVE Fund Principles. This Fund can help interrupt inter-creditor dynamics and push the bondholders to be more open to innovative approaches to debt restructuring. This article, after briefly considering some of the problems with the current process for restructuring sovereign bonds, discusses the DOVE Fund and the DOVE Fund Principles.

<https://www.southcentre.int/southviews-no-242-4-november-2022/>

### **International Clean Technology Diffusion: Pathways and Prospects (SouthViews No. 243, 15 November 2022)**

*By Wenting Cheng*

International clean technology diffusion is essential to mitigate and adapt to climate change, while fast and optimal diffusion can be prevented by the paywall of patents. This article examines three pathways to foster international clean technology diffusion: through restriction of intellectual property, including imposing external restraints in environmental law; striking an internal balance in maximizing TRIPS flexibilities; and keeping the status quo. It finds that the first two treaty-based pathways may not work, and an operable pathway to promote clean technology diffusion is to maximize and consolidate TRIPS flexibilities in national laws. This option challenges the popular proposal of a "Doha-like" declaration on TRIPS and climate change due to the paralysed multilateral trade mechanism, asymmetrical negotiation power of developing countries, prolonged negotiation process, and categorization problem in treaty negotiations.

<https://www.southcentre.int/southviews-no-243-15-november-2022/>

**Graduating from the LDC Group: Challenges Facing Bangladesh (SouthViews No. 244, 31 January 2023)**

*By Mustafizur Rahman*

A significant number of LDCs will be graduating in the near term future. On graduation these countries will face formidable challenges as they will lose the benefits accruing from LDC-specific international support measures. Bangladesh is the first major LDC which is slated for graduation, to take place in November 2026. This article examines the various graduation challenges facing Bangladesh, and articulates some of the strategies that the country needs to pursue in order to graduate with momentum and make graduation sustainable.

<https://www.southcentre.int/southviews-no-244-31-january-2023/>

**Towards a WTO Anchored in SDGs (SouthViews No. 245, 27 February 2023)**

*By Mohan Kumar*

The WTO faces an existential crisis, despite a reasonable outcome at the Twelfth Ministerial Conference. The one way by which the WTO can resuscitate itself is to make sure that the negotiating agenda is anchored in the SDGs rather than in the narrow interests of its most powerful members. The changing role of the State must also be factored in by the WTO.

<https://www.southcentre.int/southviews-no-245-27-february-2023/>

**Preserving Regulatory Space for Sustainable Development in Africa (SouthViews No. 246, 5 April 2023)**

*By Roslyn Ng'eno*

Investment has an important role for achieving sustainable development in developing countries. Although international investment agreements (IIAs) can serve as instruments to promote such objective, protection oriented IIAs have undermined the ability of States to regulate in the benefit of the community. Likewise large financial reparations imposed by arbitral tribunals have increased the threat of regulatory chill in the face of major global challenges. Strengthening the right to regulate of States and addressing regulatory chill are key matters to consider in the reform of IIAs and the international investment regime.

<https://www.southcentre.int/southviews-no-246-5-april-2023/>

**UN Model Tax Convention Article 26: Inequitable Exchange of Information Regime – Questionable Efficacy in Asymmetrical Bilateral Settings Africa (SouthViews No. 247, 29 May 2023)**

*By Muhammad Ashfaq Ahmed*

The United Nations Model Tax Convention between Developed and Developing Countries (UN MTC) Article 26 charts out an exchange of information (EOI) regime “between developed and developing countries,” feigning that it is more favorable to the latter set of nations. Contrarily, the Organisation for Economic Cooperation and Development (OECD) MTC Article 26 is professedly geared to protect and promote interests of OECD members – “the club of the rich.” Even a cursory comparative look at the two MTCs intriguingly reveals lack of dissimilarities, and irresistibly leads to the conclusion that



materially both provisions are identical. The situation gives rise to a paradox whereby developing countries that are completely at different levels of development have broken governance structures, convoluted fiscal and criminal justice systems and struggling tax administrations, have been yoked into a multilayered EOI regime, which stemmed from an intra-OECD statecraft imperative and is predominantly beneficial to developed countries. The new normal contributes towards enhancement and deepening of the embedded inequities in the neocolonial economic order. The paper seminally dissects the strains generated by absence of dissimilarities between the two MTCs vis-à-vis Article 26, and posits that, in fact, this fundamentally being a developed country project, developing countries have been exploited as 'beasts of burden' merely to promote economic interests of dominant partners in the relationship, and by doing so, sheds light on and galvanizes the unjustness latent in the international taxes system – an inherently unequal and lopsided affair. It also delves deeper into an axiological normative evaluation of the extant EOI regime, and finding it untenable, urges a larger paradigm shift. In fact, the UN's meek convergence with the OECD on EOI regime, ditching developing countries and leaving them to fend for themselves in this critical area of international taxation, is the scarlet thread of the paper.

<https://www.southcentre.int/southviews-no-247-29-may-2023/>

### **The United Nations Intergovernmental Process – An Opportunity for a Paradigm Shift (SouthViews No. 248, 31 May 2023)**

*By Kuldeep Sharma and Raunicka Sharma*

Efforts are underway to strengthen the inclusiveness and effectiveness of international tax cooperation so that the current tax structures consider the equitable interests of developing countries. This is necessitated as a section of developing countries has lost confidence in the OECD and there is a lingering doubt whether OECD has developing countries' best and equitable interests in mind. As a result, the United Nations General Assembly has launched intergovernmental talks to enhance international tax cooperation and draft a UN Tax Convention that aims to establish inclusive norms for transparency and tax cooperation, that leads to development of an acceptable and frictionless worldwide tax policy.

<https://www.southcentre.int/southviews-no-248-31-may-2023/>

### **Implementing wealth tax and wealth redistribution in Sub-Saharan Africa (SouthViews No. 249, 30 June 2023)**

*By Khanyisa Mbalati*

Sub-Saharan Africa is one of the most unequal places in the world, with significant levels of social, gender, and income inequality. Several countries in the region have a tax structure that is heavily weighted towards consumption taxes, which can be regressive and inflict a significant burden on those with low and middle incomes. Implementing progressive tax systems, whereby those with higher earnings pay a larger share in taxes, is one way through which governments might optimize the impact of tax revenue on reducing inequality. The adoption of a wealth tax may facilitate wealth redistribution in Sub-Saharan African nations and could help bridge the inequality gap in the region. High statutory wealth tax rates of between 5-8% are needed in order to have an effective tax rate of 3-5%.

<https://www.southcentre.int/southviews-no-249-30-june-2023/>

### **COVID-19, Future Pandemics and the Africa Care Economy Index (SouthViews No. 250, 10 August 2023)**

*By Salimah Valiani*

In Africa, the care economy has long been unrecognised. At least since the last major pandemic in

Africa, HIV-AIDS, caring work has been severely undervalued in the continent, and the redistribution of caring work, from females in the home and communities, is next to nonexistent. Undoing this structural inequality is crucial to improve health and wellbeing of girls and women in Africa, to be prepared for future pandemics, and to realise Africa's demographic dividend for the benefit of the majority. To achieve this, the Africa Care Economy Index is offered as a policy, advocacy, and accountability tool.

<https://www.southcentre.int/southviews-no-250-10-august-2023/>

**Value Addition or Trade Misinvoicing: Coal Trading in the Asia-Pacific (SouthViews No. 251, 12 September 2023)**

*By Manuel F. Montes and Peter Lunenborg*

Statistics on coal trade between India, Singapore and Indonesia suggest that trade misinvoicing is used as a vehicle for illicit financial flows. At present this practice is not well addressed by the Organisation for Economic Co-operation and Development's tax standards. Asia-Pacific countries should intensify cooperation on this issue. Other international organizations with a mandate in this area could also play a role, for instance the World Trade Organization. Ultimately, increased cooperation would help to achieve Sustainable Development Goal 16.4 which inter alia aims, by 2030, to significantly reduce illicit financial flows.

<https://www.southcentre.int/southviews-no-251-12-september-2023/>

**The Right to Development: Principles, Realization and Challenges (SouthViews No. 252, 21 September 2023)**

*By H.E. Mr. Ali Bahreini*

The main theme of the 54th session of the Human Rights Council revolves around economic, social, and cultural rights, with a particular focus on the right to development. This article addresses the importance of the right to development, the Iranian perspective on it, and the impact of various challenges on its full and effective realization.

<https://www.southcentre.int/southviews-no-252-21-september-2023/>

**Harnessing Digital Technologies for Education in Developing Countries: Need for a Judicious Approach (SouthViews No. 253, 27 October 2023)**

*By Kishore Singh*

Digital technologies are transforming the landscape of education. New models and ways of learning, digitally supported and virtual, are emerging with rapid pace, multiplying learning pathways and diversifying learning approaches. Digital technologies are impacting education at all levels and in all its forms, and renewal of education by dint of what is termed 'edu-tech' has become a buzz word. Harnessing digital technologies for education is enticing for developing countries.

However, the gaze on the dazzles of digitalization must not lose sight of their down side. Considering what has been termed as 'platform imperialism', a cautious and critical approach is needed. "Digital divide" is a crushing blow to the fundamental principle of equality of opportunity in education. Safeguarding education from forces of privatization and 'edu-business', fortified by digitalization in education, is also a daunting challenge. We must ward off against deleterious, even dehumanizing effect of digital technologies, as they can be pernicious if they are not properly controlled and regulated.

<https://www.southcentre.int/southviews-no-253-27-october-2023/>

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