

High Level Political Forum - 5 July

Session on “Financing a robust crisis response and investing in the SDGs”

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- The interlinked crises have underpinned the importance of the importance of states that are agile in their responses to the new forces of globalization, and that are equipped with institutions that enable them to respond to their citizens needs
- During the pandemic, developing countries, including African countries, were not only unable to respond to the new forces of globalization but many were also utterly incapable to responding to their citizens’ needs
- While good domestic policies are necessary for the mobilisation of domestic resources required to enable states to raise the resources needed for them to respond to crises and invest in SDGs, effective domestic resource mobilization also requires a reform of the international tax system
- In recognition of this, long overdue discussions for reform of the global tax system have come to the fore, however, developing countries have, not been able to equally contribute to these discussions
- Over the past several years, Global South countries have repeatedly called for the establishment of an intergovernmental tax body under the auspices of the United Nations to fix the international tax system and lead the setting of global tax standards.
- In May this call was reiterated by the Conference of African Ministers of Finance, Planning and Economic Development.
- At the conclusion of the fifty-fourth session that was held in Dakar, the ministers endorsed the resolutions that had been approved by the Committee of Experts which included a call upon the United Nations to begin negotiations under its auspices on an international convention on tax matters, with the participation of all States members and relevant stakeholder
- This resolution if implemented would move rulemaking on international tax out of the hands of a few rich countries who have determined international tax rules for decades and to the UN. To agree to such decisions to democratize global economic governance, we are calling on member states to urgently organise a new Financing for Development conference
- A UN tax convention would:
 - Promote democratic reforms of the international taxation framework by allowing for genuinely inclusive consultations to ensure that the interests of developing nations are represented;
 - Initiate the process of harmonizing international tax agreements to eliminate their bias towards developed countries to the detriment of developing countries; and
 - Foster greater collaboration between governments on tax matters in a fair, transparent and accountable manner. This would also enhance greater coordination and coherence between institutions and ultimately have tax issues administered under one framework.
- As civil society we have followed up by developed a proposal for a UN Tax Convention, we believe that such a Framework Convention would be a legally binding document which allows governments to take a stepwise approach towards strengthening international