



Support for the call by African Ministers of Finance, Planning and Economic Development for a UN Tax Convention

By Tax Justice Network Africa (TJNA) in association with Tax and Fiscal Justice Asia (TAFJA) and Red de Justicia Fiscal de América Latina y el Caribe (RJFALC), members of the Global Alliance for Tax Justice (GATJ)

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. Last month 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 on 16 and 17 May 2022, in Dakar, the ministers endorsed the resolutions that had been approved by the Committee of Experts. Under the section on 'Curbing illicit financial flows and recovery of lost assets' the resolutions included the following:

"The Conference of Ministers: [...] Calls 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 stakeholders, aimed at eliminating base erosion, profit shifting, tax evasion, including of capital gains tax, and other tax abuses."

The endorsement of this resolution by the African ministers of finance, planning and economic development adds to the voices of developing nations that have long called for an intergovernmental tax negotiation process at the UN. For over two decades, the G77 and China have called for 'Member States to consider the conversion of the United Nations Committee of Experts on International Cooperation in Tax Matters into an intergovernmental subsidiary body of the Economic and Social Council.', noting their concern that there is "no global, inclusive norm-setting body for international tax cooperation at the inter-governmental level". Since then, there have been repeated calls by numerous Global South groups and member states for the same. Most recently, G77 and China reiterated this call at the 2022 FfD Forum with the Africa Group in the UN noting "the urgent need to establish a universal, UN intergovernmental tax body and negotiate a UN Tax Convention to comprehensively address tax havens, tax abuse by multinational corporations and other illicit financial flows through a truly universal, intergovernmental process at the UN, with broad rights holders' participation."

In February 2021, the report of the High-Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel) also called for the international community to initiate a process for a UN Tax Convention.

Illicit financial flows (IFFs) have continued to ravage the world's economies with developing countries disproportionately suffering the negative effects of the phenomenon, especially in the post-Covid-19 era. The State of Tax Justice 2021 showed that countries are losing a total of \$483

billion in tax a year to global tax abuse committed by multinational corporations and wealthy individuals. Despite developing nations being disproportionately affected by tax-related IFFs, they have always been left out of rulemaking processes that could offer solutions to address these challenges.

The negotiation of the new global tax rules currently takes place within the Organisation for Economic Co-operation and Development (OECD) Inclusive Framework (IF). Despite its name, the OECD Inclusive Framework is not truly inclusive as over a third of countries are not members of the platform, not all countries have an equal voice in discussions on the reform of the global tax system, and it carries an inherent bias towards the interests of the members of the OECD. At present only half of all African countries are members of the IF and in the most recent Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy, only 24 African countries endorsed it, yet it was lauded as a global deal.

Further to this, in a series of recent letters from a group of UN independent experts and special rapporteurs, they expressed concern that Pillar One will 'will facilitate aggressive tax optimisation strategies and tax evasion' and Pillar Two will 'reduce the ability of low and middle-income countries to mobilise sufficient resources to invest in essential public services and to ensure the realisation of human rights' reiterating the inadequacy of the OECD IF as global rule-making body.

The inadequacy of OECD to set global standards is further revealed in their decisions in tax transparency over the last decade. This includes decisions on the cross-border exchange of information on financial accounts and on the activities of multinational companies that can reveal patterns of tax abuse by individuals and companies, which have been designed in such a way as to systematically exclude lower-income countries from the benefits.

We, therefore, laud the continued efforts of developing countries, and more recently the African ministers, to call for an international convention on tax matters at the United Nations. And even as developing nations continue with these calls, we urge OECD countries whose stance has traditionally been obstructive towards efforts to truly establish a democratic platform for negotiation.

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. As such, we, the undersigned, support the call of developing countries, and more recently the African ministers, for an international tax convention and an intergovernmental tax body under the auspices of the UN.

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 harmonising international tax agreements to eliminate their bias towards developed countries to the detriment of developing countries.
- 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.

We, therefore, call upon:

1. Governments from all regions of the Global South to step up South-South cooperation and prioritise their long-standing demand for a universal, intergovernmental tax negotiation process at the UN including articulate express statements of support for the recent call by African ministers for a UN tax convention to build political momentum.
2. Governments from the EU and OECD to recognise that the failures of the current system also defeat their own ability to deliver progressive taxation of income, profits, wealth and capital gains, and to give their support to the start of negotiations on a convention.
3. The Secretary-General of the UN to issue a statement of solidarity with Global South countries and provide steer for a discussion on a UN tax convention at the upcoming 2022 UN General Assembly.

Statement endorsed by:

1. ActionAid International
2. ActionAid Nepal
3. ActionAid Nederland
4. Actionaid Senegal
5. ActionAid Sierra Leone
6. ActionAid Zambia
7. African Forum and Network on Debt and Development (AFRODAD)
8. AGAGES MANAGEMENT CONSULTANTS GRP (Agir pour Garantir la Gouvernance Économique et Sociale)
9. AJUDECA
10. Akina Mama wa Afrika
11. AkoLearn
12. Albida International LLC
13. All Nepal Peasants Federation
14. Alliance Nationale des Consommateurs et de l'environnement
15. Alliance Sud, Switzerland
16. Alternative Information & Development Centre
17. Amnesty International
18. Aniban ng mga Manggagawa sa Agrikultura (AMA)
19. Anti-Corruption Commission - Sierra Leone
20. APIT Portugal
21. Asian Peoples' Movement on Debt and Development (APMDD)
22. Asociación Economía Solidaria Riojana
23. Association For Promotion Sustainable Development
24. Association of mineworkers and construction union (AMCU)
25. Attac Austria
26. ATTAC CADTM Burkina
27. ATTAC ESPAÑA
28. BIKN
29. Botswana Centre for Public Integrity
30. Bulawayo Vendors and Traders Association
31. Bureau de Liaison avec le Parlement BLP/CENCO

32. CAFAGB (Cellule Associative des Femmes Actives pour la Gouvernance les Droits Humains et le Bien-être)
33. Campaign for Human Rights and Development International CHRDI
34. Catedra Abrieta Plan Fenix Fac. Cs. Económicas UBA Argentina
35. CCFD-Terre Solidaire
36. Cedetrabajo
37. CELLULE ASSOCIATIVE DES FEMMES ACTIVES POUR LA GOUVERNANCE LES DROITS HUMAINS ET LE BIEN ÊTRE
38. Center for Economic and Social Rights
39. Center for Peace Education and Community Development
40. Centre de Formation en Mécanismes de Protection des Droits Humains
41. Centro de Documentación en Derechos Humanos "Segundo Montes Mozo S.J." (CSMM)
42. Centro de Teatro do Oprimido de Maputo
43. Centro Montalvo
44. Chambre Transversale des jeunes entrepreneurs du Burundi
45. Changemaker Finland
46. Christian Aid
47. Church Action for Tax Justice
48. Civil Society FfD Group
49. CIVIL SOCIETY LEGISLATIVE ADVOCACY CENTRE
50. CNCD-11.11.11
51. Coalition for the UN We Need
52. COLMYG de Teusaquillo
53. Congregation of Our Lady of Charity of the Good Shepherd
54. Consumers Association of Penang
55. Corruption and Rights Watch - CORWA
56. Corruption Watch
57. CRADEC
58. CRASH - Coalition for Research and Action for Social Justice and Human Dignity
59. Croatian Platform for International Citizen Solidarity
60. DECIDAMOS
61. Diakonia
62. EATGN
63. Education Coalition of Zimbabwe
64. Ekvilib Institute
65. Elimu Yetu Coalition
66. ENVIRONICS TRUST
67. Equidad de Género: Ciudadanía, Trabajo y Familia
68. European Network on Debt and Development (Eurodad)
69. FARMING COMMUNITY EDUCATION TRUST-ZIM
70. Federation of Environmental and Ecological Diversity for Agricultural Revampment and Human Rights, The (FEEDAR & HR)
71. FEMNET
72. FIAN International
73. Financial Accountability & Corporate Transparency (FACT) Coalition
74. Financial Transparency Coalition
75. Finnish Development NGOs Fingo
76. Focus on the Global South

77. Fundación Constituyente XXI Chile
78. Fundación Mexicana para la Planeación Familiar, A. C. MEXFAM
79. Fundación SES
80. Gender and Development Network (GADN)
81. Generational Citizens In Action
82. Ghana Integrity Initiative
83. Global Alliance for Tax Justice (GATJ)
84. Global Campaign for Education (GCE)
85. Global Policy Forum
86. Global Tax Laboratory
87. GRADE Project, the University of St Andrews
88. Green Economy Coalition
89. Green Governance Zimbabwe Zimbabwe
90. GREEN SCENERY
91. Growthwatch
92. GRUPO NACIONAL DE PRESUPUESTO PÚBLICO
93. Halley Movement Coalition
94. Helping Our People Excel (HOPE)
95. Human Rights Consultative Committee (HRCC)
96. Human Rights Development Initiative
97. ICRICT
98. ILDI
99. Indian Social Action Forum
100. Indonesia for Global Justice (IGJ)
101. INFID
102. Initiative Citoyenne pour l'Environnement et le Développement Durable (ICED)
103. Initiative for Social and Economic Rights (ISER)
104. Innovations for Development (I4DEV)
105. Institute for Economic Justice
106. Institute of Public Finance
107. Instituto Centroamericano de Estudios Fiscales (Icefi)
108. Instituto de Desarrollo de la Economía Asociativa (IDEAC)
109. Instituto de Estudos Socioeconômicos (Inesc)
110. Instituto Justiça Fiscal (IJF)
111. Instituto Popular de Capacitación (IPC)
112. International Women's Rights Action Watch Asia Pacific
113. Jana Adhayan Kendra
114. Jean Marie
115. Justicia Climática Rep. Dominicana
116. Kafecos
117. Kairos Europe WB
118. Keen and Care Initiative (KCI)
119. Kopin - Malta
120. KRuHA
121. KULU - Women and Development
122. Kuza Livelihood Improvement Projects
123. Latin American Campaign for the Right to Education (CLADE)
124. LATINDADD - Red Latinoamericana por Justicia Económica y Social

125. Lesotho Council of NGOs
126. Ligue Congolaise de Lutte Contre la Corruption (LICOCO)
127. Local Governance Network (LOGNet)
128. Malawi CSO Led Black Economic Empowerment Movement (MaBLEM)
129. Malawi Economic Justice Network MEJN
130. Manica Youth Assembly
131. MARIJÀN
132. Mines mineral and people
133. Missionary Oblates of Mary Immaculate
134. Mzuzu Youth Anti-Corruption Movement
135. Nadi Ghati Morcha
136. National Education Coalition
137. National Society of Conservationists - Friends of the Earth Hungary
138. National Taxpayers Association
139. Nawi Collective
140. Network Movement for Youth and Children's Welfare (NMYCW)
141. Netzwerk Steuergerechtigkeit
142. Norsk Folkehjelp
143. Norwegian Church Aid
144. Norwegian Forum for Development and Environment
145. Observatorio Dominicano de Políticas Públicas
146. Observatorio Sociolaboral y del Diálogo Social en el Ecuador (OSLADE)
147. Oxfam
148. Oxfam IBIS
149. Pakistan Fisherfolk Forum
150. Pakistan Kissan Rabita Committee _ PKRC
151. PALU
152. PAPDA
153. Perkumpulan PRAKARSA
154. PSlink/Bestfed
155. Public Services International (PSI)
156. Public Services Labor Independent Confederation
157. Red de Justicia Fiscal de América Latina y el Caribe (RJFALC)
158. Red de Organizaciones de Managua
159. Red Dot Foundation
160. Rede de Auditores Fiscais de Língua Portuguesa
161. ReFocus Consulting
162. Religious of the Sacred Heart of Mary NGO
163. RENICC - Red Nicaragüense de Comercio Comunitario
164. Resource Link Foundation
165. Revenue Mobilisation Africa
166. Rural Area Development Programme (RADP)
167. Ruwa Residents & Ratepayers Association Trust
168. Rwanda Education for All Coalition
169. Sahabat Alam Malaysia (Friends of the Earth Malaysia)
170. Salesian Missions, Inc.
171. SAUTI YA WANAWAKE
172. SENTRO

173. Shule Direct
174. Sisters of Charity Federation
175. Social Support Foundation (SSF) Ghana
176. Social Watch
177. Society for International Development (SID)
178. Somaliland Network on Education For All (SOLNEFA)
179. Southern Africa Mining Workers Movement
180. Southern and Eastern Africa Trade Information and Negotiations Institute
181. Stop the Bleeding Campaign
182. Sudanese Coalition for Education for all
183. Swaziland Network Campaign for Education for All
184. Tanzania Education Network
185. Tax and Fiscal Justice Asia (TAFJA)
186. TAFJA Nepal
187. Tax Justice Coalition Ghana
188. Tax Justice Network
189. Tax Justice Network Africa (TJNA)
190. Tax Justice Norway
191. TaxEd Alliance
192. Taxfordev
193. Teach For Zimbabwe
194. Temple of Understanding
195. The International Union for Land Value Taxation
196. The PRAKARSA
197. Third World Network - Asia
198. Third World Network - Africa
199. ThisAbilityHub Zimbabwe
200. TI Bénin
201. TJNE
202. Trade Justice Pilipinas
203. Transparency International - Initiative Madagascar
204. Transparency International Kenya
205. Transparency International Zambia
206. Transparency International Zimbabwe
207. Transparency Mauritius
208. TZ Human Rights Network
209. UGTT
210. Union des Amis Socioculturels d'Action en Développement (UNASCAD)
211. Universal Rights Network
212. VIDC
213. VIVAT International
214. WEDO
215. Wemos
216. West Nile Youth Empowerment Centre
217. WomanHealth Philippines
218. Women Aspire Network
219. Women Excel Trust
220. Women First International Fund

221. Women's Working Group on Financing for Development
222. World Basic Income
223. World Economy, Ecology and Development - WEED
224. Youth for Tax Justice Network (YTJN)
225. Zambia Tax Platform
226. Zimbabwe Coalition on Debt and Development (ZIMCODD)
227. Zimbabwe Cross Border Traders Association
228. Zimbabwe Environmental Law Association