



Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation

General Dialogue – April 26

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Thank you, Mr Chair, as this is our first time taking the floor, we would like to take this opportunity to congratulate you on your election. As civil society we commit to support this process to ensure that it delivers the success we so urgently need.

Following the work of developing countries for the past few decades to push for the establishment of an intergovernmental tax process, we are delighted to be participating in this historic event. First and foremost, we wish to applaud the work of developing countries under the leadership of the Africa Group in bringing us to this moment.

Domestic resource mobilisation is essential to the structural transformation agenda of many developing countries including on the African continent. In Africa's development blueprint to achieve inclusive and sustainable socio-economic development, Agenda 2063, which is in alignment of the SDGs, the document outlines the importance of domestic resource mobilisation and notes that to attain our developmental objectives, 70 percent of the financing for this must be from domestically mobilised resources.

While there are efforts that must be indeed taken at the national level, there still remains significant work that needs to be taken at the international level to combat IFFs, tackle tax avoidance and tax evasion. Domestic resource mobilisation must be complemented by international tax cooperation.

While we flag the importance of this work to developing countries, we cannot over emphasise that inclusive and effective tax cooperation is important work that has benefits for our global community. The international community as a whole is better off when we have more countries that have the resources and capacity to provide their citizens with essential services.

We embrace the opportunity for all Member States to take part in negotiations on an equal footing and call for the wide participation of least developed countries, particularly developing countries who have previously not had the capabilities and capacities to effectively take part in international tax negotiations. We emphasize that **inclusivity in international tax decision-making increases the effectiveness of international tax cooperation**. Therefore, we encourage all Members States to take part in these processes in good faith as truly democratic decision-making processes are not only beneficial to developing countries but also developed countries. Indeed, we have seen that consensus-based decision making is not a democratic process.

While indeed special consideration should be provided to the technical and capacity needs of developing countries, we caution against the role of the UN being limited to only addressing the

capacity-building concerns of developing countries. As we address inadequate technical capacities, we must also endeavour to address systemic issues that have led to the historic imbalance of taxing rights between developed and developed countries that no amount of capacity building can rectify.

We also counter concerns of duplication of existing efforts. There has been no universal intergovernmental body on setting international tax standards and international tax cooperation therefore there can be no duplication since there was no such body.

We encourage the Bureau and the Committee to continue to carry out this process in a transparent and open manner engaging diverse stakeholders particularly civil society organisations who have been keen accountability stakeholders in international tax decision making processes both when we were invited, and we were not.

We applaud the work of this committee to contribute to the reform of the global financial architecture in a way that corrects the structural flaws that are present in our global tax system.

Thank you, Chair.