



CIVIL SOCIETY  
FINANCING FOR  
DEVELOPMENT  
Mechanism



GLOBAL  
ALLIANCE  
FOR TAX  
JUSTICE

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

### Intervention by Chenai Mukumba on behalf of the CS FfD Mechanism and the Global Alliance for Tax Justice

Thank you, Mr Chair for the opportunity to speak.

We want to start by congratulating the Ad Hoc Committee on getting to this stage, the Second and Final session of the development of the Terms of Reference for a United Nations Framework Convention on International Tax Cooperation. We wish to commend **the Africa Group** for their continued spearheading of this work, and fully support the remarks by Burundi on behalf of the AG this morning.

We also wish to commend the efforts of yourself, as the Chair, the Bureau members and the Ad Hoc Committee as a whole for pushing the process forward although we note that not all members of the Bureau agreed on the zero draft of the TORs. In light of this we encourage all Member States to continue to engage in good faith in this process with a view to fulfilling its mandate in accordance with Res 78/230 within the **stipulated time**.

In order to do this, Member States have to keep working efficiently. While procedural issues are vital, continued reiteration of comments serve as a constraint from making progress in truly increasing the effectiveness and inclusiveness of the international tax system.

Decision making is a vital aspect of this process, and we encourage that the principles of democracy, inclusiveness, transparency, and universality be reflected in decision making processes. We note that this has already been reflected within the Revised Draft Terms of Reference. Additionally, in accordance with the procedures of a subsidiary body of the UN General Assembly, **as was mentioned by Pakistan**, voting practices are well established within the UN and therefore, we encourage member states to defer to the decades long established processes within the UN.

Taxation is not only a technical issue, but also a development and **a human rights issue as has been mentioned by a number member states this morning**. Mr Chair, developing **progressive** tax systems is an urgent matter as has been evidenced by the recent people-led protests in Kenya that begun because of the issues we are discussing in this room.

Taxation means public health, education and even the political stability of whole nations. As we proceed towards the Second Session, we urge Member States to keep this in mind as we take steps to improve the international tax system that will improve DRM and public service delivery in our countries. Indeed as has been mentioned before, this goes beyond the capacity building and

technical assistance, this about addressing the systemic issues that underpin our global tax system to make it more fair and equitable.

We reiterate that the issue of addressing tax related IFFs remains of highest importance to African countries. Addressing IFFs is expressly within the mandate of the UN through the Sustainable Development Goal (SDG) target 16.4. which calls for “significantly reduc[ing] illicit financial flows and arms flows, strengthen[ing] the recovery and return of stolen assets and combat[ing] all forms of organised crime” by 2030.

Indeed, several efforts have been made in Africa to address define, estimate and track *tax related* IFFs in Africa. Addressing tax related IFFs is also expressly within the mandate of this Committee. Paragraph 6(e) of resolution 78/230 expressly mandates the Ad Hoc Committee to consider this as a priority issue. We urge the committee to defer again to paragraph 6 (e) as we discuss priority issues including taxation of income derived from the provision of cross-border services in an increasingly digitalized and globalized economy.

We remind the Ad Hoc Committee that in deferring to the governing instruments of this process, Resolution 78/230, this instrument did not limit the scope of the Terms of Reference to non-controversial issues or only to bridge so-called gaps, neither did it mention the use of non-binding instruments, but rather the opposite, it speaks to the use of a binding Framework Convention and subsequent Protocols. Borrowing the words of the delegate from **Grenada**, the resolution 78/230 is not merely a bureaucratic document but a blueprint for the functioning and scope of the work of the Ad Hoc Committee.

We thank you.