

The FfD Chronicle



**CIVIL SOCIETY
FINANCING FOR
DEVELOPMENT**
Mechanism

The CS FfD Mechanism is an open civil society platform including several hundreds of organizations and networks from diverse regions and constituencies around the world. CS FfD Mechanism's core principle is ensuring that civil society can speak with one collective voice.

AMBITION IS NOT BUILT BEHIND CLOSED DOORS

Civil society should be present in informal informals

Upholding a transparent negotiation process is key to ensuring an ambitious outcome: The presence of civil society ensures there is accountability for member states' positions. This is especially important in a process made to ensure effective taxation of rich corporations and individuals. Needless to say, these are powerful sections of society and national political processes can be easily captured by corporate/business interests. The best chance of agreeing an ambitious outcome is to keep cameras on during negotiations. Where there is a need for some 'informal informals' without an official record, observers should be allowed access to ensure accountability in, and contribute to, the process.

Civil society can be present in 'informal informals': There are several UN precedents and examples of civil society not just being able to observe informals but speak in them as well. This decision is at the discretion of the Chair and Member States and even when sometimes a Member State might oppose, the support of other Member States can prevail. This approach means that the Chair or any Member State could propose that we participate as observers and see if anyone else objects. This shifts the burden on those objecting, also allowing us to have individual conversations with those concerned with our participation in an attempt to bridge positions. This is how civil society is often in the room even during 'informal informals' (eg: HLPF, FfD, Rio Conventions etc). The UN tax convention process should follow these precedents that uphold transparency rather than opt for more restrictive approaches.

Civil society should be included in distribution lists for negotiation drafts, inputs and compilation texts: All negotiation drafts, inputs and compilation texts should always be posted online to allow everyone in different regions and countries to follow the process. In addition, civil society focal points/coordinators should be added to any distribution list used to share negotiation drafts, inputs and compilation texts. Receiving them in a timely manner along with Member States enables national and regional civil society organizations to follow-up with their respective delegations and regional groups.

We call on UN member states to reinforce good process UN precedents and uphold a fully inclusive, transparent negotiation process. This is the only way to ensure agreement of ambitious ToRs towards a UN Framework Convention on International Tax Cooperation.

We feel the same, Costa Rica

After two weeks of unrequited feelings from UN Member States, Costa Rica finally sent us some words of appreciation. Costa Rica formally proposed adding "the committee should carry out its work with the contribution of international organizations and civil society, in accordance with established practice." While we have previously received this same appreciation, in para 4 of Resolution 78/230, we are delighted to see that this language is now proposed for the terms of reference and are happy that Costa Rica's proposal was then echoed by Brazil, Bolivia, Colombia and Argentina. CSOs look forward to reading the next ToR Sunday knowing that Costa Rica and Latin American countries were heard by the Committee.

EXCLUSIVE – ONLY IN THE FfD CHRONICLE: Leaked draft statement on behalf of the G20 to the UN Tax Convention Committee

Mr. Chair, distinguished delegates,

I [could] have the honor to speak on behalf of the Group of 20.

The OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) has demonstrated the [potential][failure] [complete and utter lack] of international tax cooperation over the past decade.

We remain [committed to] [dubious about] [strongly against] finalizing and swiftly [implementing] [forgetting about] the Two-Pillar Solution, which respects the [sovereignty] [interests] of [the richest and most powerful] [IF][OECD] members.

The implementation of Pillar Two [will] [could] [stabilize] [further complicate] the global tax landscape, [reduce] [escalate] profit shifting, and [curb] [coordinate] [increase] harmful tax competition by [limiting] [maintaining] [mainstreaming] [exacerbating] the possibility of a race to the bottom on corporate tax rates.

We [note] [welcome with enthusiasm] [regret] [deeply despise] the work being undertaken to develop the Terms of Reference for the UNFCITC. The negotiations of the UNFCITC represent a [further opportunity] [regretful pressure on us] to [promote] [very reluctantly accept] inclusive and effective international tax cooperation.

We [expect] [will try to pressure] the UNFCITC to focus on [as little as possible] [international tax cooperation initiatives that can be] [opted out of] [effectively implemented] and support a [stable] [residence country focused] [source country focused] and predictable international tax system, considering valuable contributions from academia, the business sector, [and civil society organizations].

Promoting [in]effective, [un]fair, and [progressive] [regressive] tax policies remains a significant challenge that international tax [cooperation] [hegemony] and targeted [domestic reforms] [international pressure] could help address.

Thank you



Addis Ababa Financing for Development Summit, 2015



UN Tax Convention ToR negotiations, 2024

The Global Tax Body has been waiting a long time for this moment. Don't let it down!



We heard Member States' calls for flexibility... but even the Global Tax Body has its limits!



We urge ALL Member States to develop an ambitious ToR.