



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

Intervention by Everlyn Muendo on behalf of the Global Alliance for Tax Justice

Thank you Chair for the opportunity to speak.

We would like to provide our brief comments on the nature of the instruments which we are discussing, namely the Framework Convention and the Protocols. The Framework Convention is envisioned to be a legally binding instrument. In line with the SG's tax report, we are here to implement Option 2 and not Option 3. Yes, it is intended to have broad commitments but this does not mean that it is a threadbare instrument. Furthermore, the Protocols are binding attachments of the underlying Convention. They are therefore, an extension of the Framework Convention. We therefore, advocate for both a strong Framework Convention and Protocols.

As discussed on Day 1, Resolution 78/230 is the blueprint of the mandate of this Committee. The resolution provided adequate direction with regard to early protocols . Paragraph 6 (e) expressly provides as follows: ' To consider simultaneously developing early protocols, while **elaborating** the framework convention, on specific priority issues,' The resolution then went ahead to list the specific priority areas. We therefore, humbly urge Member States to consider this so as not to deviate from their express mandate.

We remind Member States that the underlying reason for the simultaneous development of early protocols is to immediately address the weaknesses within international tax cooperation that affected its inclusiveness and effectiveness. For many developing countries and African countries, immediate action is needed to address the historic imbalance of profit allocation and taxing rights. As stated during the Special ECOSOC meeting in 2023, and I quote from para 69 of the SG's tax report,

We note the emphasis on capacity building expressed by many developed countries. Indeed, it has been described as one of the most important provisions within these TORs and some Member States have stated that the Framework Convention should primarily focus on this provision as well as DRM. However, capacity building is not the panacea to challenges faced by developing countries in international tax cooperation.

The reality is that international tax standards must be revised. Allow me to provide a brief example of this:

African countries struggle to meet tax transparency standards that are not consistent with their realities. As per the OECD report on International Tax in Africa, in 2022, [only 4 African countries](#) had been able to implement country-by-country reporting as per the OECD report on International Tax and Africa. As per the Africa Tax Transparency Report of 2024 [Only 4 countries accounted for 84% of all exchange of information requests sent in 2023](#). This is all despite the existence of several technical assistance and capacity building initiatives such as the African Initiative heralded by the Global Forum on Tax Transparency and Exchange of Information for Tax Purposes, that recently celebrated 15 YEARS.

*No amount of capacity building can do away with the structural and systemic issues that exist. As per the tax report of the Secretary-General para 69 says that , ‘ Current capacity-building activities by international organizations, regional tax organizations, government development agencies, civil society organizations and academia are often focused on assisting developing countries in **implementing existing tax rules and improving tax administration related to those tax rules**. However, as indicated by developing countries during the special meeting of the Economic and Social Council on international cooperation in tax matters in 2023, **if those rules do not respond adequately to their circumstances, technical assistance to implement those rules would not address their most immediate concerns and needs for capacity-building in tax policy and administration.***

Therefore, what should guide prioritization of early protocols is addressing these structural and systemic issues. This includes revisiting the manner in which taxing rights and profits are allocated.

Thank you