

To the kind attention of:

Permanent Representatives and Permanent Observers to the United Nations in New York
United Nations Secretariat, Agencies and Programmes

15 December 2022

Subject: Implementation of UNGA Second Committee resolution on promotion of inclusive and effective international tax cooperation at the United Nations (A/C.2/77/L.11/Rev.1)

Your Excellencies distinguished representatives of UN Member States,

We, the undersigned civil society organisations and trade unions, strongly support and welcome the UNGA resolution on promotion of inclusive and effective international tax cooperation at the UN (A/C.2/77/L.11/Rev.1). We commend the Africa Group for its excellent leadership on this issue and for finally ensuring implementation of the long-standing demand of developing countries for a UN intergovernmental negotiation process on international tax¹. We urge all UN Member States to maintain and reinforce the spirit of international cooperation that resulted in the adoption by consensus of this historic resolution.

Furthermore, we are writing to you with a call for all governments to work constructively towards the urgent and efficient implementation of the resolution. This includes:

1. Supporting a speedy approval in the UNGA Fifth Committee of the required budget allocation for the implementation of the resolution, in line with the related Programme budget implications analysis (A/C.2/77/L.75). The budget requirement, totaling US\$ 432,700, was presented to Member States ahead of the adoption of the resolution. We now count on all UN Member States to stand by the consensus agreement reached with the resolution and confirm the allocation of the required resources. We also urge all UN Member States to keep in mind that international tax cooperation is urgently needed, not least to combat tax-related illicit financial flows, which are costing governments hundreds of billions of dollars in lost tax income every year. This must therefore be a matter of high importance and urgency.
2. Supporting strong stakeholder involvement in the consultation process related to the UN Secretary General's report as mandated by the resolution. We strongly welcome the fact that stakeholder consultation is explicitly included in the text of the resolution, and we stand ready to make our contributions. We, the undersigned civil society organisations and trade unions, bring in-depth knowledge from all regions of the world about the devastating impacts of the failure of international tax cooperation, including the continued bleeding of public resources in the form of illicit financial flows. We also

¹ Database of governments supporting an intergovernmental UN tax process:
<https://csoforffd.org/2021/10/27/database-governments-supporting-an-intergovernmental-un-tax-body-and-or-un-tax-convention/>

bring concrete and specific proposals for solutions, including for how a future UN Convention on Tax could be designed.²

3. Supporting a strong intergovernmental UN process to strengthen international tax cooperation. Through the resolution, all UN Member States have agreed to “*begin intergovernmental discussions in New York at United Nations Headquarters on ways to strengthen the inclusiveness and effectiveness of international tax cooperation*”. We strongly welcome this vital initiative, and stress the importance of moving forward with urgency. As stated in the adopted resolution, combating illicit financial flows is an essential development challenge, and developing countries are particularly susceptible to the negative impact of illicit financial flows. Therefore, we believe that the modalities for the foreseen process must be adopted as a matter of high priority, and this should take place no later than the seventy-eighth session of the UN General Assembly. Furthermore, we would like to stress the importance of ensuring that the modalities provide for a transparent and inclusive member state-led negotiation process with full participation of stakeholders, including civil society.

Despite the fact that international tax rules and standards affect all countries and people of the world, there has until this point been no inclusive international body where all countries were able to participate on an equal footing in the decision-making on international tax matters. This injustice is at the heart of the failure of the international tax system, which has continued to be characterised by injustice, inefficiency, incoherence, unilateral actions and beggar-thy-neighbor policies. All countries have paid a high price for this failure, but the impacts on developing countries have been particularly hard. The UN remains the only truly universal body where all countries participate as equals, and the consensus adoption of the UN resolution, including the decision to begin intergovernmental discussions on international tax matters under the auspices of the UN, constitutes a truly historical shift towards fairness and inclusivity.

The urgency of this matter cannot be overstated. In light of the Covid-19 pandemic and the “cost of living crisis”, the fight to increase domestic resource mobilisation and combat illicit financial flows has never been more vital. In 2021, the State of Tax Justice report estimated that countries around the world are losing over US\$450 billion per year due to international tax dodging and abuse by multinational corporations and wealthy individuals.³ Faced with the challenges of financing the achievement of the Sustainable Development Goals and combatting the global environmental crises, it is clear that the international community must take urgent action to strengthen international tax cooperation and stop the immense bleeding of public resources.

We remain at your disposal if you would like to receive more information or would like to meet to discuss this issue further.

Yours sincerely,

Civil Society Financing for Development Group (www.csoforffd.org)

² Global Alliance for Tax Justice and the European Network on Debt and Development (Eurodad), ‘Proposal for a United Nations Convention on Tax’, March 2022, https://www.eurodad.org/un_tax_convention

³ Tax Justice Network, Public Services International and the Global Alliance for Tax Justice, ‘State of Tax Justice 2021’, 16 November 2021, <https://taxjustice.net/reports/the-state-of-tax-justice-2021/>

Signatories

11.11.11

AbibiNsroma Foundation

Actionaid

Ágora México

ALLIANCE CONTRE LA PAUVRETE AU MALI/GCAP/MALI

Anticor

APIT

Asia Initiatives

ASOCIACION MUJERES EMPRENDEDORAS DE ALTA VERAPAZ (MEAV)

Association For Promotion Sustainable Development

Attac Deutschland - AG Finanzmärkte und Steuern

Attac Finland

Bangladesh Unnayan Parishad

CAFSO-WRAG for Development

CCFD-Terre Solidaire

CERDYSOC: Centre de Ressource et de Dynamisation de la Société Civile

Christian Aid Ireland

Civil Society Coalition on Sustainable Development

CNCD-11.11.11

Congregation of Our Lady of Charity of the Good Shephed

CRASH - Coalition for Research and Action for Social Justice and Human Dignity

Creatura Think & Do Tank ry

Daughters of Charity of Saint Vincent de Paul

DAWN (Development Alternatives with Women for a New Era)

DIAKONIA

Disability Partnership Finland - Vammaiskumppanuus

edmund rice international

Equidad de Género: Ciudadanía, Trabajo y Familia

European Network on Debt and Development (Eurodad)

Federation of Environmental and Ecological Diversity for Agricultural Revampment and Human Rights, The (FEEDAR & HR)

Financial Justice Ireland

Financial Transparency Coalition

Finnish Development NGOs Fingo

Finnwatch

GAP Italy

GCAP Ghana

Gcap-senegal

GESTOS – HIV, Communication and Gender

Gestos (soropositividade, comunicação, gênero)

Global Alliance for Tax Justice

Global Call to Action Against Poverty (GCAP)

Global Policy Forum

Halley Movement Coalition
Initiative citoyenne pour l'environnement et le développement durable (ICED)
Institute of the Blessed Virgin Mary - Loreto Generalate
Integrated Social Development Centre
International Presentation Association
ISER - Initiative for Social and Economic Rights
Jubilee USA Network
JustMoney Movement
KAIROS EUROPE/Wallonie-Bruxelles
LATINDADD - Latinamerican Network for Economic and Social Rights
Lokichoggio PWDs Development Organization
Lutte Nationale Contre la Pauvreté (LUNACOP/GCAP-RDC)
Maaïman musiikin keskus - Global Music Centre
Maria Eburn Foundation Nigeria
MLK: Maison de la Laïcité de Kinshasa
National Campaign for Sustainable Development Nepal
National Ethical Service
Nepal Development Initiative
Netzwerk Steuergerechtigkeit
NGO Federation of Nepal
Norwegian Church Aid
Norwegian Forum for Development and Environment
OCTFI
Oxfam
Passionists International
PRAKARSA
PSI - Public Services International
Red de Justicia Fiscal de América Latina y el Caribe
ReFocus Consulting
Regions Refocus
RESEAU PRODDDES
Rural Area Development Programme (RADP)
Salesian Missions, Inc.
Save The Children
Sisters of Charity Federation
Sisters of Notre Dame de Namur ECOSOC
SocDevJustice
Society for International Development (SID)
SOMO
Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI) Uganda
Stamp Out Poverty
TAFJA (Tax and Fiscal Justice Asia)
Tax Justice Coalition, Ghana
Tax Justice Europe
Tax Justice Netherlands

Tax Justice Network
Tax Justice Network Africa
Tax Justice Norway
Tax Justice UK
Tax Reconciliations - Oxford UK
TaxEd Alliance
The Bretton Woods Project
Transparency International Slovenia
Union des Amis Socio Culturels d'Action en Developpement (UNASCAD)
Vienna Institute for International Dialogue and Cooperation (VIDC)
VIVAT International
Wada Na Todo Abhiyan
Wemos
Women First International Fund
World Economy, Ecology and Development - WEED