



**CIVIL SOCIETY  
FINANCING FOR  
DEVELOPMENT**  
Mechanism

# The FfD Chronicle

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.

## COMMITTING TO COMMIT... AT SOME POINT

Yesterday’s discussion about para 10 on “Substantive elements” (i.e. Commitments) revealed that we have a high number of procrastinators in the room. Negotiators were eager to leave “flexibility for the future committee”, despite the obvious fact that this mysterious “next committee” will in fact be the very same people meeting in 2025 to negotiate the Convention.

The refusal to commit resulted in a very concerning race to the bottom, with negotiators taking turns to suggest deletions of even very basic and unambitious commitments from para 10. Some delegations are now unwilling to agree that taxing rights should be allocated fairly. **Para 10 is a very central element of the ToR, and it is vital to stop stripping it of content.**

## DÉJÀ VU - DÉJÀ ADOPTÉ

Once upon a time in New York, the UN Member States gathered at a Conference Room at the UNHQ and agreed to stress that “**international tax cooperation should be universal in approach and scope**”. They also decided that: “**We commit to enhancing revenue administration through modernized, progressive tax systems**”. This was in 2015, and the outcome became the Addis Ababa Action Agenda (AAAA).

Those of us who were there can testify that the road to the Addis Ababa conference was long, and the agreed language was carefully written, discussed, negotiated and **AGREED BY CONSENSUS**. AAAA language should now be uncontroversial and fully acceptable to all Member States. Instead of going around in circles discussing already agreed-upon language, let’s send our warm thanks to the negotiators who helped us make progress in 2015 by adding language on universality and progressive tax systems to the UN Tax Convention ToR.



### Human rights belong in BOTH the Preamble AND the Principles

As we described in yesterday’s FfD Chronicle and our intervention, human rights have strong links to the issue of fair taxation. Furthermore, it is a core pillar of the Charter of the United Nations and the UN values.

The Preamble and Principle serve two different functions, and it is vital to maintain human rights language in both. We urgently call on all delegations to support maintaining para 9C in the section on Principles!

# MONEY, MONEY, MONEY, IT'S A RICH MAN'S WORLD

It is a cruel reality that those with the least ability to pay taxes pay the most - while the effective taxation of the super-rich dwindles. With the help of facilitators and the financial systems, the super-rich - or high net-worth individuals - benefit from the loopholes in the current international tax architecture to structure their wealth to generate little to no taxable income.

This is regressive and unacceptable. While millions of people go hungry, the super-rich refuse to pay their fair share, taking resources that should be going to providing quality public services, development, and more. This deep **inequality undermines all of our efforts to address global crises** but also the principles of equity and justice, threatening social cohesion and potentially leading to economic, political and social instability.

The effective taxation of high net-worth individuals is critical for tax justice. Marginalized people, including women, Indigenous Peoples, and racialised groups have been structurally denied the same access to wealth. To deliver on creating a more equitable world, the effective taxation of high-net worth individuals is key.

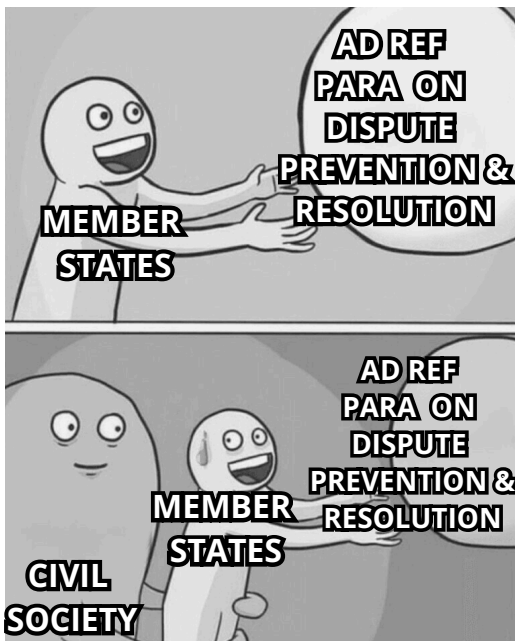
Achieving progressive, fair, effective and transparent international tax cooperation is urgent - but it requires that States effectively tax the wealth of the super-rich. **Distinguished delegates, continue to support this in the substantive elements and early protocols.**

## RESOLUTION OF WHICH DISPUTES? BETWEEN WHOM?

Absurdly, yesterday's discussion revealed that delegations have concerns about all aspects of para 10 except for the part that is actually deeply concerning - namely the text on dispute resolution. Para 13 on Structural elements already contains language on "Dispute settlement mechanisms" to resolve disputes within the Framework Convention. That's all clear, and a very standard function of a Framework Convention. But if para 13 addresses disputes WITHIN the Framework Convention, what disputes is para 10 talking about?

We need a Framework Convention because today's international tax world is a junk drawer of different national rules, bilateral treaties, unclear guidelines and non-inclusive, non-global agreements. The lack of a truly global tax system has - as could be expected - resulted in confusion, inconsistencies, incoherence and - of course - an enormous amount of disputes. The UN Framework Convention can give us a clear and coherent system and prevent disputes going forward. But any suggestion that the Convention should address disputes that have arisen before it even came into existence gives rise to strong concerns and a lot of questions. Disputes between whom? Disputes about which rules? And how? On what legal basis should the Convention resolve such disputes?

When discussing para 10, it is not the top-level commitments to fair taxation that governments should be concerned about, but rather the blank-check subparagraph on dispute resolution.



**All protocol-issues must be covered by para 10**

Protocols are meant to implement commitments contained in the Framework Convention, and therefore, para 10 must - at minimum - include clear commitments that cover all items for which Protocols will be developed - regardless of whether the Protocols would be "simultaneous", "early" or "late".