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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.

WITHOUT TAX JUSTICE, NO RIGHTS CAN BE FULFILLED

Taxes and human rights may seem unrelated. This is a misperception. The reality is that human rights and taxation are closely interconnected as stated by United Nations committees, such as the Committee on Economic, Social and Cultural Rights (CESCR). The way tax policies are structured and implemented has a significant impact on our lives. A human rights-based approach to tax policy-making ensures that countries have the necessary resources for health, education, healthcare, housing, and combating inequality.

The Need for Strong Principles

Rights do not exist in a vacuum; they require an environment that allows for their full realization. The International Covenant on Economic, Social and Cultural Rights (ICESCR) of 1966, signed by UN member states, emphasized that the maximum mobilization of resources is essential for the progressive realization of human rights. The Universal Declaration of Human Rights states that everyone has the right to a just international order that enables the fulfillment of their rights. As recognized by the CESCR, this order includes international tax norms.

Thus, it is not appropriate to write the Framework Convention without highlighting the importance of human rights as a principle underpinning international tax cooperation.

Critical Challenges in International Tax Cooperation

1. Extraterritorial Obligations of States

Articles 55 and 56 of the UN Charter state that countries have a responsibility to contribute to the achievement of the aims of the UN. This means that all countries should adopt tax measures that ensure the realization of human rights at both national and international levels.

2. Creating an International Environment that Guarantees Rights

As part of the duty to create a just international order, states must intensify tax cooperation. International tax rules should protect and expand the fiscal space of countries, particularly developing countries. Harmful tax competition and an inequitable distribution of taxing rights between countries are incompatible with human rights norms.

3. Rights Must Be Properly Weighed, Prioritizing the Collective Over the Individual

The need to fund social rights such as health and education implies that measures which restrict fiscal transparency, and thus the efficiency of tax systems, are unacceptable.

Integrating human rights principles into the Framework Convention is a practical necessity for achieving effective and equitable tax cooperation. The latest draft negotiating text states that the efforts undertaken within the Framework Convention should "be fully aligned" with international human rights law and States' existing commitments. It is extremely difficult to see why any government could have concerns with this very basic wording.

It is crucial that international efforts align with human rights commitments to build a global system that benefits everyone equally. We urge all governments to support the inclusion of clear and strong references to human rights principles in the Terms of Reference of the new Framework Convention.

THERE IS NO TAX BASE ON A DEAD PLANET

During the first two days of negotiations, we've witnessed strong attacks on the part of the ToR that relates to sustainable development and environment - including the fight against climate change. "There shouldn't be mentions of sustainable development or environmental protection in the framework convention," - so said the country leading the biggest fossil fuel cartel in history.

What you, distinguished delegates, must remember is: there is no tax base on a dead planet.

Planet Earth is in dire straits. Environmental degradation and the climate catastrophe are putting people's health and wellbeing at risk already today, causing trillions of dollars in damage. But the worst can still be avoided with urgent action. Taxation and tax policy must play its part. This is why the substantial element stated in the Draft Terms of Reference, the commitments on ensuring that tax measures contribute to addressing environmental challenges, is vital and must be maintained.

The question is not 'if' taxation can help to tackle the environmental crises, but 'how.' The countries and marginalised groups who have historically contributed the least to climate change and environmental destruction, suffer the worst of its effects. This is why the UN Tax Convention must adhere to Environmental and Carbon Tax Justice principles.

These are the Common But Differentiated Responsibilities and Respective Capabilities (CBDR - RC) principle and the Polluter Pays Principle. CBDR-RC establishes the common responsibility of the states to cooperate, including on the protection of the environment. It is acknowledging the different capabilities and differing responsibilities of individual countries in addressing environmental challenges, taking into account each country's specific circumstances, their role in contributing to a particular environmental issue and their overall ability to address the environmental harm. The polluter-pays principle recognizes that the costs of pollution and environmental damage should be borne by those causing it - including those who are historically responsible.

All countries have to prove their commitment to sustainable development by supporting Carbon and Environmental Tax Justice which is key to reducing inequalities within and between countries. These elements must be thoroughly integrated into the ToR for the new Framework Convention on International Tax Cooperation.



Waiting for Global North countries to defend language on human rights

Missing:
"Tax-related Illicit Financial Flows"

Was last seen in paragraph 7C of the zero draft ToR.



Please help us find it!
Reward: Hundreds of billions in tax revenue annually