



**GLOBAL
ALLIANCE
FOR TAX
JUSTICE**



CIVIL SOCIETY'S PUSH FOR NEW GLOBAL TAX RULES

Interventions made by members of the Global Alliance for Tax Justice at the Terms of Reference for a United Nations Framework Convention on International Tax Cooperation negotiations.

July 29 - August 16, 2024

The Global Alliance for Tax Justice (GATJ), has long-advocated for a United Nations Framework Convention on International Tax Cooperation (UN Tax Convention) to fix our current broken international tax system. As a South-led global coalition in the tax justice movement, GATJ actively supports a UN Tax Convention so that all UN member states can negotiate - on equal footing - global tax rules that curb tax abuse and counteract inequalities within and between countries while delivering the public financing needed for education, healthcare, development, climate action, and more. The UN Tax Convention negotiations are the first time that States have had this opportunity. Global tax rulemaking has thus far taken place at exclusive platforms, dominated and led by the OECD, behind closed doors and without civil society participation. These talks have failed to deliver any real solutions to international tax abuse. The struggles by the G77 at the UN and Civil Society for many years to change the status quo finally succeeded in starting a game-changing process at the UN last November when the Africa Group successfully tabled Resolution 78/230, kicking-off the negotiations for a UN Tax Convention.

On August 16, 2024, following three weeks of negotiations, States [finalised the terms of reference](#) (ToR) for the UN Tax Convention as the foundation for new global tax rules. This text was then adopted at the UN General Assembly on November 27, 2024. Let's look at the role of civil society in the negotiations.

GATJ at the UN Tax Convention ToR Negotiations

Throughout the negotiations, GATJ was represented by its Secretariat and regional member networks from Tax Justice Network Africa (TJNA), Tax Justice Europe (TJ-E), Red de Justicia Fiscal de América Latina y el Caribe (RJFALC), and Tax and Fiscal Justice Asia (TAFJA).

As the co-coordinator of the Tax Justice Workstream of the [CS FfD Mechanism](#), GATJ coordinated the inputs of civil society as a united voice through submissions, newsletters, and interventions. Ahead of the negotiations, the CS FfD Mechanism and GATJ made a [submission](#), signed by 200+ CSOs, to the UN's Ad Hoc Committee to draft the ToR. During the negotiations, delegates read civil society positions in the [FfD Chronicle](#), covering issues from human rights to the environment.

Below are the interventions made on behalf of GATJ and the CS FfD Mechanism during the negotiations from July 29th - August 16th to finalise the UN Tax Convention ToR.

The Urgency of the UN Tax Convention



Intervention by Jeannie Manipon, Co-Coordinator of Tax and Fiscal Justice Asia & Coordinating Committee Member of the Global Alliance for Tax Justice.

Jeannie Manipon, Co-Coordinator of TAFJA and member of the Coordinating Committee of GATJ set the scene, saying, *“This is a historic opportunity to mobilise expertise and demonstrate political will, to fix the flaws of an international tax system that for so long has not brought equitable benefits and outcomes for all countries, and that, indeed, had contributed to the widening and deepening of inequalities within and between countries.*

We have long advocated the establishment of a UN Tax Convention that would rectify the failures of global tax rules that cost governments over 1 billion USD every day, lost to tax abuse committed by multinational corporations and wealthy individuals. These tax losses severely hamper the abilities of governments to raise the revenues needed to finance quality public services, deliver on human rights obligations, and deliver rapid and urgent climate action to meet the scale of need. The flaws and failures of the international tax architecture have been part of the problem – thus, rectifying the imbalances and inequities in the international tax system is part of the solution. And there is no time to lose.”

On November 27th, States made clear their understanding of the importance of this movement by overwhelmingly adopting the ToR with 125 States voting in support, 46 abstaining, and 9 voting against. This ambitious text was only possible because of the leadership of the Africa Group and the G77. This follows the successful vote in the Ad Hoc Committee on August 16th to finalise the ToR. Now, negotiations on the Framework Convention and two early protocols will commence, running from 2025 until 2027.

On “Duplication”



Intervention by Dereje Alemayehu, Executive Coordinator of the Global Alliance for Tax Justice.

Resolution 78/230 notes the work done at other regional forums, including that of the OECD. However, throughout the negotiations for the ToR, some OECD-members repeatedly mentioned the importance of ensuring that the intergovernmental UN Tax Convention negotiations will not result in “duplication” of other processes, alluding to the OECD/G20 Inclusive Framework on Base erosion and profit shifting (BEPS). Despite the name, the Inclusive Framework has never been inclusive yet these States attempted to keep the discussions at the OECD. As Dereje Alemayehu, Executive Coordinator of GATJ, shared in an intervention:

“Half of the 54 African countries are not members of the Inclusive Framework. The UN Tax resolution was tabled by the Africa Group; by both members and nonmembers of the Inclusive Framework. Let me in particular mention Nigeria, who is a member of the Inclusive Framework but played a key role in promoting the Africa Group UN Tax Resolution. If these countries were of the view that the OECD is adequately addressing the global tax rules, they would not have spearheaded this process at the UN... I appeal to OECD members to stop duplicating their duplication narrative... Let’s please move forward!”

States agreed to an approach that should “take into consideration the work of other relevant forums.” This approach allows tax proposals to be put forward for consideration within the UN process without precluding any outcome of the negotiations. Until this point, there has never been a global framework for international tax cooperation, and it is in the interest of all countries to fill that void. Thus, these negotiations are a leap forward to finally creating inclusive and effective international tax cooperation and the establishment of a fair and coherent international tax system.

Civil Society Participation



Intervention by Tomás Lukin, Global Campaigns and Policy Advocacy Coordinator at the Global Alliance for Tax Justice.

In Resolution 78/230, there is an explicit reference to civil society participation. But, no such reference was made in the draft negotiating ToR. GATJ in multiple interventions, meetings with negotiators, and FfD Chronicles, made it clear that the UN Tax Convention will be stronger with the active participation of civil society.

Tomás Lukin, Global Campaigns and Policy Advocacy Coordinator at GATJ, took the floor to *“solicitar a todas las delegaciones presentes que garanticen la inclusión de la participación de la sociedad civil en los Términos de Referencia [request all delegations ensure a reference to civil society participation in the Terms of Reference.]”*

Civil Society Participation



Intervention by Nathalie Beghin, Coordinating Committee Member of Red de Justicia Fiscal de América Latina y el Caribe, which is a founding member of the Global Alliance for Tax Justice.

Nathalie Beghin, member of RJFALC, reiterated this call saying, *“En incorporant les voix et demandes de la société civile, Mr le Président, vous permettez l’élaboration d’une Convention-cadre qui renforce la stabilité, la résilience et l’équité des règles fiscales internationales. [By incorporating the demands of civil society, you will make it possible to create a Framework Convention that strengthens the stability, resilience and fairness of international tax rules.]”*

Civil society participation is now explicitly included in the Resolution 79/235 adopted by the UN General Assembly. As highlighted by Beghin, civil society participation is crucial to ensure a process which is inclusive, transparent, and has fair representation, legitimacy, and a high quality of proposals. This sets apart the UN process from other undemocratic processes, such as at the OECD which is neither transparent nor allows for active civil society participation.

Commitment Issues & Protocols



Intervention by Tove Maria Ryding, Co-Coordinator of Tax Justice Europe & Coordinating Committee Member of the Global Alliance for Tax Justice.

In the negotiations, some States questioned the inclusion of topics in the “commitments” section of the text and attempted to only list them as protocols. Civil society pushed back after this debate.

Tove Maria Ryding, member of the Coordinating Committee of GATJ and representative of TJ-E intervened to say, *“If we want to do protocols then we also need commitments in the Convention. Protocols implement the commitments in the Convention and a Framework Convention is definitely not empty.”*

Commitment Issues & Protocols



Intervention by Everlyn Muendo, Policy Lead at Tax Justice Network Africa, which is a founding member of the Global Alliance for Tax Justice.

Everlyn Muendo, Policy Lead for Tax and International Financial Architecture at TJNA expanded upon the need for a strong Framework Convention and protocols, “No amount of capacity building can do away with the structural and systemic issues that exist... What should guide the prioritisation of early protocols is addressing these structural and systemic issues.”

Key issues of high-net worth individuals, illicit financial flows, and more will be discussed under the commitments section of the Framework Convention. They must be comprehensively explored and, if needed, can be further elaborated under protocols. In the final text, States agreed to negotiate a total of three legally binding agreements by mid-2027; a Framework Convention and two early protocols. The first early protocol is on the taxation of income derived from the provision of cross-border services in an increasingly digitalized and globalized economy. The second early protocol will be decided in February from a list of four priority areas, including the taxation of high-net worth individuals and illicit financial flows.

Illicit Financial Flows



Intervention by Adrián Falco, Coordinator of Red de Justicia Fiscal de América Latina y el Caribe, which is a founding member of the Global Alliance for Tax Justice.

Illicit financial flows (IFFs) have been repeatedly mentioned in UN documents including the Addis Ababa Action Agenda, which was adopted by consensus, and under SDG 16.4.

Adrián Falco, Coordinator of RJFALC, shared this concern and the need to include IFFs saying: *“Quiero traer una vez más a este debate a los flujos financieros ilícitos, en particular aquellos vinculados con los impuestos. Porque como reconoce la CEPAL constituyen una problemática estructural que limita las posibilidades de desarrollo para los países de América Latina y el Caribe. [I would like to bring illicit financial flows, particularly those linked to taxes, back into this debate. Because, as ECLAC recognizes, they constitute a structural problem that limits the development possibilities for the countries of Latin America and the Caribbean.]”*

The final adopted text includes a specific commitment to addressing tax-related illicit financial flows as well as is listed as a possible protocol.

Taxing the Rich: On High-Net Worth Individuals



Intervention by Nathalie Beghin, Coordinating Committee Member of Red de Justicia Fiscal de América Latina y el Caribe, which is a founding member of the Global Alliance for Tax Justice.

The taxation of high-net worth individuals is one step towards reducing inequalities, within and between countries.

Nathalie Beghin, member of RJFALC, shared the importance of the taxation of high-net worth individuals, stating: *"Esta situación es indecente. Por un lado, los multimillonarios no pagan lo que les corresponde y, por otro, millones de personas pasan hambre y son afectadas por las dramáticas consecuencias del cambio climático. Esta profunda desigualdad no sólo socava los esfuerzos para hacer frente a los urgentes desafíos globales, sino que también socava los principios de equidad y justicia, amenazando la cohesión social y conduciendo potencialmente a la inestabilidad económica, política y social.* [The situation is unconscionable. On the one hand, billionaires do not pay their fair share and, on the other, millions of people are starving and affected by the climate crisis. This inequality not only undermines efforts to address urgent global challenges, but also undermines the principles of equity and justice, threatening social cohesion and potentially leading to economic, political and social instability.]"

Environmental Justice



Intervention by Markus Trilling, Senior Policy and Advocacy Officer at Eurodad.

In the negotiations, there were multiple debates about language on taxation related to the environment and climate. Some SIDS spoke upon the need to link taxation and climate. Trilling shared the need to incorporate specific environmental justice principles of Common but Differentiated Responsibilities and Respective Capacities (CBDR-RC) and the polluter pays principle.

Markus Trilling, Senior Policy and Advocacy Officer at Eurodad and member of GATJ's regional network TJ-E, spoke upon the need for environmental justice principles to feature within the ToR, *"Carbon and Environmental Tax Justice is key to the pursuit of environmental objectives while aiming – at the same time - to reduce inequalities within and between countries."*

States have included a reference on sustainable development in its environmental, economic, and social dimensions. Environmental challenges, but without a specific mention to climate, are covered as a future protocol. Civil society will continue supporting a Framework Convention with environmental measures rooted in principles of justice.

International Tax Cooperation: A Development, Human Rights, and Public Services Issue



Intervention by Chenai Mukumba, Executive Director of Tax Justice Network Africa & Coordinating Committee Member of the Global Alliance for Tax Justice.

GATJ has long fought for tax justice through a UN Tax Convention. International tax cooperation will support financing for development, public services, gender equality, the realisation of human rights, and the elimination of inequalities. Progressivity, which is internationally-agreed upon language in the [Addis Ababa Action Agenda](#), will support the elimination of inequalities.

Chenai Mukumba, Executive Director of TJNA and Member of the Coordinating Committee of GATJ framed the importance of these negotiations, stating: *"Taxation is not only a technical issue, but also a development and a human rights issue... Developing progressive tax systems is an urgent matter as has been evidenced by the recent people-led protests in Kenya that began because of the issues we are discussing in this room. Taxation means public health, education and even the political stability of whole nations."*

The objective of the UN Tax Convention is said to establish *"an inclusive, fair, transparent, efficient, equitable, and effective international tax system for sustainable development."* The text also notably includes a full principle on human rights. A reference to gender was missing in the text, something that civil society had repeatedly advocated for in submissions and FfD Chronicles. Civil society will continue to advocate for these key issues to be included in the text of the Framework Convention.

Looking Forward to the UN Tax Convention Negotiations



Civil society at the negotiations.

These included topics have set a strong agenda for the negotiating committee to develop a Framework Convention and two early protocols by mid-2027. States must continue to show their commitment to international tax cooperation and building a truly inclusive international tax system.

With the inclusion of civil society solidly placed in the resolution adopted on November 27th, GATJ will continue to participate within and outside of the negotiating room, sharing inputs as a Global South-led coalition of tax justice advocates.

The Global Alliance for Tax Justice (GATJ) is a South-led global coalition for tax justice. GATJ works for a world where progressive and redistributive tax policies counteract inequalities within and between countries, and generate the public funding needed to ensure essential services and human rights.

Created in 2013, GATJ comprises regional tax justice networks in Asia (Tax & Fiscal Justice Asia), Africa (Tax Justice Network Africa), Latin America (Red de Justicia Fiscal de América Latina y el Caribe), Europe (Tax Justice-Europe) and North America (Canadians for Tax Fairness & FACT Coalition), collectively representing hundreds of organisations. GATJ co-coordinates the Tax justice Workstream of the CS FfD Mechanism.

