



**CIVIL SOCIETY
FINANCING FOR
DEVELOPMENT**
Mechanism



**GLOBAL
ALLIANCE
FOR TAX
JUSTICE**

**Fourth Preparatory Committee (PrepCom) for the Fourth International Conference
on Financing for Development (FfD4), NY, April 30 - May 1, 2025
Thursday, May 1, 2025**

**Dr. Arjun Karki, LDC Watch, the Asian Peoples' Movement on Debt and Development, and
the Global Alliance for Tax Justice on behalf of the Civil Society Financing for Development
Mechanism**

Thank you, Chair. I speak on behalf of the **Civil Society Financing for Development Mechanism**, the Global Alliance for Tax Justice (GATJ), the Asian Peoples' Movement on Debt and Development (**APMDD**), and the **LDC Watch**, a global network of national, regional and international CSOs, alliances and movements based in the Least Developed Countries (LDCs).

We all know that LDCs, LLDCs, African countries and the SIDs, for so long have been bearing the brunt of climate change's impacts, the consequences of an inequitable international financial architecture, and the repercussions of deeply flawed international tax rules. Since Addis Ababa, there has been a very long wait for the FFD4, which is described as a unique opportunity to reform financing at all levels. In this regard, we expect an ambitious FFD4 Outcome Document.

The CS FfD has submitted our collective response to the First Draft. **I would like to highlight some of our priorities:**

- 1. Progressivity in tax systems and public spending, and Taxation of High Net Worth Individuals, in para 22, (e)** – The importance of progressive tax systems and progressive public spending, cannot be overemphasized; the Outcome Document should declare a strong commitment to progressivity across all fiscal systems. The important text included in the First Draft on taxation of high net worth individuals should also be retained. There should be no doubt by now that wealth taxation offers a valuable source of revenues for financing public services and urgent climate action, as well as tool for addressing inequalities
- 2. Tax and Environment** – We welcome the inclusion in the First Draft Outcome Document of an important text on the links between tax and environment and additional sources of finance such as global solidarity levies. From the perspective of developing countries, especially LDCs, LLDCs and SIDS, it is also important that the Outcome Document includes a specific reference to the principle of Common But Differentiated Responsibilities (CBDR) with respective capacity.
- 3. Finally, on international tax cooperation and global tax governance** – The General Assembly's adoption in 2022 of resolution A/77/244 on "*Promotion of inclusive and effective international tax cooperation at the United Nations*" has given hope to a wide community of



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tax justice advocates from civil society and from champions in governments across the world. It sent a strong message that the international tax rules that have long disadvantaged developing countries and exacerbated inequalities within countries and between countries, can be rewritten to make tax systems work better for the people and the planet. We believe that FFD4 should build on this historical breakthrough in international tax reform, and take it forward. The Outcome Document must thus include a strong endorsement of the Terms of Reference (ToR) for the UN Framework on International Tax Cooperation. We believe there is no need for mentioning other international tax fora in the FFD4 Outcome Document.

The ongoing negotiation for a UN Tax Convention signals a new era of global tax governance. *Let FFD4 usher in a new era of bold, ambitious and genuine reforms to make financing for development truly work for people and the planet.*