



**Third Preparatory Committee (PrepCom) for the Fourth International Conference
on Financing for Development (FfD4), NY, 10-14 February, 2025**

February 10, 2025

**Chenai Mukumba, Tax Justice Network Africa, on behalf of the CS FfD Mechanism
Intervention delivered at the Zero draft para by para comments: Domestic
Resource Mobilization**

Madame Chair, thank you for the opportunity to share some reflections on this section. I am speaking on behalf of the CS FfD Mechanism.

Under the section on international tax cooperation and innovative taxes we wish to note, as has been mentioned severally, that during the last two years, we have seen a truly historic breakthrough on international tax cooperation with the Terms of Reference for a new UN Framework Convention on International Tax Cooperation and two early protocols. Just last week, the organizational session of the UN Tax Convention negotiation was successfully completed, and the process is now ready to move forward.

Against this background a general comment on para 30 as a whole is that there is reference to international tax cooperation frameworks in plural. FfD4 should be clear in protecting the agreed ToRs of the UN Framework Convention and not allow for any misinterpretation of this mandate. It is also important to recognize the agreed decisions that have been made in the Intergovernmental Negotiation Committee such as on decision-making - there should be no not attempt to reverse this within the FfD negotiations as has been suggested by certain member states.

On para 30 c, we align with the Africa Group, Palau, Guatemala among others that the language should be stronger and call for the replacement of the words 'engage constructively' with 'support'.

In reference to 30 g, we also agree with the Africa Group and recommend the deletion of the reference of Pillar 2. This paragraph is highly problematic and seems to ignore the very important discussions that have taken place on this issue during the negotiation of the Terms of Reference for the new UN Framework Convention. Global South countries have expressed strong concerns with the Two Pillar proposal – both from an effectiveness and inclusiveness perspective. This proposal was negotiated in a forum where developing countries were not able to participate on an equal footing, and the result is an outcome that is biased in favor of a small group of developed countries. It is also worth noting that there is currently no consensus among Global North countries on whether to implement the Two Pillar proposal.

In relation to 30 h, we want to underline that issues which have been covered by the Terms of Reference should not be renegotiated here in the FfD process. Any global tax proposals including solidarity levies should be developed in an inclusive and universal forum with the mandate to do so. The ToR already include clear references to tax and environment and when these are negotiated, the language should include the conducting of tax incidence analysis to assess the tax burden before the innovative taxes are recommended.

Under illicit financial flows, in paragraph 31f, we agree with the Africa Group and other member states and recommend the deletion of the reference to FATF as it is an OECD-housed body that does not allow all developing countries to participate on an equal footing and has resulted in the unfair blacklisting of developing countries.