GLOBAL ALLIANCE FOR TAX JUSTICE

CIVIL SOCIETY FINANCING FOR DEVELOPMENT Mechanism

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Article 18 - Financial Resources

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Thank you, Mr. Co-lead,

Article 18 currently speaks about Financial Resources, and includes the option of establishing a Financial Mechanism in the future. However, we wanted to flag the option of establishing a Financial Mechanism directly under the Convention, which can then be further developed by the COP. We believe that it is quite clear that the Convention will need a financial mechanism, not least to fund the secretariat and the subsidiary bodies of the Convention.

Having a mechanism, as opposed to relying on un-coordinated contributions, would give the COP a direct role in relation to deciding how resources should be spent, and would for example, prevent contributions get earmarked to specific and limited purposes or projects.

We would like to highlight that there are many examples of UN Conventions that include Financial Mechanisms, including, for example, the UN Framework Convention on Climate Change, the Biodiversity Convention and the BBNJ.

We also want to flag that in some cases, such as the UN Framework Convention on Climate Change, the financial mechanism also includes the issue of technology transfer, which seems highly relevant for the UN Tax Convention.

The current article places emphasis on resources to support national activities, but it is important to guarantee that the convention has a financial mechanism ensuring adequate,accessible, new and additional, and predictable resources for the secretariat, the subsidiary bodies, and all the mechanisms they will have to administer in order to implement this article — including those my colleagues have raised regarding such as the public database of CBCR and the GAR.

Contributions should occur on a regular basis, as raised by Brazil. This is not a one-off effort, but one that relies on durable infrastructure and adequately funded resources. This would follow the precedent, for example, of the BBNJ treaty, cited frequently today, which in its articles 14, 47 and 52 provides a range of channels including both regular required contributions and voluntary additions, with funding allocated to specific activities and subsidiary bodies — thus, this Convention could adapt, rather than leaving "adequate resources" undefined.

We cannot be in a situation where countries are paying mandatory fee memberships in other non-inclusive forums, and are thus financing the infrastructure developed there, but are not guaranteeing adequate resources to deliver the objectives and commitments of this Convention.

Finally, contributions should be based on relative capabilities, and be used to guarantee an adequate technology transfer.