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Financing for Development outcome rejects a key tax justice measure for ending poverty and inequality

On 15 July 2015, at a summit of world government representatives in Addis Ababa, Ethiopia, the Third International Conference on Financing for Development final outcome text was concluded. A key proposal was rejected to set up an inclusive United Nations intergovernmental global tax body, where every country would have a seat at the table and equal say in reforming global tax policies. This measure had been advocated by many G77 countries and strongly backed by Global Alliance for Tax Justice members and allies. Establishing such a political body on tax within the UN was seen as an effective way to ensure developing countries could increase domestic resource mobilization through fairer international tax policies.

Instead, only a few minor tweaks have been made to the existing UN expert committee. The United States and the United Kingdom were among the developed countries pressuring to ensure that the “the rich countries club” of the OECD remains the only intergovernmental body that sets global tax standards for all.

No specific debt relief initiatives are contained in the FfD outcome document, while privatization and private finance are heavily promoted as ‘solutions’ to financing for development. The problem of illicit financial flows was strongly debated, but final language around the issue remains weak, with no clear measures for implementation. Member states are simply urged to “redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminate them, including by combatting tax evasion and corruption through strengthened national regulation and increased international cooperation.”

Global Alliance for Tax Justice Chair Dereje Alemayehu said: “This came down to a matter of power between rich and poor, developed countries and the rest of the world, and private corporate interests versus the common good. The most powerful countries have ensured the status quo continues in their favour – but only for the moment. Tax justice activists can take heart that our years of advocacy, research and campaigning have ensured that mobilization for real progressive change on these issues will only continue to grow at national, regional and global levels.”

During various FfD events, Independent Commission for the Reform of International Corporate Taxation members José Antonio Ocampo, Joseph Stiglitz and Eva Joly, UN Economic Commission for Latin America and the Caribbean Executive Secretary Alicia Bárcena, UN Economic Commission for Africa Executive Secretary Carlos Lopes, former South African president Thabo Mbeki, and even the World Bank’s President Jim Yong Kim commended civil society activists for pushing tax justice demands – including the call for an inclusive global tax body, to the top of the agenda in both formal and behind-the-scenes Financing for Development discussions, and urged civil society to continue efforts on this front.

CSO Forum statement – see this [link](#)

Stop the Bleeding Campaign to End Illicit Financial Flows from Africa – please [sign the petition](#)

Lima Declaration on Tax Justice and Human Rights – organizations [please sign on](#)