

The FfD Chronicle

CSO FfD MECHANISM | VIII ECOSOC FORUM ON FINANCING FOR DEVELOPMENT | APRIL 17, 2023 | Issue 1

UN TAX CONVENTION TIME TO GET ON THE RIGHT SIDE OF HISTORY

New York – This year’s FfD Forum kicks off against the backdrop of the consensus adoption of the historic UN General Assembly resolution on International Tax Cooperation at the end of 2022. At the front of this vital step forward is the Africa Group, which did not only show admirable leadership by tabling the resolution, but also issued a strong call for a UN Convention on Tax. Since then, the political momentum for action has been growing from high to higher, and more and more countries are now joining the Africa Group in calling for a UN Tax Convention. This includes countries from around the world, including the OECD member country Colombia.

The FfD Forum provides the chance for governments to get on the right side of history and join the call for a UN Tax Convention as well as for a strong implementation of the 2022 Tax Resolution. As a part of the resolution, all governments agreed to “begin intergovernmental discussions in New York at United Nations

Headquarters on ways to strengthen the inclusiveness and effectiveness of international tax cooperation”. The next step will be the adoption of modalities for the intergovernmental tax process. A global coalition of civil society organisations under the umbrella of the Civil Society FfD Mechanism has called for modalities to be adopted as a matter of urgency. Furthermore, the modalities need to ensure that the intergovernmental process is inclusive, transparent, allows full participation of civil society organisations and is designed to deliver a substantial intergovernmentally negotiated outcome. And most importantly, the process needs to allow in-depth consideration of the option of negotiating a UN Convention Tax. The Global Alliance for Tax Justice has also presented a fully fletched proposal for what a UN Framework Convention on Tax could look like, along with a detailed explanation of why such a convention is urgently needed. Keeping in mind that international tax avoidance and evasion is costing governments around the world hundreds of billions of dollars in lost tax income every year, we really have no time to waste.



Representatives of civil society organizations meet in New York for the VIII FfD Forum.

FfD Forum
Side Event

**THE ROAD TO A UN
TAX CONVENTION**

At CR-1 (UNHQ)
1:30PM to 2:30PM
Monday, April 17 2023



Promoted by

CIVIL SOCIETY FINANCING FOR
DEVELOPMENT MECHANISM

IN THE UN WE TRUST A WAY OUT OF THE DEBT CRISIS

CIVIL SOCIETY ARRIVES IN NEW YORK for the UN ECOSOC Financing for Development Forum filled with a sense of expectation and hope. Particularly a week after the IMF and World Bank Spring meetings. The week of speeches and discussions in Washington DC has left us hopeless. Amidst the worst debt crisis in many decades, the Bretton Woods Institutions (BWI), together with the G20, only managed to reiterate, over and over again, their blind faith in a G20 Common Framework that is spectacularly failing in delivering timely and fair debt resolution. Now they have come up with yet another informal space, dominated by creditors – this time they had the touch to invite six borrowing countries vs. fourteen bilateral, multilateral and private creditor representatives –, to try to untangle disagreements amongst creditors in debt restructurings. Meanwhile, millions in the Global South are already feeling the impacts of a new lost decade. As a CSO colleague said in Washington D.C., "debt is killing the SDGs", and the BWI don't seem to be in a hurry to find a solution to a crisis that some at the IMF even deny exists.

This is why the UN and the Financing for Development process matters. Unlike in Washington, here Global South countries are on equal footing to their creditors. Surely borrowing countries will come together, outnumbering creditors, and will stand for a debt architecture reform that delivers on financial rules and institutions that protect the people and the planet, and not just the interest of asset managers. Surely, they will unite their voices and votes to decide on a process to set up a UN multilateral sovereign debt resolution mechanism that delivers on fair, transparent, comprehensive, and durable debt solutions, including cancellation of unsustainable and illegitimate debts. We know what will happen if we leave the resolution of the debt crisis to the creditors: another lost decade for development and the impossibility to reach the SDGs or tackle the climate emergency. What we don't know is which member states will take the lead to start building a new UN-centred debt architecture and we look forward to finding out at the FfD Forum.

Bring the spirit of the Monterrey Consensus back!

For decades, developing countries have been funneled towards economic and social development as well as resource extraction and environmental destruction in and from the North. The Monterrey Consensus aimed at revamping and reverting the system that is at the root of these extractive flows, including by - democratizing economic governance and reforming the international financial architecture. The Financing for Development Process should always live up to this aspiration, built on rights and principles of international justice and not create more and new excuses for the North to shy away from its historical and current responsibility.



ABOUT THE CSO FfD MECHANISM

CSOs have been involved in the FfD process from the very beginning. Their coordination body is the CS FfD Mechanism, which is an open civil society platform including several hundreds of organizations and networks from diverse regions and constituencies around the world. CS FfD Mechanism's core principle is ensuring that civil society can speak with one collective voice.

Legal framework for
MULTILATERAL DEBT
RESOLUTION

FfD Forum Side Event
CR-9 (UNHQ)
1:30PM to 2:30PM
Tuesday, April 18

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