United Nations

Financing for Development

Economic and Social Council
2023 Special Meeting on International Cooperation in Tax Matters
New York, 31 March 2023

ECOSOC Chamber

PROGRAMME

Background and objectives

The ECOSOC Special Meeting on International Cooperation in Tax Matters provides a global platform for inclusive, evidence-based, and action-oriented discussions on domestic and international tax matters. The Meeting engages Member States with members of the UN Committee of Experts on International Cooperation in Tax Matters (UN Tax Committee) and other stakeholders, including international and regional organizations, business, civil society, and academia. Its objective is to identify concrete options and best practices for fiscal measures in support of more inclusive, resilient, and sustainable economies and societies and to advance progress toward a fair and effective international tax system.

The 2023 Special Meeting takes on still greater significance given the urgency of collective action to put the Sustainable Development Goals (SDGs) back on track and advance climate progress, while avoiding further risk of debt crisis, especially for the least developed countries and others in special situations.

The Meeting is expected to make a strong contribution to the global discussions in advance of the Financing for Development Forum (17-20 April 2023), SDG Summit (September 2023) and the High-level Dialogue of the General Assembly on Financing for Development (September 2023), as well as the ministerial-level preparatory meeting for the 2024 Summit of the Future (September 2023).

Participants will together address two major themes: (i) promoting effective and inclusive international tax cooperation; and (ii) taxation as a policy lever to advance the transition to renewable energy sources.

The Meeting is convened by the President of ECOSOC and its outcome will be a President's Summary distilling key messages and recommendations for action.

<table>
<tr><th></th><th>MORNING MEETING</th></tr>
<tr><td>10:00 am – 10:25 am</td><td>OPENING REMARKS
H.E. Ms. Lachezara Stoeva, President of the Economic and Social Council
Ms. Amina J. Mohammed, Deputy-Secretary General, United Nations; Chair of the United Nations Sustainable Development Group
Mr. Matthew Gbonjubola, Co-Chairperson, Committee of Experts on International Cooperation in Tax Matters; Federal Inland Revenue Service, Nigeria</td></tr>
<tr><td>10:25 am – 10.35 am</td><td>KEYNOTE ADDRESS
H.E. Mrs. Zainab Shamsuna Ahmed, Federal Minister of Finance, Budget and National Planning of Nigeria</td></tr>
<tr><td>10:35 am – 13:00 pm</td><td>PANEL 1: PROMOTING INCLUSIVE AND EFFECTIVE INTERNATIONAL TAX COOPERATION AT THE UNITED NATIONS

Tax-related illicit financial flows, tax avoidance, and tax evasion have a corrosive effect on trust, the social compact, financial integrity, the rule of law, and sustainable development, affecting the poorest and most vulnerable. The Addis Ababa Action Agenda on Financing for Development notes that international tax cooperation should be scaled up, universal in approach and scope, and fully take into account the different needs and capacities of all countries. It calls upon governments to work to improve the fairness, transparency, efficiency, and effectiveness of their tax systems.</td></tr>
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On 30 December 2022, the General Assembly adopted a new resolution (77/244) entitled "Promotion of inclusive and effective tax cooperation at the United Nations." The resolution recognizes the various meetings, discussions, processes and recommendations intended to further the achievement of SDG target 16.4, substantially reducing illicit financial flows by 2030, and of improving domestic resource mobilization and strengthening international tax cooperation. These efforts, while resulting in some progress towards achieving those goals, also illustrate the timeliness and importance of further strengthening international tax cooperation in order to make it fully inclusive and more effective.

In that resolution, the General Assembly decided to begin intergovernmental discussions at the United Nations Headquarters on ways to strengthen the inclusiveness and effectiveness of international tax cooperation, through the evaluation additional options, including the possibility of developing an international tax cooperation framework or instrument that is developed and agreed upon through a United Nations intergovernmental process, taking into full consideration existing international and multilateral arrangements.

The resolution requests a report of the Secretary-General analyzing all relevant international legal instruments, other documents and recommendations that address international tax cooperation. The report should consider, inter alia, avoidance of double taxation model agreements and treaties, tax transparency and exchange of information agreements, mutual administrative assistance conventions, multilateral legal instruments, the work of the UN Tax Committee, the Organisation for Economic Co-operation and Development/Group of 20 Inclusive Framework on Base Erosion and Profit Shifting and other forms of international cooperation. It will also outline potential next steps, such as the establishment of a Member State-led, open-ended, ad hoc intergovernmental committee to recommend actions on the options for strengthening the inclusiveness and effectiveness of international tax cooperation.

The resolution further requests the Secretary-General to consult broadly in preparing the report, with Member States, the members of the UN Tax Committee, the Platform for Collaboration on Tax, and other international institutions and relevant stakeholders. The 2023 ECOSOC Special Meeting presents a prime opportunity for such multi-stakeholder consultation on the key issues identified in the resolution.

Accordingly, this session examines the possibilities for a more inclusive approach to addressing aggressive tax avoidance, tax evasion, and tax transparency through international tax cooperation. It will also consider substantive improvements to the international tax rules that would better address the barriers to domestic resource mobilization faced by developing countries.

Panel discussion:

- What are the key weaknesses and gaps in the international tax cooperation architecture, and how can those be addressed more inclusively and effectively?
- What are the most significant barriers to domestic resource mobilization by developing countries that should be addressed as priorities under enhanced international tax cooperation?
- On which principles and approaches to international tax is there general agreement, which could form the basis for more an international tax cooperation framework or instrument?
- How does this new stream of intergovernmental discussions fit with other initiatives, such as on the international financial architecture, and what strength can a new stream of intergovernmental cooperation provide to the international tax fora?

Chair:

- **H.E. Ms. Lachezara Stoeva**, President of the Economic and Social Council

	Moderator: • **Ms. Liselott Margareta Kana**, Co-Chairperson, Committee of Experts on International Cooperation in Tax Matters **Panellists:** • **H.E. Mr. José Antonio Ocampo**, Minister of Finance and Public Credit, Colombia • **Mr. Gaël Perraud**, Chair of the OECD Hosted Global Forum on Tax Transparency and Co-Chair OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) • **Mr. Rasmi Das**, Department of Revenue, Ministry of Finance, India; Member, UN Committee of Experts on International Cooperation in Tax Matters • **Mr. Yariv Brauner**, Hugh Culverhouse Eminent Scholar, Chair in Taxation Law, University of Florida, United States of America
	INTERACTIVE DIALOGUE **Chair:** • **H.E. Ms. Lachezara Stoeva**, President of the Economic and Social Council **Moderator:** • **Ms. Liselott Margareta Kana**, Co-Chairperson, Committee of Experts on International Cooperation in Tax Matters **Respondent:** • **Ms. Tove Ryding,** Policy and Advocacy Manager - Tax Justice, European Network on Debt and Development (Eurodad)
	BREAK AND RESUME AT 3:00 PM
AFTERNOON SESSION	
3:00 pm – 3:05 pm	**WELCOME REMARKS AND SECOND MEETING OPENING:** **H.E. Ms. Lachezara Stoeva**, President of the Economic and Social Council
3:05 – 3:30 pm	**INTERACTIVE DIALOGUE (PANEL 1 THEME CONTINUED)**
3:30 – 5:45 pm	**PANEL 2: TAXATION AS A POLICY LEVER TO ADVANCE ENERGY TRANSITION** Access to energy and its interconnectedness with promoting sustainable development is at the core of climate action and the Sustainable Development Goals (SDGs) under the Addis Ababa Action Agenda on Financing for Development, the 2030 Agenda for Sustainable Development, the Kyoto Protocol, the Paris Agreement on Climate Change, and the United Nations Framework Convention on Climate Change (UNFCCC). As per the 2022 Energy Progress Report, by 2020, 733 million people did not have access to electricity, and 2.4 billion people did not have access to clean cooking. Fossil fuels have been major drivers of economic growth since the industrial revolution.[1] Mineral resource extraction dominates the economies of 81 countries, that equal a quarter of global GDP, half of the world's population and nearly 70% of those living in extreme poverty. Furthermore, of the 72 countries classified as low to middle-income countries in 2019, 63 have increased their dependency on oil, gas, or minerals, many of which face challenges, such as weak governance.[2] According to the International Energy Agency (IEA), currently, the energy sector accounts for around three-quarters of greenhouse gas (GHG) emissions, which are accelerating global warming. Global temperatures are projected to reach or exceed 1.5°C in the next two decades. In addition, increased CO_2 emissions have negatively impacted the well-being and livelihood of the worldwide population, especially the poor and vulnerable people in developing countries.

[1] The Working Group on Transforming the Extractive Industries for Sustainable Development (unep.org).

[2] https://www.un.org/sites/un2.un.org/files/sg_policy_brief_extractives.pdf

	Energy transition involves shifting from fossil fuels to cleaner renewable energy sources and progressing to sustainable energy production and consumption, while ensuring energy access to the worldwide population. Low-carbon energy and clean energy (wind and solar) accounts for only about 17.7% of global energy consumption, according to the 2022 Energy Progress Report. A complete transformation of energy production, transportation, and consumption is essential to reduce GHG emissions.[3] Countries are increasingly making pledges[4] to reduce national emissions and adapt to the impacts of climate change, under their Nationally Determined Contributions (NDCs). Sustainable energy transition requires the development of efficient and effective fiscal, market, and regulatory policies that coordinate long-term with short- and medium-term goals toward carbon neutrality. Hence, in this wider context, the timeliness and urgency of adopting efficient and effective tax policies and systems to achieve energy transition aligned with the SDGs and climate action and to provide a global response to the current energy crisis. Such policies and systems need to promote the following: • Diversification of the economy in fossil fuel-dependent countries, while mitigating revenue loss. • Innovative domestic resource mobilization options, and access to relevant technologies, for countries most affected by the transition to renewable energy production. • Phasing out fossil fuel subsidies. • Adoption of carbon pricing mechanisms (such as carbon taxes and market-based mechanisms), and other environmental and environmentally related measures to foster behaviour change and revenue collection. The UN Tax Committee is currently reviewing and reflecting on adequate tax policies that can assist countries' efforts in transitioning from fossil fuel energy to renewable and environmentally friendly sources. Although carbon pricing and other market-based mechanisms have gained momentum globally, developing countries bear the pressure of balancing and integrating their priorities (revenue generation and developmental) with climate considerations. Flexible approaches are needed that allow developing countries to apply policy and practical mixes to various sectors, depending on the country's political and economic conditions. Some key considerations from a tax and domestic resource perspective might include the role and effectiveness of any tax incentives granted for sustainable transition projects, and any existing arrangements, for example, agreements for the exploration and extraction of minerals, oil and gas, and how those are impacted by any policy changes that are implemented as a consequence of energy transition efforts. This session will address the role of taxation as a policy lever to drive sustainable energy transition. Participants will take a holistic look at the relevant considerations for governments and other stakeholders involved in the process in the context of the current economic and energy crisis. *Panel discussion:* • How can tax policy help developing countries with energy transition, including with respect to energy access? • What are the most significant tax and domestic resource mobilization considerations for developing countries for energy transition in the extractive sector?

[3] IEA estimates that around 55% of estimated cumulative emissions reductions are linked to consumer choices, such as purchasing an electric vehicle or installing heat pumps. Behavioural changes, particularly in advanced economies – such as replacing car trips with walking, cycling or public transport, or foregoing a long-haul flight – also provide around 4% of the cumulative emissions reductions - Net Zero by 2050: A Roadmap for the Global Energy Sector.

[4] Current government pledges to achieve net-zero emissions by 2050 make up 70% of current CO_2 global emissions. Yet, it would leave around 22 billion tons of CO_2 emissions worldwide in 2050 – *ibid*.

	• How can environmental taxation contribute to developing countries' energy transition and revenue collection? How can environmental taxes be formulated to balance environmental needs with revenue collection needs? • How can developing countries ensure that environmental taxes effectively interact with other 'smart mixes' to boost energy access while decarbonizing economies? What are the critical considerations for policymakers in this respect? **Chair:** • **H.E. Ms. Lachezara Stoeva**, President of the Economic and Social Council **Moderator:** • **Ms. Susanne Åkerfeldt**, Senior Adviser at the Swedish Ministry of Finance **Panellists:** • **Mr. Dirk Heine**, Global Lead, Climate Aspects of Fiscal Policy, World Bank • **Ms. Vanessa Corkal**, Senior Policy Advisor, Canada Energy Transitions, International Institute for Sustainable Development (IISD) • **Mr. Carlos Muñoz Piña**, Research and Data Integrity Director, World Resources Institute Mexico • **Mr. Christopher Axelson,** Chief Director, Economic Tax Analysis at National Treasury, South Africa • **Ms. Ligia Noronha**, United Nations Assistant Secretary-General and Head of the New York Office of the United Nations Environment Programme
	INTERACTIVE DIALOGUE **Chair:** • **H.E. Ms. Lachezara Stoeva**, President of the Economic and Social Council **Moderator:** • **Ms. Susanne Åkerfeldt**, Senior Adviser at the Swedish Ministry of Finance
5:45 pm – 6:00 pm	**Closing Remarks** • **Mr. Navid Hanif,** Assistant Secretary-General for Economic Development, United Nations Department of Economic and Social Affairs • **H.E. Ms. Lachezara Stoeva**, President of the Economic and Social Council