

Press Release: Draft UN resolution on tax cooperation a win for Africa and the global south

19th October 2023, Nairobi Kenya: The Tax Justice Network Africa (TJNA) applauds the Africa Group at the United Nations for tabling the <u>draft resolution</u> on the 'Promotion of inclusive and effective international tax cooperation' at the 78th Session of the Second Committee at the United Nations General Assembly. In response to the Secretary General's Report, the draft resolution makes a clear recommendation on the need to pursue a comprehensive UN Convention on Tax.

This resolution is rooted in the longstanding calls by Global South countries for a UN intergovernmental tax body and represents a significant stride towards democratising the global tax system. It marks a historic moment to correct the imbalances that currently exist in the global financial architecture. Indeed, the international financial architecture as currently established is no longer fit for purpose and has failed to fully address key challenges with the governance of the global economic system that is characterised by asymmetries in decision-making processes and the hegemony of certain countries.

The Africa Group resolution underscores the Africa Group's dedication to fostering an international tax framework that addresses historical inequalities and power imbalances that have long disadvantaged Africa and other developing regions over the past century. Indeed, the impact of illicit financial flows on Africa has had and continues to have detrimental effects on the continent as a result of the loss of resources.

TJNA therefore urges all UN member states to support the African Group resolution as the importance of the reform of the global tax system lies in that, while countries have a sovereign right to raise resources domestically, illicit financial flows through tax evasion and avoidance prevent the effective exercise of this right.

The impact of illicit financial flows on Africa results in the loss of much-needed resources to finance the attainment of Agenda 2063 and the Sustainable Development Goals. Therefore, TJNA commends the Africa Group for its determined and steadfast leadership in submitting this resolution proposing a Comprehensive UN Tax Convention against enormous pressure from those who benefit from the status quo.

"We wish to congratulate the African Group for remaining resolute in its commitment to reform the global tax system and urge other member states to support this historic effort to correct the imbalances that currently exist. During the Second Committee, African states reiterated that the current tax system remains ineffective, exclusive and accommodating only of the interests of a few. The discussions taking place in New York are the first step in addressing these mistakes of the past." notes Chenai Mukumba, TJNA Executive Director

About the Tax Justice Network Africa

The Tax Justice Network Africa (TJNA) is a pan-African organisation and a member of the Global Alliance for Tax Justice. Launched in January 2007 during the World Social Forum held in Nairobi, TJNA promotes socially just, accountable, and progressive taxation systems in Africa. It advocates for tax policies with pro-poor outcomes and tax systems that curb public resource leakages and enhance domestic resource mobilisation. For more information: www.taxjusticeafrica.net

For media inquiries

Media Contact: Lynda Odhiambo

Communications Officer Content and Media Relations

<u>lodhiambo@taxjusticeafrica.net</u> Contact: +254712495410