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Agenda item 13 (h)

**Economic and environmental questions: international cooperation  
in tax matters**

### **Committee of Experts on International Cooperation in Tax Matters**

### **Programme budget implications of draft resolution E/2010/L.10**

### **Statement submitted by the Secretary-General in accordance with rule 31 of the rules of procedure of the Economic and Social Council**

#### **I. Requests contained in the draft resolution**

1. Under the terms of operative paragraph 1 of the draft resolution, the Economic and Social Council would decide to convert the Committee of Experts on International Cooperation in Tax Matters into an intergovernmental subsidiary body of the Economic and Social Council, with the following characteristics:

(a) The Committee shall consist of representatives of forty-seven States to be elected by the Economic and Social Council from among the States Members of the United Nations for four-year terms, with due regard to equitable geographical distribution;

(b) The Committee shall convene its first meeting in 2010, in Geneva, and meet biannually thereafter, in New York, and shall also endeavour to hold technically focused meetings of its subsidiary bodies at more frequent intervals;

(c) In its first year of operation, the members currently appointed to the Committee of Experts may participate in the new Committee, as advisers in their personal capacity;

(d) The Committee shall be serviced by an adequate and dedicated technical staff, which shall, inter alia, help collect and disseminate information on tax policies and practices, in collaboration with other relevant international entities, and



organize technical assistance projects on international tax issues, as requested by Member States.

## **II. Relationship of the requests to the biennial programme plan and priorities for the period 2010-2011 and to the proposed programme budget for the biennium 2010-2011**

2. The activities referred to above relate to subprogramme 10, Financing for development, of programme 7, Economic and social affairs, of the biennial programme plan and priorities for the period 2010-2011 (see A/63/6 (Prog. 7)). They also fall under section 2, General Assembly and Economic and Social Council affairs and conference management, section 9, Economic and social affairs, and section 28D, Office of Central Support Services, of the proposed programme budget for the biennium 2010-2011 (see A/64/6 (Sect. 2, Sect. 9 and Sect. 28D)).

3. In accordance with Economic and Social Council resolution 2004/69, the existing entitlement of the Committee of Experts on International Cooperation in Tax Matters is to meet in Geneva on a yearly basis for one 5-day session. The Committee is serviced by a small technical staff component (1 P-5, 1 P-4, 1 P-3 and 1 General Service (Other level)), which helps to collect and disseminate information on tax policies and practices, in collaboration with concerned multilateral bodies and relevant international organizations.

4. The capacity-building and training projects in support of the activities of the Committee are supported from extrabudgetary contributions to the trust fund established following the adoption by the Council of its resolution 2006/48.

## **III. Activities by which the proposed requests would be carried out**

5. In accordance with the provisions of the draft resolution, it is estimated that the enlarged committee would convene its first meeting in 2010, in Geneva, and meet biannually thereafter, in New York, and should also endeavour to hold technically focused meetings of its subsidiary bodies at more frequent intervals. The 25 members currently appointed to the Committee of Experts would participate in the 2010 meeting as advisers in their personal capacity.

6. The technical staff of the committee would help to collect and disseminate information on tax policies and practices, in collaboration with other relevant international entities and would organize technical assistance projects on international tax issues, as requested by Member States, including: (a) capacity development projects related to the committee mandate; (b) provision of macroeconomic analysis and policy advice on issues within the mandate of the committee, including in relation to policy coordination on fiscal issues; (c) provision of technical advice in relation to the United Nations Model Double Taxation Convention between Developed and Developing Countries and its implementation; and (d) conducting training seminars for tax administrators in developing countries on the Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries, on the United Nations Model Double Taxation Convention between Developed and Developing Countries and its implementation, and on other related matters.

#### **IV. Modifications required in the proposed programme budget for the biennium 2010-2011**

7. In order to take into account the provisions of the draft resolution, the programmed outputs of subprogramme 10 of section 9, Economic and social affairs, of the proposed programme budget for the biennium 2010-2011, would be modified and would be incorporated into the programme of work of section 9, subject to approval by the General Assembly at its sixty-fifth session. The required modifications to the outputs would be as follows:

##### **Paragraph 9.85**

- (a) (ii) Economic and Social Council
  - b. Parliamentary documentation: the words “reports on the work of the Committee of Experts on International Cooperation in Tax Matters at its sixth and seventh sessions (2)” would be replaced with the words “reports on the work of the intergovernmental Committee of Experts on International Cooperation in Tax Matters at its first, second and third sessions (3)”;
- (a) (iii) Committee of Experts on International Cooperation in Tax Matters: the word “Intergovernmental” would be added before the title of the Committee;
  - a. Substantive servicing of meetings: the words “sixth and seventh sessions of the Committee (20); intersessional meetings of its subcommittees and working groups (20)” would be replaced with the words “first, second and third sessions of the Committee (30); intersessional meetings of its subcommittees and working groups (42)”;
  - b. Parliamentary documentation: the words “issues papers by the secretariat on agenda items to be determined by the Committee for its sixth and seventh sessions (20)” would be replaced with the words “issues papers by the secretariat on agenda items to be determined by the Committee for its first, second and third sessions (30)”;
- (iv) Ad hoc expert groups: the words “four expert groups” would be replaced with the words “seven expert groups”; the words “international cooperation in tax matters” would be replaced with the words “international cooperation in tax matters (4)”;
- (b) Other substantive activities (regular budget):
  - (iii) Press releases, press conferences: the words “the work of the Committee of Experts on International Cooperation in Tax Matters (2)” would be replaced with the words “the work of the intergovernmental Committee of Experts on International Cooperation in Tax Matters (4)”;
  - (v) Technical material: the words “maintenance and updating of the Financing for Development home page on the Internet (8)” would be replaced with the words “maintenance and updating of the Financing for Development home page on the Internet (12)”;

## **V. Estimated resources requirements**

### **A. Conference-servicing requirements: section 2, General Assembly and Economic and Social Council affairs and conference management, and section 28D, Office of Central Support Services, for other support services**

8. It is estimated that each session of the meetings of the committee would require meeting services for a total of 10 meetings in five days, with simultaneous interpretation services from and into all six official languages and documentation services for 130 pages of pre-session documents and 26 pages of post-session documents, to be translated and issued in all six official languages, while 300 pages of in-session documents would be issued in English without translation. As regards the technically focused meetings of its subsidiary bodies, namely of its subcommittees and of the working groups, those meetings would be held on an “as available basis”, without any implications to conference-servicing requirements.

9. The two sessions of the predecessor of the committee, the Committee of Experts on International Cooperation in Tax Matters, have already been scheduled in the calendar of conferences and meetings for 2010 and 2011, which are of the same duration of five days per session, with simultaneous interpretation services from and into all six official languages and documentation services for 130 pages of pre-session documents per session and 26 pages of post-session documents to be translated and issued in all six official languages, while in-session documents would be issued in English without translation.

10. For the three sessions of the meetings of the new committee to be held in the biennium 2010-2011, that is, one session in Geneva in 2010 and two sessions to be held in New York in 2011, additional conference-servicing requirements of \$501,200 would arise, comprising of \$481,200 under section 2, General Assembly and Economic and Social Council affairs and conference management, and \$20,000 under section 28D, Office of Central Support Services, for other support services, of the programme budget for the biennium 2010-2011, after deducting the existing provision of \$845,500 provided to the two sessions of the Committee of Experts on International Cooperation in Tax Matters. The conference-servicing requirements for the four sessions of the new committee for the biennium 2012-2013 are estimated to reach a total of \$1,795,600, comprising of \$1,715,600 under section 2, General Assembly and Economic and Social Council affairs and conference management, and \$80,000 under section 28D, Office of Central Support Services, for other support services. The details of these additional conference-servicing requirements are set out in table 1.

**Table 1**  
**Additional conference-servicing requirements for the Committee**  
 (United States dollars)

| <i>Budget section</i>            | <i>Three sessions under<br/>the new Committee<br/>in 2010-2011</i> | <i>Existing provision<br/>for the biennium<br/>2010-2011</i> | <i>Additional<br/>requirements for<br/>2010-2011</i> | <i>Additional<br/>requirements in<br/>2012-2013</i> |
|----------------------------------|--|--|--|---|
|                                  | (1)  | (2)  | (3=1-2)  | (4)   |
| <b>Section 2</b>                 |  |  |  |   |
| Meetings servicing               | 343 500  | 229 000  | 114 500  | 458 000   |
| Pre-session documentation        | 786 300  | 524 200  | 262 100  | 1 048 400   |
| In-session documentation         | —  | —  | —  | —   |
| Post-session documentation       | 156 900  | 52 300   | 104 600  | 209 200   |
| <b>Subtotal</b>                  | <b>1 286 700</b>   | <b>805 500</b>   | <b>481 200</b>                                       | <b>1 715 600</b>                                    |
| <b>Section 28D</b>               |  |  |  |   |
| <b>Other conference services</b> |  |  |  |   |
| New York                         | 40 000   | —  | 40 000   | 80 000  |
| Geneva                           | 20 000   | 40 000   | (20 000)   | —   |
| <b>Subtotal</b>                  | <b>60 000</b>  | <b>40 000</b>  | <b>20 000</b>  | <b>80 000</b>                                       |
| <b>Total</b>                     | <b>1 346 700</b>   | <b>845 500</b>   | <b>501 200</b>                                       | <b>1 795 600</b>                                    |

## **B. Non-conference-servicing requirements: section 9, Economic and social affairs**

11. Should the Council adopt the draft resolution, additional resources estimated at \$669,300 would be required under subprogramme 10, Financing for development, of section 9, Economic and social affairs, of the proposed programme budget for the biennium 2010-2011.

### **1. Policymaking organs**

12. The 47 members of the proposed intergovernmental committee would meet once in Geneva in 2010 and twice in New York in 2011. The current 25 members of the Committee of Experts on International Cooperation in Tax Matters may participate in the 2010 meeting in their current capacities. A provision of \$594,700 would be required to cover the travel of representatives and experts to the meetings in 2010 and 2011. There is a provision of \$341,500 for travel and subsistence expenses of the 25 Committee experts in the programme budget for the biennium 2010-2011. As the existing 2010 provision of \$171,700 would be used for the participation of the 25 experts in the committee meeting in 2010, the 2011 provision of \$169,800 would be utilized to partially absorb the travel requirements of the new committee members, as shown in table 2. The 2012-2013 requirements for travel to four meetings, amounting to \$564,000, would be reflected in the proposed programme budget for the biennium 2012-2013.

Table 2  
**Travel requirements for representatives and Committee members**  
 (United States dollars)

|                                      | <i>One meeting in<br/>Geneva in 2010</i> | <i>Two meetings in<br/>New York in 2011</i> | <i>Total 2010-2011</i> | <i>Four meetings in<br/>New York in<br/>2012-2013</i> |
|--------------------------------------|--|---|------------------------|---|
|                                      | (1)                                      | (2)   | (3=1+2)                | (4)   |
| Travel of 47 representatives         | 141 000                                  | 282 000                                     | 423 000                | 564 000   |
| Travel of 25 Committee members       | 171 700                                  | —   | 171 700                | —   |
| <b>Subtotal</b>                      | <b>312 700</b>                           | <b>282 000</b>                              | <b>594 700</b>         | <b>564 000</b>  |
| Existing 2010-2011 provision         | (171 700)                                | (169 800)                                   | (341 500)              | —   |
| <b>Total additional requirements</b> | <b>141 000</b>                           | <b>112 200</b>                              | <b>253 200</b>         | <b>564 000</b>  |

13. The travel of the representatives would be provided in accordance with General Assembly resolution 1798 (XVII), as amended by resolutions 2128 (XX), 2245 (XXI), 2489 (XXIII), 2491 (XXIX), 41/176, 41/213, 42/214, 42/225, section VI, 43/217, section IX, and 45/248 A, section XIII, and would cover the travel, but not subsistence expenses, of 47 Government representatives to participate in the biannual meetings of the intergovernmental committee.

## 2. Post requirements (\$260,700)

14. The current Committee of Experts is serviced by the International Tax Cooperation Unit of the Policy Analysis and Development Branch of the Financing for Development Office, consisting of a Unit Chief (P-5), one Economic Affairs Officer (P-4), one Economic Affairs Officer (P-3) and one Research Assistant (General Service (Other level)). The new and expanded functions of the Unit would include provision of substantive support to the new intergovernmental committee and its subcommittees and working groups, collecting and disseminating information on tax policies and practices and undertaking the technical cooperation programme on international tax issues. In addition to servicing additional meetings of the intergovernmental committee, the Unit would be required to service such subsidiary bodies of the committee as subcommittees and working groups. In accordance with Economic and Social Council resolution 2006/48, the Committee could create, as necessary, ad hoc subcommittees composed of experts and observers. Four subcommittees and two working groups were established in 2006. Since then, the number of subsidiary bodies has more than doubled; currently, there are nine subcommittees and five working groups. Each subsidiary body is to meet, with the same frequency as the Committee, for one to two days and is tasked with preparing and determining the supporting documentation for the agenda items, including requests for papers by independent experts, for consideration by the committee. In order to deal with the additional workload, the Unit would be transformed into a Branch.

15. It is estimated that additional resources for three new posts (1 D-1, 1 P-4 and 1 General Service (Other level)), to be established in 2011 and amounting to \$260,700, would be required, as follows:

(a) Chief of Branch (D-1): responsible for managing the work programme of the International Tax Cooperation Branch, comprised of 7 posts (1 D-1, 1 P-5, 2 P-4, 1 P-3 and 2 General Service (Other level)). The Branch would provide secretariat support to the intergovernmental committee, its subcommittees and working groups, including preparing analytical reports for consideration by the committee, its subcommittees and working groups; organizing expert group meetings; and implementing the programme of work in the area of technical cooperation in tax matters, including managing an interregional adviser on international tax matters. In addition, the responsibilities of the post would include providing macroeconomic analysis and advice on fiscal policy issues related to financing for development, as well as management of fund-raising and outreach activities;

(b) Economic Affairs Officer (P-4): responsible for monitoring developments in the area of international taxation, identifying recurrent and emerging issues of concern to the committee, drafting inputs to analytical reports for consideration by the committee, organizing expert group meetings in preparation for the biannual sessions of the committee, providing substantive support to the committee, its subcommittees and working groups, designing and monitoring technical cooperation projects related to the committee mandate, conducting training seminars for tax administrators in developing countries on the Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries, on the United Nations Model Double Taxation Convention between Developed and Developing Countries and its implementation, and on other related matters;

(c) Research Assistant (General Service (Other level)): responsible for the provision of research and administrative assistance to the D-1 and P-4 in all aspects of work related to providing support to the intergovernmental committee, including organization of its biannual sessions, preparation of analytical reports and implementing the technical cooperation projects.

16. In 2012-2013, the total costs of the three new posts (1 D-1, 1 P-4 and 1 General Service (Other level)) would amount to \$1,042,800 and would be reflected in the proposed programme budget for the biennium 2012-2013.

### **3. Non-post requirements (\$155,400)**

17. The non-post requirements would include:

(a) Consultants (\$50,000): provision of \$50,000, covering 10 consultancy work-months, is required to secure specialized expertise not available in the Secretariat to cover reports and studies on technical aspects of international taxation to be determined by the committee;

(b) Travel of staff (\$40,000): provision of \$40,000 is required for 10 missions to support subcommittee meetings, the engagement of regional and subregional entities in improving international tax cooperation and to further the capacity-building aspect of the committee mandate;

(c) Ad hoc expert groups (\$60,000): provision of \$60,000 is required for three ad hoc expert group meetings (in addition to the one currently programmed in the 2010-2011 budget) to be held in preparation for the biannual sessions of the committee;

(d) Furniture and equipment (\$5,400): provision of \$5,400 is required for acquisition of office automation equipment, including personal computers and printers for the proposed three new posts.

### C. Section 28D, Office of Central Support Services

18. As indicated in table 1, an additional provision of \$60,000 would be required to provide for the contractual services of sound technicians to support conducting one meeting of the committee in Geneva in 2010 and two meetings in New York in 2011. The 2012-2013 requirements for four meetings, amounting to \$80,000, would be reflected in the proposed programme budget for the biennium 2012-2013.

### D. Section 35, Staff assessment

19. The amount of \$42,100 would be needed to provide for staff assessment for the three new posts under section 35, Staff assessment, to be offset by an equivalent amount under income section 1, Income from staff assessment. The related 2012-2013 requirements, amounting to \$168,400, would be reflected in the proposed programme budget for the biennium 2012-2013.

### E. Summary of estimated resources requirements

20. Should the Council adopt draft resolution E/2010/L.10, the estimated total resource requirements for the three sessions of the Committee in 2010 and 2011 amount to \$2,399,600. After deduction of the existing 2010-2011 provision of \$1,187,000, the additional 2010-2011 resource requirements would amount to \$1,212,600, as shown in table 3. The total 2012-2013 resource requirements, amounting to \$3,720,800, would be reflected in the proposed programme budget for the biennium 2012-2013.

Table 3  
Summary of estimated requirements

(United States dollars)

| <i>Budget section</i>             | <i>Three sessions under<br/>the new Committee in<br/>2010-2011</i> | <i>Existing provision<br/>for the biennium<br/>2010-2011</i> | <i>Additional<br/>requirements for<br/>2010-2011</i> | <i>Additional<br/>requirements in<br/>2012-2013</i> |
|-----------------------------------|--|--|--|---|
| <i>Budget section</i>             | <i>(1)</i>   | <i>(2)</i>   | <i>(3=1-2)</i>                                       | <i>(4)</i>  |
| Section 2                         |  |  |  |   |
| Conference-servicing requirements | 1 286 700  | 805 500  | 481 200  | 1 715 600   |
| Section 9                         |  |  |  |   |
| Posts                             | 260 700  | —  | 260 700  | 1 042 800   |
| Consultants                       | 50 000   | —  | 50 000   | 50 000  |
| Expert group meetings             | 60 000   | —  | 60 000   | 60 000  |
| Travel of representatives         | 594 700  | 341 500  | 253 200  | 564 000   |
| Travel of staff                   | 40 000   | —  | 40 000   | 40 000  |



| <i>Budget section</i>   | <i>Three sessions under<br/>the new Committee in<br/>2010-2011</i> | <i>Existing provision<br/>for the biennium<br/>2010-2011</i> | <i>Additional<br/>requirements for<br/>2010-2011</i> | <i>Additional<br/>requirements in<br/>2012-2013</i> |
|-------------------------|--|--|--|---|
|                         | (1)  | (2)  | (3=1-2)  | (4)   |
| Furniture and equipment | 5 400  | —  | 5 400  | —   |
| <b>Subtotal</b>         | <b>1 010 800</b>   | <b>341 500</b>   | <b>669 300</b>                                       | <b>1 696 800</b>                                    |
| Section 28D             | 60 000   | 40 000   | 20 000   | 80 000  |
| Section 35              | 42 100   | —  | 42 100   | 168 400   |
| <b>Total</b>            | <b>2 399 600</b>   | <b>1 187 000</b>   | <b>1 212 600</b>                                     | <b>3 720 800</b>                                    |

## VI. Potential for absorption during the biennium 2010-2011

21. Should the Council adopt draft resolution E/2010/L.10, the total existing provision of \$1,187,000 for financing the current requirements of the Committee of Experts on International Cooperation in Tax Matters in the programme budget for the biennium 2010-2011 would be utilized for absorbing the additional requirements under budget sections 2, 9 and 28D, as shown in table 3.

## VII. Contingency fund

22. It will be recalled that, under the procedures established by the General Assembly in its resolutions 41/213 and 42/211, a contingency fund is established for each biennium to accommodate additional expenditures derived from legislative mandates not provided for in the programme budget. Under this procedure, if additional expenditures were to be proposed that exceeded the resources available from the contingency fund, the activities concerned would be implemented only through the redeployment of resources from low-priority areas or the modification of existing activities. Otherwise, such additional activities would have to be deferred to a later biennium.

## VIII. Conclusions

23. Should the Economic and Social Council adopt the draft resolution, additional resources in the amount of \$1,170,500 would be required, including \$481,200 under section 2, General Assembly and Economic and Social Council affairs and conference management, \$669,300 under section 9, Economic and social affairs, and \$20,000 under section 28D, Office of Central Support Services. In addition, the amount of \$42,100 would be needed to provide for staff assessment for the three new posts under section 35, Staff assessment, to be offset by an equivalent amount under income section 1, Income from staff assessment. This would represent a charge against the contingency fund and, as such, would require additional appropriation for the biennium 2010-2011, which is subject to approval by the General Assembly at its sixty-fifth session in the context of the consolidated statement of programme budget implications and the revised estimates of decisions taken by the Council.

24. The estimated resource requirements for 2012-2013, amounting to \$3,720,800, would be considered in the context of the proposed programme budget for the biennium 2012-2013.

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