

Advancing a Tax and SDGs approach that builds trust and spurs transformation: present and possible future contributions by the UN Tax Committee

Opening remarks by H.E. Mr. Odd-Inge Kvalheim, Ambassador/DPR, Permanent Mission of Norway to the United Nations.

Dear colleagues,

First of all, congratulations on a new mandate and membership of the UN tax committee. We are pleased to see the growing interest among member states to support and to propose experts to contribute to this important work. We are also pleased that a representative from Norway has passed through the nomination process successfully.

Too often global standards are not fit-for-purpose. This can create a widening gap in capacities to embrace opportunities of transparency and accountability made available through multilateral cooperation. For us, it is key to:

- 1) Improve representation from developing countries where norms and standards are discussed and agreed
- 2) Ensure that these standards and tools are adapted to the needs and capacities of developing countries
- 3) Ensure that sufficient efforts are made to translate the standards and models into enhanced capacities in developing countries

As an inclusive standard-setting body that represents both developed and developing countries, the UN Tax Committee is uniquely placed in this regard. It provides important support and guidance to developing countries to implement more effective and efficient tax systems.

Colleagues,

We know that the vast majority of funding for the SDGs must come from domestic public resources. Estimates indicate between 97 and 99 percent. And the post-pandemic state of the world has significantly increased the financing needs.

From a Norwegian perspective we have experienced how we can use tax policy effectively to fund a welfare state. And there are many ways to look at the link between taxation and the sustainable development goals. To list a few we see that;

- **Efficient and fair tax systems are essential to stimulate private sector investments.** We know that private investors value predictable tax systems more than tax breaks, but that countries still underbid each other in order to compete for investments
- **Tax can also be used to reduce costs in the health system** by effecting behaviour change through tax on harmful products. For example, reducing the prevalence of non-communicable diseases would reduce the burden on health systems and avail funds for other public expenditures.
- **Tax is a powerful tool in the fight against climate change** by pricing externalities and encouraging behaviour change towards more sustainable patterns of consumption and production. The untapped potential is vast.

- **And lastly: Tax evasion and illicit financial flows** also significantly hamper peace and security efforts by eroding trust in governments and weakening the social contract necessary to achieved development for all.

We are therefore pleased to see that UNDESA and the committee of experts has elevated the attention to the debate on how tax reform and tax systems are an essential part of achieving the SDGs. This launch truly solidifies these efforts.

In addition, The high-level panel on financial transparency accountability and integrity (FACTI panel) launched its report earlier this year. The report highlights the need for multilateral action to improve accountability and transparency. And while we have seen progress on some areas of tax and transparency, the progress has made the remaining challenges even more visible.

We would welcome, from the new committee, a continued focus on possible responses to the challenges raised from developing countries and bridging the gap between the global norms and the practical implementation at the country level.

We know that there are opportunities in bringing forward practical approaches to implementing green taxes as a response to climate challenges as well as pro-health taxes. But I would also challenge the committee to increasingly connect with the work on anti-corruption. This would be an opportunity to connect to work streams aimed at reducing losses of public funds from developing countries budgets and move towards a more common approach to financial integrity.

I thank you.