

From: Carla Calistri

Sent: Wednesday, 08 March, 2023 1:53 PM

Subject: UNEP's input - Call for public input: Promotion of inclusive and effective tax cooperation at the United Nations

Dear colleagues,

Thank you for the opportunity to provide inputs.

Please see below a few points from UNEP for your kind consideration.

Thank you for your attention and best of luck with this important task.

Best,

Carla

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1. UNEP supports the resolution and its focus on promoting effective and inclusive tax cooperation. We must prevent significant leakages in the financial system which hinder progress towards mobilising capital for sustainable development, and put the fairness of the system in question.
 2. While the emphasis on tackling illicit financial flows and reducing tax evasion and avoidance is welcome, we would stress the need to extend cooperation beyond data sharing to an international agreement on environmental taxation that takes into account country context and capacity. Such an instrument could underpin incentivization and resource mobilization for an urgently needed just and resilient green transition. A portion of such revenues could also be set aside for [a Global Carbon Fund](#), as proposed by Dr. Raghuram Rajan.
 3. In the spirit of transparency and evidence-based decision-making, UNEP also proposes the adoption of Sustainable Budgeting Approach (SBA) by Member States. The SBA is a novel decision-support framework for policymakers, developed by the University of Oxford with support from UNEP, which enables a granular and country-contextualized understanding of policy trade-offs across social, economic and environmental objectives - and encompasses both revenues and expenditures. While the core objective of the framework is to support policymakers to identify policy options that can produce benefits across social, economic, and environmental criteria, analyzing taxation policies and tax expenditures in this manner could promote transparency and accountability and support efforts to align tax systems with sustainable development commitments.
 4. UNEP also proposes an exploration of digital technologies and related innovations in helping to combat tax evasion and illicit financial flows. The vast amount of data on micro-transactions and the increasing share of digital payments across the world provide a valuable dataset that should be fully utilized. However, we also advise that any steps towards using private data should be consulted on with the widest possible stakeholder group and precaution must be exercised to prevent misuse.
 5. UNEP also welcomes the call for more a inclusive intergovernmental forum, and highlights the work done by the Green Fiscal Policy Network on environmental taxation and related fiscal issues. The Green Fiscal Policy Network was established by a partnership between the United Nations Environment Programme (UNEP), the International Monetary Fund (IMF) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to promote knowledge sharing and dialogue on green fiscal policies. Launched in 2014, the GFPN seeks to raise awareness of the potential of green fiscal policies to address environmental challenges and promote sustainable economic growth through research, policy analysis, and advocacy. The network also provides a platform for sharing best practices and building partnerships among policymakers and stakeholders in different countries and regions.
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