Welcome remarks by Ms. Shari Spiegel
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27th Session of the United Nations Committee of Experts
on International Cooperation in Tax Matters

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On behalf of the United Nations Secretariat, I warmly welcome Members and Observers to the 27th Session of the UN Tax Committee. This will be an important session: only four sessions remain of this membership to deliver on your ambitious work programme. This is also my first meeting as Director of the Financing for Sustainable Development Office, and I am honoured to be here with you today.

We are meeting during challenging times marked by geopolitical unrest and multi-layered economic, social, and environmental crises.

At the halfway point for implementing the 2030 Agenda and achieving the Sustainable Development Goals (SDGs), we find ourselves faltering. As highlighted at the recent SDG Summit in the UN General Assembly, progress on almost 85 per cent of SDG targets is insufficient, stalled, or regressing.

As highlighted last week at the IMF and World Bank annual meetings in Marrakech, the world economy faces the risk of a prolonged period of low growth. Global growth is now projected to increase by less than 3 per cent in 2024.

Most worrisome, there is enormous divergence across countries. Many developing countries face high borrowing costs and limited access to finance to invest in crises responses and long-term investment. This is what the UN's *Financing for Sustainable Development Report* has called the 'great finance divide'.

One-third of countries face the risk of a fiscal crisis. Twenty-five developing countries, including one-fourth of least developed countries (LDCs), dedicate more than 20 per cent of total domestic revenues towards servicing external public debt – the largest number of countries crossing this threshold since the debt relief initiatives of the early 2000s.

At the same time governments' revenues have fallen by approximately $690 billion. Tax revenues in many developing countries remain low – at an average of 12% of GDP for LDCs and 17% for middle-income countries (MICs), compared to around 40 per cent for OECD countries.

This is why the Secretary-General has called for a global SDG Stimulus of at least $500 billion a year to scale-up affordable financing, mostly through strengthening the multilateral development bank system. Governments have endorsed this vision in the Group of 20 and in the UN General Assembly.

Nonetheless, there is general agreement that the push for external finance is only one part of the story. The SDG Summit and the High-Level Dialogue on Financing for Development, held in the General Assembly in September, also highlighted the critical importance of domestic resources and taxation, along with the urgent need for international tax cooperation to achieve the SDGs.

I would like to highlight three outcomes of the discussions related to tax issues.

First, the work of this Committee was specifically recognized in the High-Level Dialogue on Financing for Development.

Second, the SDG Summit welcomed the beginning of Member-State-led inter-governmental discussions at the United Nations on ways to strengthen international tax cooperation. Such discussions won't take place in this (Committee) forum, which has its own mandate. However, the call to make international tax cooperation fully inclusive and more effective is clear and will be an important guidepost for the work of this Committee.

Third, the SDG Summit also looked forward to deliberations on convening a 4th international conference on financing for development in 2025. This would be a follow-up to the Addis Ababa Action Agenda, which provides a global framework for financing sustainable development, including mandates for this Committee's work. Taxation and international tax cooperation will be a critical part of those negotiations.

Current expectations are that the FfD-4 Conference will aim to update financing commitments to reflect enormous changes in the global environment since 2015, including the growth of digitalization and the exponential impact of climate change. The Committee's work will be important inputs to these deliberations.

As all of you know, taxation is at the heart of the social contract between a government and its citizens. Taxes can also be a catalyst for behavioural changes and investment in the SDGs. These issues will be discussed over the next four days, including in work streams on wealth and solidarity taxes, health, and environmental taxes, as well as the various workstreams that address the role of tax systems in incentivizing investment in sustainable development.

This 27th Session will also focus on how to future-proof tax systems. This will feature in the discussions on how to tax the globalized and digitalized economy, the digitalization of tax administrations, and taxation of crypto assets.

Across these areas, this Committee strives to identify solutions that are: principles-based; practical; as simple as the subject allows; and reflect the needs and priorities of all countries, especially LDCs. The SDGs serve as the guideposts for your work, as we will discuss later today.

We are very much looking forward to this week’s discussions and to furthering the already impressive range of practical guidance developed by the Committee.

I would also like to express deep appreciation for the contributions from Observers, who generously give of their time and experience to participate in the Subcommittees and working groups, and to thank everyone who is joining virtually across different time zones.

Supporting this important work of the UN Tax Committee is a privilege and a top priority of the Financing for Sustainable Development Office.

I look forward to a focused and productive session, conducted in the Committee’s collegial fashion, and to the finalization of much-needed UN guidance on a range of tax matters.

I wish the Committee and all Observers a productive, informative, and enjoyable Session.

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