

21 June 2024

To: Mr. Ramy Youseff, Chair of the Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation (FCITC)

Subject: Joint Submission by African Feminists and Allies on Zero Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation

Your Excellency,

Akina Mama wa Afrika, on behalf of the undersigned 22 African Feminist organizations and allies, would like to commend the Bureau of the Ad Hoc Committee for the work done thus far towards the establishment of the FCITC and appreciate the opportunity to submit our proposals outlined below.

1.0 Introduction

The adoption of the UN Tax Resolution on the promotion of inclusive and effective international tax cooperation (A/C.2/78/L.18/Rev.1) marked a historic moment in addressing tax-related challenges faced by countries in the Global South. A UN tax convention is pivotal in curbing Illicit Financial Flows (IFFs), establishing fair and transparent taxation rules, democratizing tax policymaking, and enabling developing countries to harness equitable tax revenues from foreign investments to finance their development. Moreover, it is a step towards dismantling historical power imbalances and fostering a more just and inclusive global financial architecture. This convention will foster the realization of the gender justice agenda, particularly in the Global South, where IFFs, tax evasion, and tax injustices exacerbate social inequalities, with women bearing the brunt. This widens the gender inequality gap, reversing the gains towards SDGs, particularly SDG 5 on achieving gender equality and SDG 10 on reducing inequalities.

2.0 Comments on the Zero Draft TORs

2.1 Explicit Language on Gender Justice

While the zero draft acknowledges social and economic rights, it lacks explicit language on gender justice. Specifically, the draft does not adequately acknowledge how the current global tax systems are gender imperceptive as they are regressive with an overreliance on consumptive taxes, which are designed to apply equally to everyone despite their differentiated realities. This alone has disproportionate impacts on women, who, globally are the poorest, largely due to socio-cultural factors that limit their access to resources while they also carry the primary social reproduction responsibility. As such, they spend a significant amount of their income on consumption hence carrying a higher tax incidence. **The Convention should therefore acknowledge that Tax policy should be intersectional, taking into account how different individuals' social realities affect**

their ability to pay tax as well as how tax could exacerbate these challenges on these individuals or groups of people.

We further propose that the objectives and introduction explicitly include language that advances **gender-transformative tax policies**. Reference should be made to the Convention on the Elimination of Discrimination Against Women (CEDAW) and the Beijing Platform of Action. Under the Beijing Platform for Action, reference should be made, inter alia, to strategic objective A.1, which calls for analyzing, from a gender perspective, policies and programmes - including those related to macroeconomic stability, structural adjustment, external debt problems, taxation, investments, employment, markets and all relevant sectors of the economy - with respect to their impact on poverty, on inequality and particularly on women. Under the CEDAW, Articles 11, 13 and 14 must be emphasized to ensure women's economic and social rights.

In addition, **the language throughout the text should explicitly recommend the assessment of new tax rules to ensure that they do not create new and or exacerbate existing gender inequalities, but seek to address them.** The text of the CEDAW, the CEDAW Committee's jurisprudence, and the Beijing Platform all mandate the adoption of gender-impact analysis of taxation and correction of discriminatory policies. They also recommend the use of more progressive tax strategies.

Suggested Wording Under Specific Sections:

Introduction:

2- "The General Assembly recognized in the resolution that developing a framework convention will also help in accelerating the implementation of the Addis Ababa Action Agenda on Financing for Development, the 2030 Agenda for Sustainable Development, **the Beijing Platform of Action, and the Convention on the Elimination of Discrimination Against Women (CEDAW)**, particularly the areas covering tax and gender justice".

Objectives:

7- "To develop and implement tax policies that are **gender-transformative**, ensuring that tax systems are responsive to the structural and intersecting realities of different groups and therefore do not disproportionately impact women, people living with disabilities, and other structurally disadvantaged groups, and contribute to promoting gender justice."

Principles:

9- "Take a holistic, sustainable development perspective that covers economic, social, environmental, and **gender-just policy** aspects in a balanced and integrated manner."

2.2 The Care Economy

Due to the traditionally perceived separation between the private sphere of the household, the market, and the state, care is rarely given adequate consideration in economic policy discussions. Despite its annual contribution of at least [US\\$10.8 trillion, surpassing the combined revenue of the world's top 50 companies in 2018](#) unpaid care and domestic work, predominantly carried out by women, is undervalued, extractive, and exploited within neoliberal economic frameworks. This systemic undervaluation and nonrecognition creates significant structural barriers for unpaid carers

with profound consequences for society, the economy, and the environment. While governments are starting to address care in the context of social spending on education and healthcare, these discussions must also be introduced into tax policy. There is a need for notable dialogue on the impact of taxation on care, given that caregiving is drudgery, underpaid or unpaid, classed, gendered, and racialized, but also essential to society; as such, black and brown women who do this work and who also spend most of their income on consumption consequently incur a higher tax incidence. The convention should therefore recommend the adoption of specific tax incentives and or tax cuts for individuals who work in the care economy, both paid and unpaid, and further recommend countries to adopt tax as a tool for redistributing and reducing the burden of care work.

Suggested Wording:

“Recognize, reduce, reward and redistribute unpaid care and domestic work in tax policy design and implementation. Promote environmentally sustainable tax policies that address the intersection between economic activities, gender equity, and environmental justice”

2.3 Emphasis on Reparative Justice

The draft does not sufficiently address the potential role that taxation can play in facilitating the delivery of [reparative justice](#) given the historical and continued injustices committed against people of the global South. These injustices have been facilitated by multiple intersecting systems including neoliberal capitalism and Western imperialism, extractive and exploitative activities, and systems like slave trade, colonialism, and neocolonialism, among others. Existing evidence estimates that [developed countries are responsible for 74% of global extraction of resources](#), of which 50% is from developing countries. These systems are also responsible for driving a multitude of public policy failures, including those related to low levels of state revenue collection. While the world grapples with the rising cost of living crisis, inflation, and growing injustice, pushing 5 billion people into poverty since 2020, [billionaires are now US\\$3.3 trillion or 34% richer](#) than they were at the beginning of this decade of crisis, with their wealth growing three times as fast as the rate of inflation.

[In 2016, the Global Financial Integrity \(GFI\) and the Centre for Applied Research](#) at the Norwegian School of Economics released a report that showed that more than US\$16.3 trillion has been repatriated to the West since 1980. Furthermore, [statistics](#) indicate that 47.6% of total emissions stem from just 10% of the global population. On average, the top 1% wealthiest individuals globally emit 110 tons of carbon per person per year, while the top 0.1% emit 467 tons, and the top 0.01% emit 2,530 tons. This has further been facilitated by loopholes in the current tax system, permitting extensive tax cuts, avoidance schemes, and unfair trade policies. It is estimated that Africa continues to lose [USD 88.6 billion due to Illicit Financial Flows](#) (IFFs).

We therefore propose an inclusion of clear language and commitments on the role of tax policy in ensuring reparative justice including rethinking Gross Domestic Product as a parameter that informs tax policy.

Suggested Wording:

“Promote tax policies that are progressive and redistributive, ensuring that tax systems contribute to reducing income and wealth inequalities and **adequately finance the payment of reparations to developing countries in the Global South.**”

2.4 Transparency and Accountability

The zero draft mentions transparency and accountability but does not include specific mechanisms to ensure these principles are upheld, particularly regarding multinational corporations and tax havens. Addressing IFFs is critical for Africa as studies have estimated that Africa could gain additional revenue of [USD 220 Billion](#) by enacting legislation to protect tax bases from losses due to tax incentives to Global North multinational corporations. The loss in revenue due to IFFs cripples states' capacity to invest in essential public services, such as health, education, and social protection and infrastructure—key services that women and other structurally marginalized communities rely on for their survival. [A recent study](#) by ActionAid found that sealing loopholes facilitated by tax abuse and ensuring fair, gender-transformative taxation can raise an additional USD 146 billion in Africa every year. An allocation of 20% (USD29.2 billion) of these additional funds to the education sector would be sufficient to cover costs for 25 million primary school children. Strengthening transparency and accountability is crucial for addressing the opacity that allows tax evasion and avoidance to thrive.

We propose an inclusion of specific transparency measures under the governance section such as democratizing all tax policy making.

Suggested Wording:

“Establish mandatory public country-by-country reporting for multinational corporations, public beneficial ownership registries, and mechanisms for effective exchange of tax information among countries to combat tax evasion and illicit financial flows”.

2.5 Double Taxation Treaties (DTTs)

The draft does not address the need for reviewing post-independence DTTs that allow foreign investors to pay lower tax rates. The Convention should align with the call to review all double taxation treaties. It should also provide guidelines on the key considerations for the development and negotiation of DTTs, including democratizing the process of negotiating, signing, and reviewing such treaties.

Suggested Wording:

“Establish an inclusive, fair, transparent, efficient, equitable, and effective international tax system for sustainable development by **reviewing all DDTs, especially post-independence treaties**, to address tax-related illicit financial flows and strengthen domestic resource mobilization.”

2.6 Climate Financing

While the zero draft makes mention of climate financing, we recommend that proposals align with the call for debt-free and long-term, flexible climate finance. This means it should be delivered in

the form of grants. We recommend against the prevalent model of channeling climate finance as part of aid, as it diverts funds from other priority development areas. Instead, climate finance should be treated as a separate and distinct entity to avoid the risk of undermining other development initiatives. In this regard, the Convention should advance the proposal for a globally agreed Climate Action Tax on those historically responsible for the climate crisis as this can serve as a critical source of public climate finance and represent a step toward restorative justice. This is also in reference to Article 9 of the Paris Agreement which states that developed countries shall provide financial resources to assist developing countries and parties in both mitigation and adaptation.

Endorsed by

1. Akina Mama wa Afrika (AMwA)
2. MenaFem Movement for Economic, Development And Ecological Justice
3. For Equality Africa
4. Tax Justice Network Africa
5. African Women's Development and Communications Network (FEMNET)
6. Network for Women's Rights in Ghana (NETRIGHT)
7. Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI) - Uganda
8. Tax Justice Alliance - Uganda
9. Women's Environment and Development Organization (WEDO)
10. Rwenzori Peace Bridge of Reconciliation(RPBR)
11. Global Platform Malawi
12. Association APEDDUB Tunisia
13. Solidarité des Femmes sur le Fleuve Congo- RDC (SOFFLECO)
14. Green Tax Youth Africa - Ghana
15. Feminist Legal Studies Queen's - Canada (FLSQ)
16. Rosemary Okello-Orlale- Strathmore University Business School-Kenya
17. Zamara Foundation
18. Support for Women in Agriculture and Environment (SWAGEN)
19. Initiative for Social and Economic Rights (ISER)
20. WO=MEN Dutch Gender Platform
21. International Women's Rights Action Watch Asia Pacific. (IWRAW AP)
22. GDMR- Grupo para o Desenvolvimento da Mulher e Rapariga