

Abstract:

This short contribution highlights the importance of using specific language when addressing economic, social, and environmental issues. If we truly want international tax cooperation to respond coherently to the commitments previously made by States in financing sustainable development, we must address the needs that have been clearly identified in various sectors within the United Nations itself.

Comment:

In view of the note published on June 27 as a draft by the Intergovernmental Negotiating Committee in Workstream I, we would like to emphasize the need to link this initiative with other ongoing initiatives within the UN, particularly with regard to point III. 5. *c. Sustainable development*, so that progress can be made in the Plenary discussions during its sessions in August.

The third of the three commitments should be prioritized because it is closely related to issues that have been addressed by other substantive forums of the United Nations that expressly call for collective action from a fiscal perspective, which international cooperation is called upon to serve.

Building on the foundations laid by the Pact for the Future and the recently adopted Seville Commitment, the achievement of sustainable development requires a renewed focus on international tax cooperation. While paragraph 16 recognizes that the wording of the terms of reference refers to a well-understood concept, given its breadth<sup>1</sup>, ways should be sought to specify the extent to which each of its dimensions can be supported.

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<sup>1</sup> Grau Ruiz, M.A.: "The United Nations Framework Convention On International Tax Cooperation In The Making. Debate And Approval Of Its Terms Of Reference," *Crónica Tributaria*, Vol. 195, No. 2, 2025, 37-65 – DOI: <https://dx.doi.org/10.47092/CT.25.2.2>. Gil Cruz, E.M.; Grau Ruiz, M.A.: *Financial, fiscal, social, and procedural measures for sustainability*, Aranzadi, Pamplona, 2024.

From an economic perspective, beyond the public-private collaboration needed to achieve the essential joint financing of the Sustainable Development Goals, the place of tax cooperation within public finance should be taken into account, combining efforts on the revenue side with those on the expenditure side. Efforts should be made to collaborate with organizations that have traditionally operated in the financial field and have gradually developed a structured understanding of the relationship between their work and sustainability issues (such as INTOSAI, given that many supreme audit institutions already monitor the experience of tax administrations with tax incentives<sup>2</sup>).

On the social side, in addition to respect for human rights, consideration should be given to the call from the United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE) for an ecosystem that provides tax incentives for the many micro, small, and medium-sized enterprises that make significant contributions to sustainability around the world (especially in developing countries)<sup>3</sup>, for example through cooperatives in this, their international year.

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<sup>2</sup> The Fourth International Conference on Financing for Development, held from June 30 to July 3, 2025, approved the Seville Commitment and recommends that the General Assembly, at its seventy-ninth session, endorse it. Paragraph 27 reads: "To ensure that countries have the necessary resources, and that they are collected and spent transparently and efficiently to strengthen fiscal systems and align them with sustainable development:

*Transparency and accountability in fiscal systems*

a) We commit to strengthen tax systems and ensure transparency and accountability in public financial management, taking a whole-of-government approach;

b) We will promote budget transparency and accountability, including by implementing transparent data-driven procurement systems, enhancing oversight, and ensuring strengthened, resourced, independent and professional supreme audit institutions and parliamentary oversight or equivalent bodies. We will also consider outcome-based financing mechanisms. We encourage enhanced oversight and management of tax expenditures, including through transparent tax expenditure reporting." Grau Ruiz, M.A.: "The Alignment of Taxation and Sustainability: Might the Digital Controls of Non-Financial Information Become a Universal Panacea?", *Review of European & Comparative Law*, No. 3, 2022, 61.

<sup>3</sup> The Seville Commitment, referring to *Fiscal Systems and Sustainable development* in paragraph 27, adds the following: "d) We encourage broadening of the tax base and continuing efforts to integrate the informal sector in a socially inclusive way into the formal economy, in line with countries' circumstances, as well as focusing on undeclared income and wealth. This includes harnessing technology and innovation; investing in connectivity, digital public goods, and infrastructure; promoting full and productive employment and decent work; and easing tax registration, reducing the cost of compliance, and providing appropriate incentives, especially to support micro-, small, and medium-sized enterprises." Grau Ruiz, M.A.: "Tax incentives for social economy entities at the domestic and international level," in Chaves, R. *et al.* (eds.): [Promoting the Social Economy: Fiscal and Public Policy Instruments. Public Administration and the Social Economy: Allies for Inclusive](#)

In terms of the environment, consideration should be given to the work of the UN Subcommittee on Environmental Taxation, which in its two mandates has made contributions aimed at linking the tax system to the progress made by the COP since the Paris Agreement and providing legal certainty to actors in different types of international markets (e.g., with emission offset credits)<sup>4</sup>.

In order to contribute “in a balanced and integrated manner” to these dimensions, the States Parties to the Framework Convention should take as their starting point the specific elements on which the international community has already reached agreement through the adoption of specific international resolutions and incorporate them into the Convention. Otherwise, vagueness and excessive breadth may discourage them from making commitments.

The opportunity should not be missed to point out to the Committee specific, non-exhaustive, perhaps illustrative aspects in additional paragraphs, as specified in paragraph 18.

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Prosperity, Ciriec, Valencia, 2025, 215 [in Spanish]. Boletto, G.; Grau Ruiz, M.A.: “International Financial and Tax Cooperation to support Sustainable Development: Solidarity reinterpreted,” *Rivista Di Diritto Tributario Internazionale* (forthcoming) and “A New Bottom-Up Perspective in International Tax Cooperation for Sustainable Development,” *Revue Européenne et Internationale de Droit Fiscal*, 2023, 473.

<sup>4</sup> In addition, the Seville Commitment includes in paragraph 27: “h) We will promote the consideration of the environment, biodiversity, climate, disaster risk, food security, nutrition, and sustainability of agrifood systems in fiscal programming in line with national circumstances, sustainable development priorities and poverty eradication strategies. While respecting national sovereignty, options may include, but are not limited to, green budgeting, taxation, and fiscal rules; and taxes on environmental contamination and pollution.” See *United Nations Handbook on Carbon Taxation for Developing Countries* (2021) [https://financing.desa.un.org/sites/default/files/2024-04/Carbon%20Taxation%20Handbook\\_FINAL04092024.pdf](https://financing.desa.un.org/sites/default/files/2024-04/Carbon%20Taxation%20Handbook_FINAL04092024.pdf). Grau Ruiz, M.A.: “International Fiscal Cooperation to Better Integrate Public and Private Efforts on Sustainability: The Case of Carbon Offset Credits,” in Rute Saraiva; Paulo Alves Parda (eds.): *Sustainable Finances and the Law: Between Public and Private Solutions*, Springer, Cham, 2024, 281. [https://doi.org/10.1007/978-3-031-49460-4\\_12](https://doi.org/10.1007/978-3-031-49460-4_12).

