



**NORWEGIAN CHURCH AID**

actalliance

## A UN Tax Convention: Make it happen!

### Increasing inequality

Over the past two years the richest 1 % have accumulated nearly twice as much wealth as the rest of the world put together (Oxfam inequality report, 2023). For the first time in a generation, we now see an increase in people living in extreme poverty.

### Lack of a global tax system

Tax abuse is complex and unmanageable. The richest of the rich use lawyers, loopholes, secrecy and tax havens to hide money that should be taxed. It's estimated that assets equivalent to 10 % of the World's GDP are hidden in tax havens (Gabriel Zucman, *The Hidden Wealth of Nations*). The result is lost revenue, increased inequality and erosion of trust.

### Why a UN Tax Convention is needed

The current global tax system is described as a patchwork of international agreements that is neither fair nor efficient. In order to achieve tax justice, international tax problems must be solved in a transparent, fair and multilateral way. That can be done through a legally binding UN Tax Convention. The aim of such a convention must be to give every state the possibility to secure the revenues from value created in that country.

### The diaconal fight against inequality

The fight against inequality is an important part of the diaconal work of churches and church-based organisations all over the world. In 2017 the LWF General Assembly called "on Lutheran churches to stand up and demand fair redistribution of wealth and social protection, as a matter of justice and human rights (...)". Right now, we have the opportunity to be a part of the global movement making a UN Tax Convention happen.





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### Tax Justice Milestones

**2015 Mbeki panel's report *Track it!*:** Putting the illicit financial flows from Africa on the international agenda. Estimated that Africa is losing 50 billion USD annually in illicit financial flows.

**2015 The Panama Papers:** The first in a series of huge paper leaks disclosing comprehensive tax abuse.

**2015 Addis Ababa Action Agenda:** Focusing on the systemic problems causing tax abuse.

**2021 FACTI panel:** The UN High Level Panel on Financial Accountability, Transparency and Integrity recommended a UN Tax Convention.

**2022 African Ministers of Finance:** Call for a UN Tax Convention.

**2022: The UN General Assembly:** Adopted the resolution *Promotion of inclusive and effective international tax cooperation at the United Nations* which is an important step towards a UN Tax Convention.

### Diaconal milestones

**2017 Final Statement from Sigtuna Consultation on Theology, Tax and Social Protection:** *Diakonia in the time of Inequality*

**2017 LWF Windhoek Assembly Resolution 24:** *Social Protection in Times of Inequality*

**2017 LWF Windhoek Assembly Message:** "We call on churches and related organisations everywhere to stand up and demand fair redistribution of wealth and social protection as a matter of justice and human rights for all."

**2022 Called to Transformation, Ecumenical Diakonia:** A joint document by WCC, LWF and ACT Alliance with its reference to *Diakonia in a time of inequality*.

### What happens next?

**August 2023:** The UN Secretary-General will deliver a report analysing all relevant international legal instruments, other documents and recommendations that address international tax cooperation.

**September 2023:** The UN General Assembly and further discussions about a UN Tax Convention.

