

DESIGN OF THE UN INTERGOVERNMENTAL TAX BODY

The UN Intergovernmental Tax Body should take the form of a **Functional Commission under ECOSOC** and ensure it has the following crucial and non-negotiable elements:

1. Intergovernmental

- Governments are appointed to the Commission, not individuals
- Governments have flexibility to decide who represents them for which meetings depending on expertise- need not be a single individual. This is crucial for tax negotiations where expertise can differ depending on the issue being discussed.
- Outcomes will be the result of intergovernmental negotiations, which is much stronger than the outcomes of an expert group

2. Accountable and Transparent

- At the UN - unlike the OECD - plenaries, formal meetings and many informal meetings are normally open to observers. Therefore there is a strong precedence in the UN for transparency.
- Greater transparency will mean that governments blocking progress are accountable for their positions. This will not be the case for any form of expert body.

3. Adequately Resourced

- The most important funding source is the UN core budget (or the 'UN regular budget') and it should be the source of funding for this body too.
- There should be adequate and accountable resourcing of the tax body, its secretariat and its working groups, with priority for developing country participation.
- In addition, additional funding can be contributed by donor countries, for example to cover the travel expenses of representatives from least developed countries.
- The trust fund of the existing UN expert committee on tax matters provides a good example of why such arrangements are risky. After years of efforts to raise money, there is still not a single dollar in the trust fund.

4. With Universal or Near-Universal Membership

- There are several examples of UN bodies with universal or near-universal membership – for example the UN climate convention or the UN Forum on Forests, which is a functional commission under ECOSOC.
- A large membership will minimize the need to renegotiate the agreements reached by the tax body, and it will mean that many governments are bought in to the outcomes of the body.
- Worst case scenario would be that a body with very limited membership (for example 25) negotiate an outcome, which will then be sent to ECOSOC (54 members) where the document will be renegotiated before it will be sent to the UN General Assembly (universal membership) for a third round of negotiations before it can be finally approved by the UN member states.