

TAXATION & THE SUSTAINABLE DEVELOPMENT GOALS

Conference Statement

Released 10:00 am (AEST), February 16, 2018

The Platform and its role

The Sustainable Development Goals (SDGs) set ambitious targets for all countries, to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind. Achieving these goals requires enormous financial resources. The Addis Ababa Action Agenda recognizes that much of the increased public financing to reach these goals will have to be generated domestically. Taxation has a key role to play in financing the SDGs. At the same time, an era of unprecedented international cooperation on tax is underway with the implementation of Automatic Exchange of Information, the Base Erosion and Profit Shifting project, and the strengthening of the United Nations Committee of Experts on International Cooperation in Tax Matters—all creating new opportunities for the enhanced participation of developing countries in international tax policy discussions and institutions, but also new challenges to fully realizing the benefits of international cooperation on tax.

It is in this context that the Platform for Collaboration on Tax was formed. The Platform Partners, International Monetary Fund (IMF), Organization for Economic Co-operation and Development (OECD), United Nations (UN) and the World Bank (WB), have each worked for many decades to support their member countries to effectively mobilize tax revenues—from the most economically advanced to the poorest. In this new era of increased international cooperation, however, there are opportunities for deeper collaborative work through the Platform. The partner organizations bring together their own mandates and expertise, and their convening power to engage in and stimulate research, and together through the Platform lead the debate and action on the broad role of taxation in achieving the SDGs.

Subject to resource availability, the Platform intends to undertake or continue work in a range of areas, including:

1. Strengthening international tax cooperation

As the international tax environment is changing rapidly, there is a high demand for action by the Platform, which is well placed to facilitate feedback between standard setting, capacity building and technical assistance in the sphere of international tax.

To respond to this demand, Partners will further increase coordination and cooperation at the global and country levels. Guidance for developing countries (e.g., through the various Toolkits that the Platform has produced, and continues to work on, to help developing countries in high priority areas of international taxation) will provide a basis for some of this work. The Platform will also support developing countries to analyze and articulate their views on important international tax issues which will feed back into the international forums and standard setting processes.

2. Building Institutions through Medium Term Revenue Strategies

In their 2016 report “*Enhancing the Effectiveness of External Support in Building Tax Capacity in Developing Countries*,” the Platform Partners advocated for “Medium Term Revenue Strategies” (MTRS) - a new approach to support countries in reforming their tax systems. These are intended to facilitate a country driven process to develop multi-year, holistic and realistic plans for revenue policy, legal and administrative reforms consistent with the countries’ development goals, and to enhance the ability of their tax systems to achieve strong, robust growth and wider social objectives. They are envisaged as part of the country’s institution building process, as broad stakeholder engagement in MTRS development can help shape the relationship between citizens and their governments. This approach is in the initial stages of its implementation, with the Platform playing a significant role in a first wave of countries in 2018. Aiming to reach the full potential of this approach, Partners will foster an inclusive process of collaboration and information sharing, as well as encourage stronger leadership from the country governments, and broad societal engagement.

3. Promoting partnerships and stakeholder engagement

SDG 17 emphasizes the importance of partnerships and international support in realizing the SDGs, including in tax. The Platform is just one form of partnership that is needed to make progress on this goal at the global and country level. As this conference has demonstrated, achieving the SDG’s requires actions from all stakeholders. The Platform’s success depends on its ability to foster wider relationships, including through convening governments, regional tax organizations, civil society and the business sector.

This conference is the beginning of a process of regular, structured dialogue with the full range of stakeholders.

The following box includes a list of immediate and concrete actions related to the above three areas, which additional resources permitting, the Platform intends to undertake or continue:

PLATFORM ACTIONS TO TAKE THE TAX AGENDA FORWARD

- On a regular basis, working with others including the Addis Tax Initiative, we will help to give a comprehensive picture of the total effort of international, regional and bilateral partners in supporting developing countries on tax matters.
- We will integrate, and aim for the highest possible standards of transparency in the provision of information about our capacity development activities in developing countries through the Platform website.
- On international tax we will scale-up our joint work to support developing countries to address tax transparency and base erosion and profit shifting, including on treaties.
- Working together with other stakeholders, we will seek to provide coherent and consistent international tax policy advice.
- We will complete the Platform Toolkits to help countries address challenges in international taxation, and launch an expanded outreach program to support the development and use of the Toolkits. We will respond to additional concerns raised by countries with analytical work, recommendations and guidance.
- We will provide, in mid-2018, an update to the G20 on tax certainty and developing countries.
- We will analyze and report on the spillovers and opportunities from changes in the international tax environment on and for developing countries.
- We will work together to support the development of country-led MTRs, including through the involvement of bilateral partners, and report on outcomes. We will align our support according to the plans set out by governments.
- We will help developing countries access the knowledge, experience and good practices in tax administration, starting with the use of technology, working with the Forum on Tax Administration, regional tax organizations and other partners.
- We will support the participation of developing countries in tax policy discussions at international fora.
- We will launch a multi-year *Tax and SDGs Program*, that will include components on taxation and health, education, gender, inequality, environment, and infrastructure.
- We will establish a regular dialogue between the Platform and stakeholders—most importantly developing country governments.
- We will review current practice, and provide guidance and recommendations, on the tax treatment of ODA funded goods and services.
- To help deliver this agenda we will seek to secure donor funding for the expanded work program, supported by a strengthened Platform Secretariat.

Taxation and the SDGs

As this conference has shown, tax structures affect society and the economy in many ways beyond a narrow financing focus: equality, in its many dimensions, impacting investment and growth; empowerment of women; sustainability of the environment; extraction of natural resources; and many other concerns central to the achievement of the SDGs. While the Platform Partners already work on all these topics, through analysis, standard setting, and technical assistance to member countries, there is scope for further work.

Delivering the Platform's Agenda

This conference has offered the opportunity for stakeholders to suggest other topics on which the Platform could work and other ways in which it could foster cooperation. Taking these suggestions into account, the Platform will produce a forward agenda of the issues raised by this conference, and identify areas where further work is possible, either by the Platform, or by Platform Partners individually or in collaboration with others.

These proposed actions could make a significant contribution that would reflect the important role of taxation in achieving the SDGs. These actions can only be delivered if resources are made available. We gratefully acknowledge the contributions from the Governments of Luxembourg, Switzerland, and the United Kingdom, and the commitment from the Government of Japan. Taking the Platform to the next level of ambition will require a new injection of resources, not least to increase the capacity of its Secretariat.

The Platform looks forward to working with all stakeholders to deliver this agenda, through continued support to country-led MTRSs, information sharing, on-the-ground cooperation, enhanced dialogue with stakeholders, further focus and guidance on international tax challenges and initiatives that will ensure a greater participation of developing countries in international tax policy discussions and institutions.