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**Promotion and protection of all human rights, civil,
political, economic, social and cultural rights,
including the right to development**

Written statement* submitted by Global Initiative for Economic, Social and Cultural Rights, a non-governmental organization in special consultative status

The Secretary-General has received the following written statement which is circulated in accordance with Economic and Social Council resolution 1996/31.

[16 August 2024]

* Issued as received, in the language of submission only.



Towards an International Tax Regime Aligned with Human Rights and Climate Financing Obligations

As the climate crisis intensifies, the loss and damages resulting from both slow-onset and extreme weather events threaten to undermine the realisation of all internationally recognised human rights, destabilise economies, and jeopardise the conditions sustaining life on the planet. Confronting the magnitude of this crisis requires mobilising resources on an unprecedented scale. By 2050, studies estimate that the economic costs of loss and damage in developing countries alone will surpass USD 1 trillion—a figure that does not even account for non-economic damages, such as loss of life and displacement.

The urgency of this climate emergency demands robust international cooperation to address its vast economic, social, financial, and cultural impacts. While significant strides have been made with the establishment of the Loss and Damage Fund, the current international architecture for managing loss and damage remains inadequate. Thus far, the resources pledged fall drastically short of what is needed to address the scale and scope of the crisis.

Amid these daunting challenges, we welcome the opportunity to emphasise that financing a just and adequate response to loss and damage is far from impossible. International tax cooperation is a decisive, yet often underestimated tool for unlocking the financial flows required to fund the structural transformations needed to address the impacts of climate change and ensure frontline communities have the means to cope with loss and damage.

Progressive and green fiscal policies that prioritise and protect human rights have the potential to fairly mobilise the resources needed to mitigate the unequal impacts of the climate crisis. For instance, the World Inequality Report suggests that effective international cooperation could establish a progressive global wealth tax, capable of raising over USD 1.5 trillion annually. Tax experts from the EU Tax Observatory estimate that implementing a 25% tax rate combined with more equitable distribution could increase Brazil's annual tax revenues by USD 18.1 billion, India's by USD 21.9 billion, and South Africa's by USD 6.05 billion. Moreover, enhancing international efforts to combat illicit financial flows, tax evasion, and profit shifting is crucial to expanding the fiscal space necessary for financing climate responses.

In this context, we underscore the importance of ongoing global fiscal negotiations within multilateral forums. The current discussions under the United Nations Framework Convention on International Tax Cooperation offer an unparalleled opportunity to establish, for the first time in history, robust universal guidelines to curb tax abuse and foster inclusive and equitable fiscal cooperation among States. The G20 also made an echo of the critical role of tax policy in addressing inequalities and the climate emergency in its most recent statement which acknowledges the need to catalyse efforts at the national and international levels to foster progressive tax reforms.

As we stand at a historic crossroads, with the potential to reshape the face of the global fiscal architecture, we call on all States and other stakeholders to support the efforts to achieve a new international tax regime aligned with human rights and climate financing obligations.

This is essential not only for addressing the imperative of loss and damage but for more broadly advancing a just and swift transition toward societies that uphold human rights within planetary boundaries.
