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Summary record of the 3rd meeting

Held at Headquarters, New York, on Wednesday, 5 October 2016, at 3 p.m.

President: Mr. Shava (Zimbabwe)**Contents**Agenda item 18: Economic and environmental questions (*continued*)(h) International cooperation in tax matters (*continued*)Agenda item 2: Adoption of the agenda and other organizational matters (*continued*)

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The meeting was called to order at 3.10 p.m.

Agenda item 18: Economic and environmental questions *(continued)*

(h) International cooperation in tax matters
(continued) (E/2017/L.5 and E/2017/L.6)

Draft resolution E/2017/L.5: Committee of Experts on International Cooperation in Tax Matters

Draft decision E/2017/L.6: Arrangements for the twelfth and thirteenth sessions of the Committee of Experts on International Cooperation in Tax Matters and special meeting of the Council on international cooperation in tax matters

1. **The President** said that informal consultations on the draft proposals concerning the meetings of the Committee of Experts on International Cooperation in Tax Matters and the Economic and Social Council forum on financing for development follow-up had begun several months earlier during the 2016 session of the Council under the presidency of the Republic of Korea. The time had come to take action on all three draft proposals; their adoption would allow Member States and the Secretariat to prepare and conduct those important meetings efficiently.

2. Draft resolution E/2017/L.5 and draft decision E/2017/L.6 had programme budget implications, which the Secretary of the Council would read out. While the English version of the draft resolution and draft decision had been made available to delegations the previous week, the documents had been issued in all languages only that morning. He took it that the Council wished to waive the relevant provision of rule 54 of the rules of procedure in order to take action on the draft proposals before it.

3. *It was so decided.*

4. **Ms. Herity** (Secretary of the Council), reading out a statement of programme budget implications in connection with draft resolution E/2017/L.5 and draft decision E/2017/L.6 in accordance with rule 31 of the rules of procedure of the Council, said that under draft decision E/2017/L.6, the twelfth session of the Committee of Experts on International Cooperation in Tax Matters would be held in Geneva from 11 to 14 October, and the thirteenth session would be held in New York from 5 to 8 December 2016. The one-day

special meeting of the Council on international cooperation on tax matters would then be held in New York on 9 December 2016 in order to increase the Committee's engagement with the Council with a view to enhancing intergovernmental consideration of tax issues.

5. While the resources for the annual session in Geneva were already included in the respective budget sections, additional resources would be required for the annual session in New York. The Committee's standard five days of meetings in Geneva would be reduced to four days, effective 2016. The addition to the annual meetings workload of the Department for General Assembly and Conference Management would be three days with interpretation services in the six official languages in New York, or US\$ 36,000 per year. Also required starting in 2016 would be six annual documents (five pre-session documents of 8,500 words each and one post-session document of 10,700 words) in the six official languages, representing a US\$ 235,000 per year addition to the documentation workload. Additional resources would be required under policymaking organs for the travel of the members of the Committee to attend the annual session in New York (US\$ 237,000 per year).

6. In the report of the Secretary-General on revised estimates resulting from the decisions contained in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development and the outcome document of the United Nations summit for the adoption of the post -2015 development agenda, entitled "Transforming our world: the 2030 Agenda for Sustainable Development" (A/70/589), additional resource requirements had been proposed for the biennium 2016-2017, related to conference servicing for the annual session of the Committee in New York and for travel of representatives. However, pursuant to General Assembly resolution 70/248, the Secretary-General had been authorized to enter into commitments for the year 2016 only. In accordance with established procedures, the additional requirements for 2017 totalling US\$ 508,000 (which included the \$36,000 for conference services, \$235,000 for documentation and \$237,00 for travel of Committee members already mentioned) would be brought to the attention of the General Assembly at its seventy-first session in the context of the addendum to the annual report of the Secretary-General on revised estimates resulting

from resolutions and decisions adopted by the Economic and Social Council during 2016. The requirements for the biennium 2018-2019 would be considered in the context of the proposed programme budget for that biennium.

7. Pursuant to the request of the General Assembly in its resolution [70/247](#) (para. 14) for submission of a comprehensive proposal addressing the effective and efficient delivery of mandates in support of the 2030 Agenda and the Addis Ababa Action Agenda, the resource requirements she had outlined were also reflected in the report of the Secretary-General on the subject to be submitted to the General Assembly at its seventy-first session ([A/71/534](#)).

8. The required modifications to the programme budget for the biennium 2016-2017 contained in [A/70/6 \(Sect. 9\)](#) would include the following revisions to recurrent outputs: replacing paragraph 9.116 (a) Servicing of intergovernmental and expert bodies (regular budget), (iii) Committee of Experts on International Cooperation in Tax Matters, subparagraphs a and b, with: “a. Substantive servicing of meetings: twelfth to fifteenth sessions of the Committee (32); intersessional meetings of the Committee’s subcommittees and working groups (20)” and “b. Parliamentary documentation: issue papers by the secretariat on agenda items to be determined by the Committee for its twelfth to fifteenth sessions (40),” respectively.

Statements made in explanation of position before the decision

9. **Ms. Chartsuwan** (Observer for Thailand), speaking on behalf of the Group of 77 and China, said that the Group hoped the draft resolution and draft decision would be adopted by consensus. The draft resolution on the Committee of Experts on International Cooperation in Tax Matters had been submitted by the Group of 77 and China after more than seven months of discussion, especially with respect to the dates and venues of the sessions of the Committee of Experts and its special meeting. The Group of 77 and China had started out with a strong determination to resolve a long-standing impasse in order to support the work of the Council and the work of the Committee. Most importantly, it had submitted the draft resolution with the aim of translating the

mandate in paragraph 29 of the Addis Ababa Action Agenda into action and enhancing intergovernmental consideration of tax issues by increasing the engagement of the Committee with the Economic and Social Council. The Group strongly supported the proposal that one session of the Committee be held in New York, back to back with the special meeting, while its second session would be held in Geneva.

10. The Group had exercised the utmost flexibility during consultations, while urging the President of the Council to find the best solution for a mutually agreeable full-decision package of the Committee and the special meeting. It had nonetheless demonstrated its good intentions by responding to the request of the President to allow the decision on the date and venue of the twelfth session of the Committee to be taken before the full-decision package would be reached.

11. Consideration of the issue relating to the Committee of Experts was important in its own right and should be not be combined with consideration of the Economic and Social Council forum on financing for development follow-up. Once again, the Group of 77 and China had compromised, on an exceptional basis, its long-standing principle and positions regarding the dates and theme of the 2017 forum in order to secure the engagement of all relevant Member States in the discussion process. The Group therefore urged all Council members to exercise the same flexibility with a view to achieving consensus on the draft resolution and draft decisions before them, which gave clear direction to the future working mechanisms of the Committee of Experts and advance physical preparation for the 2017 financing for development forum. The Group of 77 and China further urged the Council to support the Committee of Experts, its subcommittees and advisory group, in particular, enhancement of its resources in order to strengthen its effectiveness and operational capacity, as well as to allow sufficient time for the collection of statistical data critical to follow-up of the Addis Ababa Action Agenda.

12. **Mr. Shearman** (United Kingdom), speaking on behalf of the European Union and its member States, said that the draft resolution and decision formed a package which allowed for the conclusion of consultations on how to implement the provision of the Addis Ababa Action Agenda on further enhancing the resources of the Committee of Experts on International

Cooperation in Tax Matters in order to strengthen its effectiveness and operational capacity. Draft resolution [E/2017/L.5](#) and draft decision E/2017/L.6 also provided a good basis for preparations for a productive forum on financing for development follow-up in 2017.

13. With regard to the draft resolution, the European Union and its member States agreed that sessions of the Committee would alternate between Geneva and New York, on the understanding that that decision supported the implementation of paragraph 29 of the Addis Ababa Action Agenda, notably to enhance the Committee's resources in order to strengthen its effectiveness and operational capacity, to support the increased participation of developing country experts and to facilitate the increased engagement of the Committee with the Economic and Social Council through the special meeting of the Council on international cooperation on tax matters, with a view to enhancing intergovernmental consideration of tax issues. It was the firm understanding of the European Union and its member States that that arrangement would not alter the expert nature of the Committee, and that adoption of draft resolution [E/2017/L.5](#) would end the discussion on implementing the agreement contained in paragraph 29 of the Addis Ababa Action Agenda.

14. It was regrettable that the oral statements on programme budget implications had been submitted so late in the process; such statements should be issued in sufficient time to allow Member States to consider them thoroughly before taking action.

15. **Mr. Kato** (Japan) said that 2016 was a significant year, marking the implementation of a series of landmark agreements reached earlier in 2015. Implementation of those agreements, and especially the Addis Ababa Action Agenda, must not entail reopening discussions on them. His delegation had joined the consensus on the assumption that the draft resolution would not change the substance of the Addis Ababa Action Agenda in any way.

16. The Committee of Experts must be composed of independent experts detached from their own national positions and thus free to discuss tax matters from an expert perspective. The current nature and modalities of the Committee must be preserved. The Council's forum on financing for development follow-up should make meaningful use of the Committee's output.

17. His delegation was disappointed that the oral statements of programme budget implications had been presented immediately before the adoption of the draft resolution and draft decision; those statements should be issued sufficiently in advance to enable Member States to properly consider them before adoption. His delegation recognized that the cost of the Committee of Experts in 2016 would be covered by existing commitments established by the Advisory Committee on Administrative and Budgetary Questions in the Fifth Committee.

18. With regard to the cost of the Committee of Experts in 2017 and of the forum on financing for development follow-up, the estimates presented in the oral statement should not prejudice future discussions in the Advisory Committee, nor should they be construed as an endorsement on the part of Member States.

19. *Draft resolution [E/2017/L.5](#) was adopted.*

20. **Mr. Webson** (Antigua and Barbuda) said that the shared determination to fulfil the core mandate of the Addis Ababa Action Agenda concerning the future work of the Committee of Experts on International Cooperation in Tax Matters should be significant enough to achieve a consensus resolution. Paragraph 29 of the Agenda had emphasized the need to increase the engagement of the Committee of Experts with the Council and to enhance intergovernmental work. His delegation believed that the operational capacity and effectiveness of the Committee of Experts and its subcommittees would be greatly enhanced by the additional session in New York and its follow-up session in Geneva.

21. *Draft decision E/2017/L.6 was adopted.*

Agenda item 2: Adoption of the agenda and other organizational matters (*continued*) (E/2017/L.7)

Draft decision E/2017/L.7: Further working arrangements for the 2017 session of the Economic and Social Council

22. **The President**, taking note of the requests to provide oral statements of budget implications earlier in the negotiation process, said that the draft decision had programme budget implications.

23. **Ms. Herity** (Secretary of the Council), reading out a statement of programme budget implications in connection with draft decision E/2017/L.7 in accordance with rule 31 of the rules of procedure of the Council, said that the decision proposed that the Council's forum on financing for development follow-up would convene from 22 to 25 May 2017 on an exceptional basis, without prejudice to General Assembly resolution 68/1 and without setting a precedent for future discussions, and would include the special high-level meeting with the Bretton Woods institutions, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD).

24. Implementation of the requests contained in the draft decision had conference servicing implications for the programme budget for the biennium 2016-2017. Pursuant to paragraph 132 of the Addis Ababa Action Agenda, the Council's annual forum on financing for development follow-up would last for up to five days, comprising 10 meetings with interpretation in the six official languages. Two of the meetings would use the existing entitlement of the special high-level meeting of the Council with the World Bank, the International Monetary Fund, WTO and UNCTAD. The remaining eight meetings would constitute an addition to the meetings workload of the Department for General Assembly and Conference Management, effective 2016 (US\$ 48,000 per year).

25. While, in the report of the Secretary-General on revised estimates resulting from the decisions contained in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development and the outcome document of the United Nations summit for the adoption of the post-2015 development agenda, entitled "Transforming our world: the 2030 Agenda for Sustainable Development" (A/70/589), additional resource requirements had been proposed for the biennium 2016-2017, related to the conference servicing for the annual Council forum on financing for development effective 2016, General Assembly resolution 70/248 had authorized the Secretary-General to enter into commitments for 2016 only.

26. In accordance with the established procedures, the additional requirements for 2017 totalling US\$48,000 would be brought to the attention of the General Assembly at its seventy-first session in the

context of the addendum to the annual report of the Secretary-General on revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council during 2016.

27. It was understood that the annual forum on financing for development follow-up would be recurrent in nature; as such, the requirements for the biennium 2018-2019 in the amount of US\$96,000 would be considered in the context of the proposed programme budget for the biennium 2018-2019.

28. Pursuant to the request of the General Assembly in its resolution 70/247 (para. 14) for submission of a comprehensive proposal addressing the effective and efficient delivery of mandates in support of the 2030 Agenda and the Addis Ababa Action Agenda, the resource requirements she had outlined were also reflected in the report of the Secretary-General on the subject to be submitted to the General Assembly at its seventy-first session (A/71/534).

29. In addition to the aforementioned conference servicing requirements of the annual session, the resource requirements for the substantive activities in support of the forum on financing for development follow-up would arise under section 9, Economic and social affairs and would also be included in the report that the Secretary-General would submit to the General Assembly at its seventy-first session.

30. **Mr. Kononuchenko** (Russian Federation) said that consideration of the draft decision should be deferred until consensus was reached.

31. **Mr. Pöysäri** (Finland) requested action on the draft decision during the current session.

32. **Mr. Dias Favero** (Brazil) said that his delegation believed that Council members were very close to reaching a consensus on the decision. Consensus should therefore not be jeopardized, and all resources should be deployed to ensure consensus before taking action.

33. **Mr. Marobe** (South Africa) said that the unwavering support of development partners was needed to ensure that internationally agreed commitments were met. In addition, follow-up and review mechanisms must be coherent and universal in approach. With regard to the forum on financing for development follow-up, he expressed surprise that some delegations had not fully supported the mandate

provided by the Addis Ababa Action Agenda and General Assembly resolution 68/1. The potential package put forward after lengthy negotiations, which included a draft decision on further working arrangements for the Council and a draft resolution on the Committee of Experts, had negative implications for the scheduled twelfth session of the Committee's meeting in Geneva and on the upcoming forum on financing for development follow-up in the spring of 2017. The package in question had further delayed preparations for the Geneva meeting; moreover, the proposal to hold the forum in May was not viable and procedurally flawed because it was not in accordance with General Assembly resolution 68/1.

34. His delegation was also concerned at the lack of frankness displayed by certain delegations during negotiations, which had caused the delay in the preparations for the meetings in question. The Council must be allowed to take action on the session of the Committee of Experts scheduled to take place in Geneva first, as that was the most urgent matter requiring attention. The question of the forum should have been dealt with prudently; owing to its sensitive nature, rushing the process had had negative consequences.

35. The Committee of Experts should be upgraded into a universal and intergovernmental structure. While that transformation was long overdue, it must not be construed as a renegotiation of the Addis Ababa Action Agenda, but rather as an important form of follow-up and review.

36. **Mr. Torrington** (Guyana), facilitator, said that consultations had resulted in a general agreement by all delegations to proceed with the current package, with the exception of one delegation which had requested additional time for consultations. Having considered all the necessary elements at length, the Council was now in a position to move forward.

37. **Mr. Singer** (United States of America) said that after lengthy and difficult negotiations, a decision had been reached that had considerable support, albeit not consensus support. His delegation requested action on the draft decision that day, lest much of the good work undertaken be unravelled.

38. **Mr. Kato** (Japan) said that his delegation also supported taking action on the draft decision.

The meeting was suspended at 4 p.m. and resumed at 4.50 p.m.

39. **The President** said that one delegation was not willing to proceed with taking action on the draft decision, believing that the proposal was inappropriate because it specified the dates in May when the forum on financing for development follow-up would occur. However, the remaining delegations wished to see a decision taken that day. He proposed taking action on draft decision A/C.2/71/L.7.

40. **Mr. Kononuchenko** (Russian Federation) said that, in accordance with rule 50 of the rules of procedure of the Council, his delegation requested a no-action motion on draft decision E/2017/L.7.

41. **The President** said that since the representative of the Russian Federation had moved that no action should be taken on draft decision E/2017/L.7, he would, in accordance with rule 50 of the rules of procedure, give the floor to a maximum of two representatives favouring the motion to adjourn and two opposing it, after which the motion would immediately be put to a vote.

42. **Mr. Kononuchenko** (Russian Federation), speaking in favour of the no-action motion, said that his delegation believed there was a need to postpone taking action for a number of reasons. First, his delegation did not agree that maximum flexibility would permit away out of the impasse in which the Council found itself. In fact, maximum flexibility should not be confused with a lack of principles that could lead to serious danger and a loss of authority within the Council. When the principles, rules and procedures of the Council were forgotten for the benefit of a few countries, the work of the Council was thereby weakened. Those were not groundless accusations. During the direct consultations with the President of the Council, his delegation had warned that taking a decision on that matter now, however such a conclusion might be justified, would be in violation of General Assembly resolution 68/1 and would dilute the contents of the Addis Ababa Action Agenda.

43. Moreover, there was still plenty of time to reach consensus on the draft decision, as the meeting of the Committee was at least seven months away. Taking action without consensus would merely demonstrate that the Council could not even find a solution to a

procedural matter. His delegation did not understand the argument according to which the forum on financing for development follow-up could not take place at the end of April or May because the necessary data would not yet be available. He wondered what data was needed, whether it was to be provided by the United Nations or by the Organization for Economic Cooperation and Development; in the latter case, all meetings should be held in Paris, rather than Geneva or New York.

44. Regarding the organization of work, his delegation noted that from a formal point of view, it was unclear whether the proposal under consideration was a draft decision or a draft resolution; although it was officially called a draft decision, it more closely resembled a typical draft resolution.

45. The Council was moving the schedule of the forum on financing for development follow-up further and further away from the meeting with the Bretton Woods institutions but was somehow expecting to enhance the status of the forum. Doing so would only weaken the forum. Earlier, the argument had been made that the forum on financing for development follow-up would not receive any participants from the Bretton Woods institutions travelling from Washington, D.C., and that had been said when the both the forum and the meeting were taking place back to back. Now that the forum would take place more than one month after the Washington meeting of the Bretton Woods institutions, was the expectation that ministers of finance would come to New York?

46. His delegation therefore wished to encourage other delegations to consider the matter carefully and not to take a decision that would ultimately lower the status and authority of the Economic and Social Council.

47. **Mr. Favero** (Brazil), speaking in favour of the no-action motion, said that the decision package was a necessary evil that his delegation had supported as a fair price to pay for consensus. His delegation was prepared to continue deliberations as long as necessary in order to achieve that consensus, which would be crucial to demonstrating the Council's effectiveness in implementing the 2030 Agenda and the Addis Ababa Action Agenda. However, because Brazil favoured consensus above all, it would vote in favour of a no-action motion.

48. **Mr. Kononuchenko** (Russian Federation) asked the President to clarify what the no-action motion vote would entail.

49. **Ms. Herity** (Secretary of the Council) said that those voting in favour of the no-action motion should vote yes, while those opposing the no-action motion should vote no.

50. **Mr. Pöysäri** (Finland), speaking on a point of order, asked for further explanation of the vote. Speaking on behalf of the European Union and its member States, he also encouraged all delegations to vote against the no-action motion so that, after lengthy negotiations, the draft decision could be adopted that day.

51. **Mr. Aguirre Vacchieri** (Chile) said that his delegation would vote against the no-action motion on general principle; moreover, there was no reason to postpone action on draft decision E/2017/L.7. It was regrettable that, contrary to ordinary practice, arguments in favour of the no-action motion had entered into substantive issues. In the Council, as an organ in which unanimity and veto power did not apply, consensus did not necessarily mean that everyone was in agreement about a decision, but rather that no one was against it. Although it would have been preferable for the decision to be adopted by consensus, action should be taken that day.

52. *A recorded vote was taken on the motion by the Russian Federation to take no action on draft decision E/2017/L.7.*

In favour:

Brazil, China, Russian Federation.

Against:

Afghanistan, Algeria, Antigua and Barbuda, Argentina, Australia, Belgium, Burkina Faso, Chile, Czech Republic, Estonia, Finland, France, Germany, Greece, Guatemala, Guyana, Honduras, India, Iraq, Ireland, Italy, Japan, Kazakhstan, Nigeria, Pakistan, Panama, Peru, Portugal, Republic of Korea, Republic of Moldova, Sweden, Switzerland, Trinidad and Tobago, Uganda, United Kingdom, United States of America, Viet Nam, Zimbabwe.

Abstaining:

South Africa.

53. *The no-action motion was rejected by 38 votes to 8, with 1 abstention.*

54. **The President** invited the Council to take action on draft decision E/2017/L.7.

55. **Mr. Cao Zhiyong** (China), said that his while delegation had been reluctant to postpone action on the draft decision, it attached great importance to achieving consensus, having worked hard with other delegations for seven months to that end. He therefore encouraged all Council members to reach consensus on what appeared to be largely logistical issues, particularly with regard to the forum on financing for development follow-up, which was of great importance to developing countries. He endorsed the positions the Group of 77 and China had arrived at in the interest of achieving consensus, and out of a desire to have a successful forum on financing for development follow-up in 2017.

56. **Mr. Kononuchenko** (Russian Federation) requested a recorded vote on draft decision E/2017/L.7.

57. **Mr. Aguirre Vacchieri** (Chile), making a general statement before the voting, said that the forum on financing for development follow-up would be crucial for the achievement of the 2030 Agenda, as it would be the first opportunity to obtain updated figures, statistics and tools. His delegation called on all Council members to vote in favour of the draft decision.

58. *A recorded vote was taken on draft decision E/2017/L.7.*

In favour:

Afghanistan, Algeria, Antigua and Barbuda, Argentina, Australia, Belgium, Brazil, Burkina Faso, Chile, China, Czech Republic, Estonia, Finland, France, Germany, Greece, Guatemala, Guyana, Honduras, India, Iraq, Ireland, Italy, Japan, Kazakhstan, Nigeria, Pakistan, Panama, Peru, Portugal, Republic of Korea, Republic of Moldova, Sweden, Switzerland, Trinidad and Tobago, Uganda, United Kingdom, United States of America, Viet Nam, Zimbabwe.

Against:

None.

Abstaining:

Russian Federation, South Africa.

59. *Draft decision E/2017/L.7 was adopted by 40 votes to none, with 2 abstentions.*

60. **Mr. Kononuchenko** (Russian Federation) said that in going beyond its mandate, the Economic and Social Council had made a mistake.

The meeting rose at 5.40 p.m.