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STATEMENT BY H.E. MS. PAULETTE BETHEL
ON BEHALF OF CARICOM
ON THE REPORT OF THE SECRETARY-GENERAL
ON STRENGTHENING OF INSTITUTIONAL ARRANGEMENTS TO
PROMOTE INTERNATIONAL COOPERATION IN TAX MATTERS,
INCLUDING THE COMMITTEE OF EXPERTS ON INTERNATIONAL
COOPERATION IN TAX MATTERS
TUESDAY, 26 APRIL, 2011

Mr. President,

I have the pleasure of speaking on behalf of CARICOM.

I thank you for convening this meeting of the ECOSOC to discuss the report of the Secretary-General on “Strengthening of institutional arrangements to promote international cooperation in tax matters, including the Committee of Experts on International Cooperation in Tax Matters”, as contained in document E/2011/76, which is of great importance to CARICOM delegations. I also thank Ms./ Mr. for her/his presentation of the report.

Mr. President,

It is the view of CARICOM countries that tax cooperation is an important aspect of the modern global economy and while we recognize the efforts of existing bodies to coordinate international tax transparency matters, there still remains a need to establish a forum with universal membership embodying truly democratic principles and a level playing field, or as the Secretary-General’s report so succinctly puts it, a forum that would offer developing countries a full “seat at the table”. We subscribe to the principle that an effective response to a global crisis requires inclusive and comprehensive global action that allows for the participation of all concerned stakeholders.

CARICOM recognizes the important work of the United Nations Committee of Experts on International Cooperation in Tax Matters and, as acknowledged in the report under discussion, this body has proven its ability to produce excellent work on matters within its purview, including tax cooperation between developing and developed countries, as well as the nexus of that work with the development agenda.

Mr. President,

It is the considered position of CARICOM that this important work should be directly linked to an intergovernmental process where there is focused consideration of the issues involved and where provision is made for necessary follow-up at the appropriate levels. It is in this context that CARICOM has supported and continues to support the

conversion of the Committee of Experts on International Cooperation in Tax Matters into an intergovernmental subsidiary body of the Economic and Social Council.

Within the context of the United Nations, the proposed conversion would broaden the existing intergovernmental discussion on tax matters through the greater inclusion of developing countries, particularly small developing countries. Moreover, a United Nations intergovernmental body would have, in the words of the current report, “universal legitimacy and authority”. With a clear development agenda, such a body would also allow for developing countries to move toward the achievement of sustainable development more realistically.

Mr. President,

CARICOM strongly believes that upgrading the Committee to an intergovernmental body would strengthen the work of this important group and improve its efficiency at an operational level. The proposed upgrading would also provide Member States with an opportunity to address, in a comprehensive manner, the inadequate budgetary support currently provided to the Committee, which has had unfortunate repercussions, not only for the meetings of the Committee itself, but also for important capacity building and technical assistance opportunities that are so vital to developing countries in their quest for sustainable development.

Mr. President,

It is clear from the foregoing that CARICOM could not subscribe to a maintenance of the status quo where the Committee of Experts on International Cooperation in Tax Matters is concerned. The very nature of the Committee circumscribes its reach, influence and authority, a reality further exacerbated by the inability of the Trust Fund for International Cooperation in Tax matters to garner contributions. The limited funds being provided to the Committee by the Department of Economic and Social Affairs (DESA) through its Technical Cooperation and Development Account are clearly inadequate to meet the needs of the Committee in providing technical assistance and capacity-building opportunities for developing countries, much less anything else. Option one in and of itself, as outlined in the report of the Secretary-General, would put us no further ahead than we are now, making for no progress whatsoever.

Accordingly, CARICOM would like to see the Council explore the possibilities presented in options two and three. Options two and three will, without question, have budgetary implications. The truth of the matter is that the Committee will require additional funding even if it is maintained in its current format and will provide none of the benefits that come with options two and three. Taking all of this into account, CARICOM believes that a fully informed and comprehensive assessment of the options can only be made with due consideration of the attendant budgetary implications. CARICOM envisions a converted Committee that would still be expert in nature and function in a manner similar to that of the Statistical Commission.

Mr. President,

We are at an important crossroad where the future of the Committee of Experts on International Cooperation in Tax Matters is concerned. As stated in the conclusion of the Secretary-General's report, "Ensuring that the United Nations plays its proper role in international tax cooperation in terms of its institutional capacity would be a significant contribution by the Economic and Social Council to enhancing domestic resource mobilization for development. It would respond to a real opportunity, and an urgent need, for greater international cooperation in tax matters for the benefit of both developed and developing countries in their common pursuit of sustainable development, including the attainment of the Millennium Development Goals by 2015." This is a challenge to which the ECOSOC must respond or risk the ignominy of being labeled short-sighted and stagnant.

It is my delegation's hope that this effort to strengthen international cooperation in tax matters will also incorporate increased efforts toward improved dialogue among existing international agencies and we look forward to working with all Member States toward these ends.

I thank you, Mr. President.