

**Civil society inputs to the Annual Meeting of Special Rapporteurs, Independent Experts and Chairpersons of Working Groups of the Special Procedures of the Human Rights Council
(Friday 16 June)**

The multiple crises Latin America is experiencing due to historic levels of poverty and inequality, a climate emergency and the impact of the crisis associated with the COVID-19 pandemic are devastatingly impacting economic, social, cultural, and environmental rights across the region.

As has already been stated by different UN human rights mechanisms, increasing the progressivity of fiscal policies and other related reforms in the region can significantly contribute to avoid further regression in the enjoyment of human rights and set the basis for a green and inclusive recovery. There is an urgent need and opportunity to respond to the interlinked crises and the opportunities arising in Latin America for building a new fiscal pact can be translated into a roadmap to guide the government's actions towards a fairer future.

Latin American countries often collect significantly less tax revenues than more advanced economies (such as the non-Latin American OECD countries), and their tax structures are almost invariably regressive. At the same time, the region's large fortunes remain often untaxed and engage in abusive tax practices (evasion, avoidance, and illicit financial flows), depriving States of valuable resources to guarantee socio-economic rights and to protect the planet. According to the Economic Commission for Latin America and the Caribbean (ECLAC), tax evasion in Latin America and the Caribbean is close to US\$300 billion, equivalent to 6.1% of the regional GDP.¹ The latest studies estimate that 27% of Latin America's wealth is in tax havens.²

Although the G20/OECD agreement on a 15% global minimum tax moves in the right direction to prevent multinationals from shifting their profits to tax havens, the agreement falls short in ambition and scope, reinforcing inequality and competition between countries that disproportionately affects countries in the global south. Notably, in November 2022, the United Nations' General Assembly (GA) passed a resolution calling to strengthen the inclusiveness and effectiveness of tax cooperation and urged member States to begin intergovernmental discussions on a UN global tax Convention.³ Furthermore, the GA requested the Secretary-General to prepare a report for 2023, in consultation with governments and relevant stakeholders, analysing all relevant international instruments that address international tax cooperation, as well as to present potential solutions to the issue. Various Special Procedures of the HRC welcomed the resolution of the UNGA and noted that tax-related illicit financial flows divert crucial

¹ ECLAC, Fiscal Panorama of Latin America and the Caribbean (2022).

² Gabriel Zucman et al, The missing profits of nations (2022).

³ UNGA resolution, Promotion of inclusive and effective international tax cooperation at the United Nations, 16 November 2022, doc. A/C.2/77/L.11/Rev.1

resources necessary for States to fulfil their human rights obligations and undermine their ability to mitigate the global crisis.⁴

In order to seize the momentum generated by the UNGA resolution, at the World Economic Forum in Davos (2023), the Minister of Finance of Colombia at that moment, José Antonio Ocampo, called for the 1st [Latin America and the Caribbean Summit for Inclusive, Sustainable and Equitable Global Tax Order](#) to be held at 27 and 28 July (2023) in Cartagena de Indias, Colombia. In preparation of the Summit, dozens of civil society organisations and representatives of social movements gathered in Bogotá during the first week of May to discuss and identify the key issues to be addressed during the ministerial meeting in July⁵. Importantly, in line with the considerations made by former and current members of the UN Committee on Economic, Social and Cultural Rights who participated in the Bogotá events, civil society organisations strongly endorsed the view that discussions over tax cooperation should be guided by the human rights’ obligations of the States of the region.

Fourteen Latin American countries and various international organizations have already expressed their support to this initiative, which aims to mobilize the maximum of available resources through fiscal cooperation to finance quality public services and address the region’s challenges. This is a timely call for Latin America, which, if agreed by the region’s countries, would help build a roadmap to face the systemic crises of the region and build a regional bloc towards global negotiations on fiscal matters.

While different stakeholders already stressed the need to engrain human rights’ considerations and standards in the debates coming up in July, additional efforts are needed to ensure that this extraordinary opportunity to promote the alignment of fiscal policy with rights’ obligations is not missed. With this goal in mind, it is crucial that all relevant UN Human Rights bodies, including Special Rapporteurs, consider supporting this Summit process by engaging with Latin American and Caribbean members States to ensure compliance with their obligations of to respect, protect and fulfil human rights at the national and extraterritorial levels, raising sufficient resources to finance quality public services that enable the full enjoyment of human rights.

In light of the upcoming regional tax debates, I would like to draw attention to several key human rights’ obligations that Latin American and Caribbean countries should uphold⁶:

- Using the maximum available resources, including those that they could additionally generate through progressive taxation -taxation on wealth and capital income, and of multinationals, - to ensure the realization of economic,

⁴ ‘Human rights experts support call for UN tax treaty’ (2022). Available at: <https://www.ohchr.org/en/press-releases/2022/11/human-rights-experts-support-call-un-tax-treaty>

⁵ See, for a reference, <https://derechospoliticafiscal.org/es/noticias/157-estamos-en-bogota-para-bogota-para-repensar-la-tributacion-global>

⁶ These standards are further developed in the Principles for Human Rights in Fiscal Policy, available at <https://derechospoliticafiscal.org/en/>

social, and cultural rights, as outlined in various international human rights instruments.

- Seeking and providing international assistance and cooperation to fulfil their human rights obligations. This includes collaborating with other states and international organizations to address common challenges related to tax policy and negotiations.
- Recognizing and fulfilling their extraterritorial human rights obligations. This means that Latin American countries should consider the potential impact of their tax policies and negotiations beyond their own borders, and request other countries -especially those from

the Global North- to do so. They should strive to avoid any negative human rights consequences that may arise from such policies, including impacts on the rights of individuals and communities in other countries.

- Fighting illegal financial flows, including tax evasion and avoidance through “tax havens”, as part of their duty to mobilise the maximum available resources for the fulfilment of human rights.
- Ensuring transparency, participation, and accountability in regional tax policy negotiations. Latin American and Caribbean countries should promote openness and public participation in decision-making processes related to taxation. This includes promoting meaningful participation of civil society organizations, affected communities, and marginalized groups in tax negotiations. Their perspectives and voices must be heard to ensure that tax policies and agreements are inclusive, transparent, and accountable.
- Coordinating the fiscal policy with the monetary policy and financial regulation to appropriately channel resources to ensure human rights⁷.

We kindly request that you consider sending an open letter or making a public statement (e.g., press release) calling all Latin American and Caribbean countries to comply with these important human rights obligations in the context of the forthcoming Fiscal Summit in Cartagena de Indias and related regional tax negotiations. Such a call for action would serve as a reminder of the critical need to integrate human rights considerations into their fiscal decision-making processes and ensure that their tax policies align with their human rights commitments. This is a unique chance for Latin America and the Caribbean to strengthen coordination on tax issues, for the first time in history, and join forces to build a better future for the region, built on less inequality and poverty. A time for a fiscal pact to sustain life in Latin America and the Caribe.

For any further enquire, please do not hesitate to contact:

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Yours sincerely,

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⁷ On the relevance of monetary policy for human rights, see Initiative for Human Rights in Fiscal Policy, “Monetary Policy and the Principles for Human Rights”, available at: <https://derechosypoliticafiscal.org/en/resources/documents-and-sources-en/160-monetary-policy-and-principles-for-human-rights-in-fiscal-policy>



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