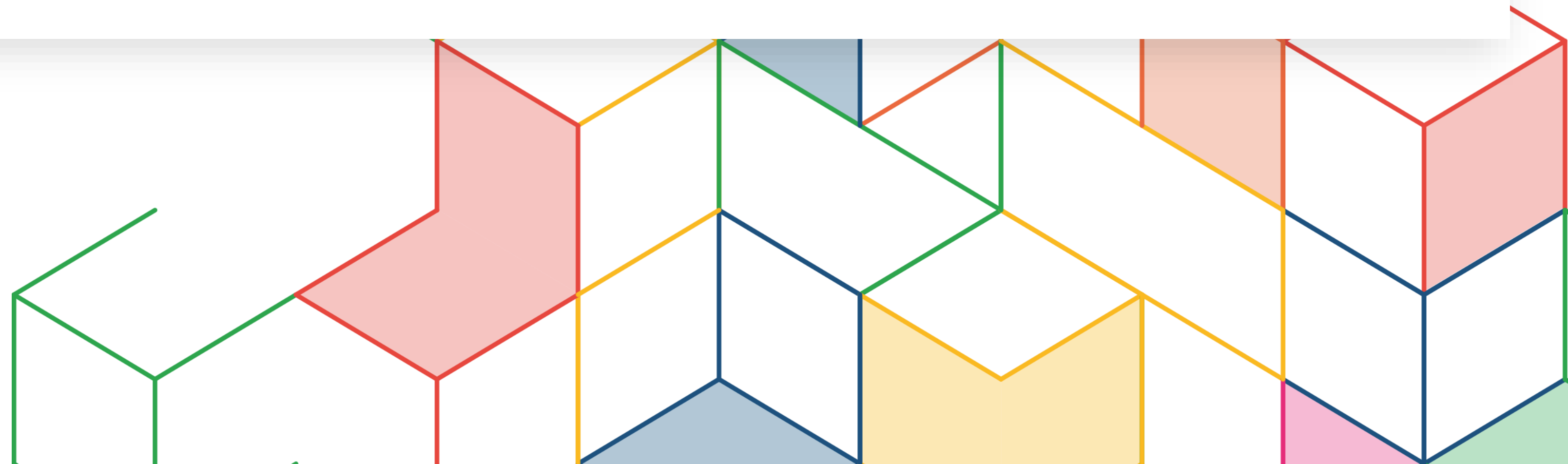


Contextualizing Tax and SDGs.

Towards building a Sustainable and Fair Tax System

- Irma Mosquera Valderrama Full Professor Tax Governance Leiden Law School ,PhD Dean, EU Jean Monnet Chair Holder EU Tax Governance ([EUTAXGOV](#)) and Principal investigator EU-ERC [GLOBTAXGOV](#). UNDP Tax Expert
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BEPS



Tax and SDGs: National and International Tax Debates

- Strengthening domestic resource mobilization aligned to achieving SDGs.
- Preventing 'race to the bottom' to generate and mobilize revenue for implementing SDGs.

Tax: Required payment to government. Taxpayer does not receive anything in return.

Taxes are most powerful tools for creating a **just society** that gives **equal weight** to the needs of everyone.

Taxes enable the **provision of goods and services** that improve the **wellbeing** of individuals and groups within a domestic society.



The nation should have a tax system that
looks like someone designed it on purpose.

--WILLIAM SIMON



Interconnections tax and SDGs

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1. All SDG-related tasks require financing, and this development resource needs to come primarily from taxes (**DRM**).
2. How taxation is designed can **influence consumer and producer behaviors**. Designing tax policies to influence people's behavior can positively impact achieving SDGs. *How much and what people consume or produce can be influenced by what positive incentives the tax system provides.*
3. Taxation is a **social contract** and how **fair and just** a tax system is perceived by citizens determines their attitude towards taxes and their trust in government.
4. Taxation can provide an opportunity for people to improve **their standard of living** and **participating in the country's development goals**.

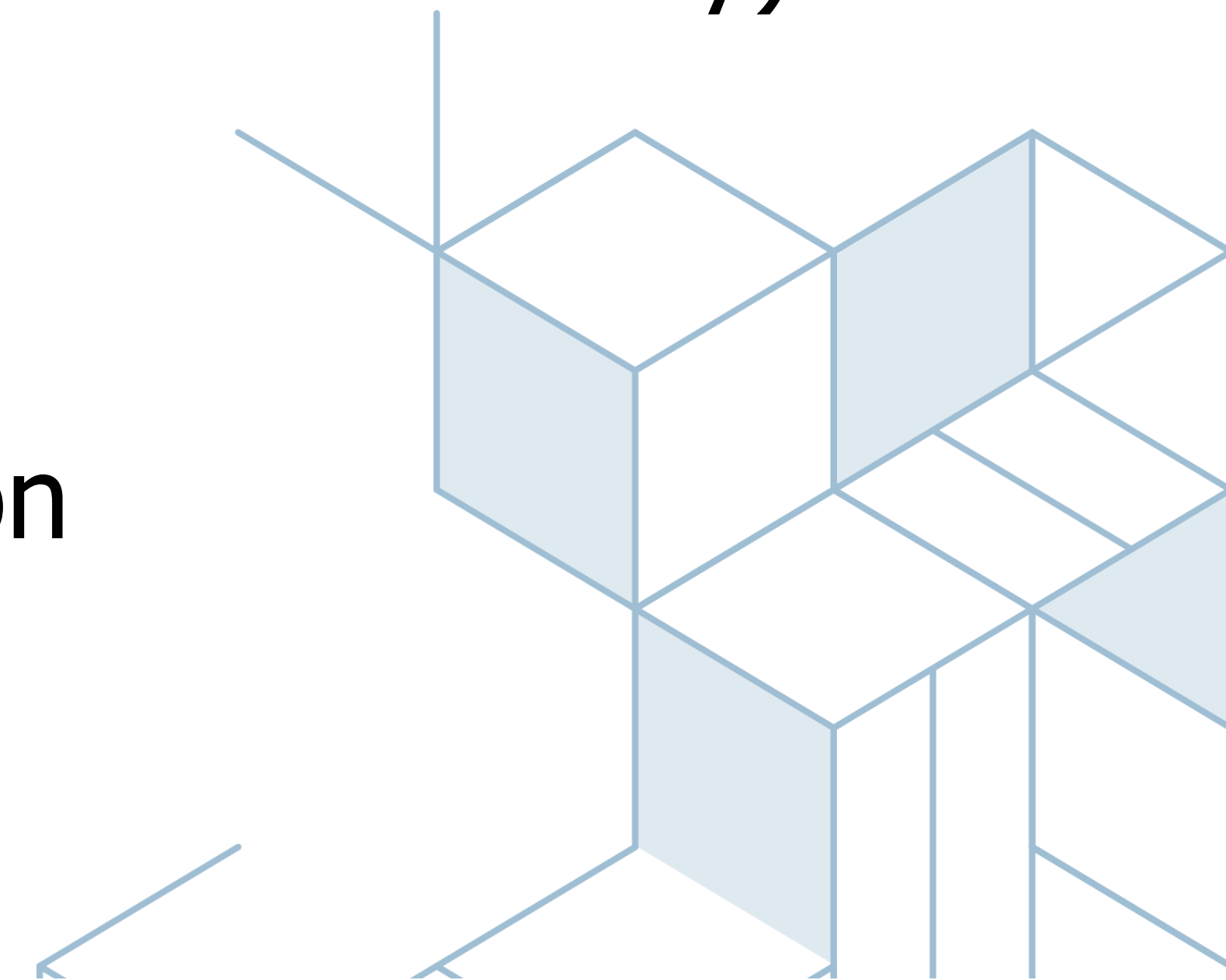
Challenges to leveraging taxation to achieve the SDGs

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Differences between developed countries, developing countries and least developed countries (LDC)

- Revenue limitations.
- Inefficient tax administration (weak oversight and accountability).
- Limited tax base.
- Proliferation of tax incentives and exemptions.
- Illicit Financial Flows (IFFs) and BEPS.
- Global debt standing at approximately \$300 trillion



Tax for SDGs Initiative



For more information contact taxforsdgs@undp.org