



How Can Regional Cooperation Help the Enhancement of Regional Economic Development and Strengthen the Voices of Developing Countries in Global Tax Negotiations?

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Accepted 29 February 2024 | Published online 17 April 2024

Abstract

The aims of this article are two-fold. First to provide a mapping of the regional initiatives and organizations and their link to regional tax cooperation and development. Second, to analyse how the existing regional cooperation initiatives and organizations can help to enhance regional economic development and to strengthen the voices of developing countries in international tax negotiations. This article concludes that the proliferation of memberships and organizations may be an obstacle to achieve regional economic development. Countries may want to participate in several agreements which may have the same or similar objectives, and in some cases, to withdraw from one or another, in order to focus on another agreement. The mapping of regional initiatives shows that more coordination is needed in order to strengthen the role of the regions in global tax negotiations not only at the BEPS Inclusive Framework but also at the United Nations level.

Keywords

international tax cooperation – global tax negotiations – regional agreements – regional integration – taxation

1 Introduction

Initiatives to achieve regional cooperation in the Global South¹ have advanced at a fast pace since the 1990s. In the past, due to increase cross-border activity, countries reduced their trade barriers and opened their financial sectors to increase trade and investment flows. Initially, the objective was to facilitate trade and investment in a specific region. In addition to trade and investment, integration now also takes place at political and economic levels.

Regional agreements have been developed by countries cooperating in different regions. the Southern Common Market (MERCOSUR), the Andean Community, the East African Community (EAC), the Southern Africa Development Community (SADC), the Economic Community of West African States (ECOWAS), and the Common Market for Eastern and Southern Africa (COMESA) are a few examples of agreements. But there are also more broader (in terms of geographical membership) regional initiatives, for instance the Pacific Alliance for countries on the Pacific coast in Latin America, Middle America and Asia, the recently created African Continental Free Trade Area (AfCFTA), and the Organization for African, Caribbean and Pacific Countries (OACPS).²

In addition to free trade and economic cooperation, these regional initiatives may have a tax element. Apart from the removal of customs duties to facilitate trade, countries and regional organizations are searching for initiatives to deepen international tax cooperation. Furthermore, regional bodies have developed their own regional tax treaties or models with the aim to prevent double taxation and tackle tax avoidance, for example, the Andean Community Regional Tax Treaty and its Treaty Model (for negotiation with countries outside the Andean Community), Caricom Tax Treaty Model, and the African Tax Administration Forum (ATAF) Treaty Model among others.³

Furthermore, at international tax level, political forums such as G7, G20 and international organizations such as the Organization for Economic Cooperation and Development (OECD) have developed multilateral initiatives to enhance transparency, to tackle base erosion and profit shifting by multinationals (BEPS), to tax highly digitalized business (Pillar 1), and to ensure the payment of a minimum tax by multinationals (Pillar 2 GLoBE). In addition, the OECD has created the BEPS Inclusive Framework where 145 tax

1 In this article, we use Global South to refer to developing and least developed economies.

2 See *infra* Section 2.1.

3 See *infra* Section 2.2.

jurisdictions⁴ (at the time of writing) have committed to participate in the implementation of these initiatives (Section 4.1.1 below).

However, the legitimacy and inclusiveness of these international initiatives has been questioned by regional tax organizations (ATAF),⁵ civil society,⁶ and scholars,⁷ stating that there is a lack of participation in the agenda setting and the content of these initiatives (Section 4.1.2 below). Another concern raised by regional organizations (African Union, Asian Development Bank, ADB)⁸ and scholars⁹ is that it is not yet clear how these international tax initiatives can contribute to enhance regional economic development and to achieve the sustainable development goals, by securing taxing rights for developing countries to achieve domestic resource mobilization (SDG 17.1), and by tackling illicit financial flows (SDG 16.4) (see Section 3.2 below).

4 OECD, 'Members of the OECD/G20 Inclusive Framework on BEPS' <<https://www.oecd.org/tax/beps/inclusive-framework-on-beps-composition.pdf>> accessed 11 December 2023.

5 ATAF Policy Brief: Cross-border Taxation: Implications for Africa. African Priorities on Base Erosion and Profit Shifting (BEPS), (December 2014) <https://events.ataftax.org/media/documents/90/documents/ATAF_BEPS_Policy_Brief_ENG.pdf> accessed 11 December 2023.

6 Alex Cobham, 'UN Resolution for an Intergovernmental Tax Framework: What Does It Mean, and What's Next?' (2022) <<https://taxjustice.net/2022/12/15/un-resolution-for-an-intergovernmental-tax-framework-what-does-it-mean-and-whats-next/>> accessed 11 December 2023.

7 See Rifat Azam, 'Ruling the World: Generating International Tax Norms in the Era of Globalization and BEPS' (2017) 50 *Suffolk U L Rev* 517, 586; Allison Christians & Laurens van Apeldoorn, 'The OECD Inclusive Framework' (2018) 72 *Bull Intl Taxn* 4/5; Rasmus C Christensen, Martin Hearson and Tovony Randriamanalina, 'At the Table, Off the Menu? Assessing the Participation of Lower-Income Countries in Global Tax Negotiations' (2020) ICTD Working Paper 115 <https://opendocs.ids.ac.uk/opendocs/bitstream/handle/20.500.12413/15853/ICTD_WP115.pdf?sequence=3&isAllowed=y>. For an overview of literature on legitimacy concerns, see Irma Mosquera Valderrama, 'Inaugural Lecture Global Tax Governance: Legitimacy and Inclusiveness' (2023) <<https://globtaxgov.weblog.leidenuniv.nl/2023/06/30/global-tax-governance-legitimacy-and-inclusiveness-why-it-matters/>> both accessed 11 December 2023.

8 African Union, Extraordinary Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration <<https://au.int/en/newsevents/20201201/extraordinary-specialized-technical-committee-stc-finance-monetary-affairs>> accessed 11 December 2023 and Go Nagata, 'Domestic Resource Mobilization for Supporting Developing Members to Achieve Sustainable Development Goals. Background Note Asian Development Bank' <<https://www.adb.org/sites/default/files/institutional-document/691951/ado2021bn-domestic-resource-mobilization-sdgs.pdf>> both accessed 11 December 2023.

9 Irma Mosquera Valderrama, Dries Lesage and Wouter Lips, 'Tax and Development: The Link between International Taxation, The Base Erosion Profit Shifting Project and The 2030 Sustainable Development Agenda' (2018), UNU Institute on Comparative Regional Integration Studies, No W-2018/3 <<https://cris.unu.edu/tax-and-development-link-between-international-taxation-base-erosion-profit-shifting-project-and>> accessed 11 December 2023.

In order to help strengthen the voice of developing countries in international tax negotiations and to contribute to enhance regional development, scholars¹⁰ and regional (tax) organizations such as ATAF¹¹ are nowadays questioning whether the regional economic integration initiatives as well as the regional tax organizations can support a new governance structure where countries, at regional level, can discuss how to achieve effective and inclusive international (and regional) tax cooperation and to enhance regional development.

Regional organizations have also created new committees to address taxation such as the African Union that created in 2020, an Extraordinary Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration This Committee has been convened under the theme, 'Securing Africa's Taxing Rights, Stemming Illicit Financial Flows and developing payment system for AfCFTA'.¹² Another development is the introduction of new regional tax cooperation initiatives such as in July 2023 of a Regional Tax Cooperation Platform for Latin American and the Caribbean (see Section 4.1.2 below).

Furthermore at international level, the African Group at the United Nations has led the adoption in November 2022 of a UN Resolution to develop a globally inclusive new tax framework and in November 2023 of an UN Resolution to develop an international tax framework Convention under the auspices of the UN¹³ (see Section 4.1.2 below). As a result, an ad hoc intergovernmental committee has been mandated to develop the terms of reference for the development of such convention. It is expected to finalize the Committee's work by August 2024.¹⁴

10 See Afton Titus, 'Africa Rising: A Proposal for a Continental Tax Governance Structure' <<https://www.ictd.ac/blog/africa-continental-tax-governance-structure/>>; Peter Hongler, 'Plea for a Meta Regime! (and Why the UN Should Be the Governing Body)' <<https://globtaxgov weblog.leidenuniv.nl/2023/10/12/plea-for-a-meta-regime-and-why-the-un-should-be-the-governing-body/>> and Martin Hearson, 'A New UN Tax Convention – How Will It Change Global Tax Governance?' <<https://www.ictd.ac/blog/the-new-un-tax-convention-a-critical-juncture-for-global-tax-governance/>> all accessed 11 December 2023.

11 'ATAF Applauds UN Adoption of the International Tax Cooperation Convention' <<https://www.ataftax.org/ataf-applauds-un-adoption-of-the-international-tax-cooperation-convention>> accessed 11 December 2023.

12 African Union (n 8).

13 United Nations General Assembly, *Promotion of Inclusive and Effective International Tax Cooperation at the United Nations*, (15 November 2023) A/C.2/78/L.18/Rev.1, available at <<https://documents.un.org/doc/undoc/ltd/n23/356/75/pdf/n2335675.pdf?token=RRSecCfuDD3AKuaI73&fe=true>> accessed 11 December 2023.

14 United Nations Department of Economic and Social Affairs Financing, *UN Tax Convention* <<https://financing.desa.un.org/un-tax-convention>> accessed 11 December 2023.

In light of these developments, the aims of this article are two-fold. First to provide a mapping of the regional organizations and regional trade agreements and their link to regional tax cooperation and development, and a mapping of regional tax organizations and regional tax cooperation initiatives. This mapping is not an exhaustive mapping, since more bodies can be mentioned,¹⁵ however, the organizations and initiatives mentioned have been chosen in light of their link to tax cooperation. The second aim is to analyze how the existing regional tax cooperation initiatives can help to enhance regional economic development and to strengthen the voices of developing countries in international tax negotiations. The focus is on the Global South, and therefore, more advanced regional integration initiatives such as the European Union will not be dealt in this contribution.¹⁶

Section 2 will first provide a mapping of the regional organizations and regional trade agreements and their link to international tax cooperation in Asia, Africa, the Caribbean and Latin America. Subsequently, a mapping of the regional tax organizations and regional tax cooperation initiatives will be provided. Following the mapping, some preliminary observations will be provided. Thereafter, the first question of this article related to the contribution of regional initiatives to regional economic development will be addressed in Section 3. The second question related to contribution of regional initiatives to strengthen the voice of developing countries will be addressed in Section 4. Finally, Section 5 will provide some conclusions and recommendations for further research.

2 Mapping Regional Initiatives and Organizations and Their Link to International Tax Cooperation

2.1 *Mapping Regional Organizations and Regional Trade Agreements in Asia, Africa, the Caribbean and Latin America*

This section will address some of the main regional organizations and regional trade agreements in Asia, Africa, Latin America and the Caribbean. This overview will focus on three types of regional initiatives i.e. regional organizations, broader organizations encompassing several regions, and regional trade

15 For a more comprehensive mapping of regional organisations in Africa, see <<https://indd.adobe.com/view/f49ac87d-7aa3-4cf7-822e-841d674bbc92>> accessed 11 December 2023.

16 Some of the challenges of the EU to achieve tax harmonization in direct taxation have been addressed elsewhere. See Irma Mosquera Valderrama, 'A New Wind Change in Direct Taxation' (2020) 21(1) German Law Journal 90–95.

agreements. In this mapping attention will be given to the number of countries/regions as well as the objectives of this regional initiative. This mapping will also provide some tax or investment initiatives, e.g. regional multilateral tax treaties or tax treaty models to prevent tax avoidance and double taxation,¹⁷ as well as the creation of investment codes/frameworks, and the introduction of a regional Sustainable Development Agenda.

2.1.1 Regional Organizations

TABLE 1 Regional Organizations within a geographical region

Name	Countries/ regions	Trade/ customs/ common market	Economic/ monetary	Political	Other (tax, investment, SDGs)
African Union (2002) ¹⁸	55 countries	X	X	X	Sustainable Development – 2063 African Agenda. Coordinate and harmonise the policies between the existing and future Regional Economic Communities.

17 When engaging in cross-border transactions, individuals and businesses can be subject to tax in two countries (double taxation). The aim of double tax treaties is to provide relief for double taxation. In a regional context, the aim is to provide relief for double taxation within the region provided that the countries have ratified the regional treaty.

18 According to the website of the African Union, 'It was officially launched in 2002 as a successor to the Organisation of African Unity (OAU, 1963–1999)'. See African Union, 'About the African Union' <<https://au.int/en/overview>> accessed 11 December 2023.

TABLE 1 Regional Organizations within a geographical region (*cont.*)

Name	Countries/ regions	Trade/ customs/ common market	Economic/ monetary	Political	Other (tax, investment, SDGs)
East African Community (EAC) 2000	7 countries ¹⁹	X	X	X	Model Investment Treaty Multilateral Tax Treaty (5 coun- tries except South Sudan and Congo) ²⁰
Southern Africa Development Community (SADC) 1992	16 countries ²¹		X	X	Model Tax Treaty Memorandum of Understanding on Cooperation in Taxation and Related Matters ²²

19 Member States: Democratic Republic of Congo, the Republics of Burundi, Kenya, Rwanda, South Sudan, Uganda, and the United Republic of Tanzania. See East African Community, 'About EAC' <<https://www.eac.int/about-eac>> accessed 11 December 2023.

20 At the time of writing, not yet in force. Orbitax, 'Burundi Parliament Approves Pending East African Community Tax Treaty' (2020) <<https://www.orbitax.com/news/archive.php/Update---Burundi-Parliament-Ap-42735>> accessed 11 December 2023.

21 Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic Tanzania, Zambia and Zimbabwe. See Southern African Development Community, 'Member States' <<https://www.sadc.int/member-states>> accessed 11 December 2023.

22 Southern African Development Community, 'Memorandum of Understanding on Co-Operation in Taxation and Related Matters' (2002) <<https://ihrda.uwazi.io/api/files/1512034024087tiksumtbwit83u2178llq5mi.pdf>> accessed 11 December 2023.

TABLE 1 Regional Organizations within a geographical region (*cont.*)

Name	Countries/ regions	Trade/ customs/ common market	Economic/ monetary	Political	Other (tax, investment, SDGs)
Southern Africa Customs Union (SACU)	5 countries ²³	X	X		None
Economic Community of West African States (ECOWAS)	15 Countries ²⁴ 1 observer Mauritania	X	X		Single Community Investment Code
West African Monetary Union (WAMU)	8 countries ²⁵		X		None
Association of South East Nations (ASEAN)	10 Countries ²⁶	X	X		Asian Comprehensive Investment Agreements – A Guidebook for Business and Investors

23 Botswana, Lesotho, Namibia, South Africa, and Eswatini. See <<https://sacu.int/index.php>> accessed 11 December 2023.

24 Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Sierra Leone, Senegal and Togo.

25 Benin, Burkina Faso, Côte-d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo. See <<https://www.bceao.int/en/content/presentation-wamu>> accessed 11 December 2023.

26 Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam. See ASEAN, 'ASEAN Member States' <<https://asean.org/member-states/>> accessed 11 December 2023.

TABLE 1 Regional Organizations within a geographical region (*cont.*)

Name	Countries/ regions	Trade/ customs/ common market	Economic/ monetary	Political	Other (tax, investment, SDGs)
Caribbean Community and Common Market (CARICOM)	15 countries, ²⁷ 5 Associate Members ²⁸	X	X		Multilateral Tax Treaty ²⁹
Union of South American Nations (UNASUR)	12 founding members, currently 7 members ³⁰	X	X	X	

27 Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago. See CARICOM, 'Member States and Associate Members' <<https://caricom.org/member-states-and-associate-members/>> accessed 11 December 2023.

28 Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Turks and Caicos Island. See *ibid.*

29 CARICOM, 'Double Taxation Agreement' (1994) <<https://caricom.org/treaties/double-taxation-agreement/>> accessed 11 December 2023.

30 Argentina, Bolivia, Brasil, Chile, Colombia, Ecuador, Guyana, Paraguay, Perú, Surinam, Uruguay and Venezuela. See Ministerio de Relaciones Exteriores (Colombia), 'Union of South American Nations (UNASUR)' <<https://www.cancilleria.gov.co/en/union-south-american-nations-unasur>>. However, since the establishment of UNASUR in 2004, 7 countries have left the organization (ie Argentina, Brazil, Colombia, Chile, Ecuador, Paraguay, and Uruguay. Guillaume Long and Natasha Suñé, 'Toward a New UNASUR: Pathways for the Reactivation of South American Integration' (CEPR, 2022) <<https://cepr.net/report/toward-a-new-unasur-pathways-for-the-reactivation-of-south-american-integration/>> both accessed 11 December 2023.

TABLE 1 Regional Organizations within a geographical region (*cont.*)

Name	Countries/ regions	Trade/ customs/ common market	Economic/ monetary	Political	Other (tax, investment, SDGs)
South Asian Association for Regional Cooperation (SAARC)	8 countries ³¹	X	X		SAARC Limited Multilateral Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matters ³²
Economic and Monetary Community of Central Africa (CEEAC)	11 countries ³³	X	X	X	

³¹ Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

³² Unlike other tax treaties, this limited agreement excludes allocation of taxing rights regarding income from business, income from employment (except professors, teachers and research scholars). Passive income (ie interest, dividends and royalties) is also excluded. The text of the agreement is available at <<https://www.saarc-sec.org/index.php/resources/agreements-conventions/30-agreement-on-avoidance-of-double-taxation-and-mutual-administrative-assistance-in-tax-matters/file>> accessed 11 December 2023.

³³ Angola, Gabon, Democratic Republic of Sao Tome and Principe, Cameroon, the Central African Republic (CAR), Chad, the Democratic Republic of the Congo, Burundi, Congo, Rwanda, and Equatorial Guinea. See Economic Community of Central African States, 'Member Countries' <<https://ceeac-eccas.org/en/#enmouvement>> accessed 11 December 2023.

TABLE 2 Regional organizations with broader membership among different regions

Name	Countries/ regions	Trade	Economic	Political	Other (tax, investment, SDGs)
Pacific Alliance	4 countries, 66 observer states ³⁴ and 4 pos- sible Associate Members ³⁵	X	X		Sustainable Investment ³⁶
Organisation of African, Caribbean and Pacific States (OACPS). Former ACP group.	79 countries ³⁷	X			Intra-OCPS framework to achieve sustainable development South-South and triangular cooperation ³⁸

2.1.2 Regional Trade Agreements

One of the most important forms of regional cooperation is the regional trade agreement. By means of regional trade agreements, countries in a specific

34 From 5 continents; see Alianza del Pacífico, 'Observer States' <<https://alianzapacifico.net/en/observant-countries/>> accessed 11 December 2023.

35 Currently in negotiation with Australia, Canada, New Zealand and Singapore. See Alianza del Pacífico, 'Inició En Chile La Tercera Ronda de Negociaciones Con Los Candidatos a Estado Asociado' (2018) <<https://alianzapacifico.net/inicia-en-chile-la-tercera-ronda-de-negociaciones-con-los-candidatos-a-estado-asociado/>> accessed 11 December 2023.

36 Mainly focusing on plastic waste management, the fight against deforestation, and the promotion of circular economy. See 'Pacific Alliance and ASEAN Adopt 2021–2025 Work Plan' (2021) <<https://alianzapacifico.net/en/pacific-alliance-and-asean-adopt-2021-2025-work-plan/>> accessed 11 December 2023.

37 Organisation of African, Caribbean and Pacific States (OACPS) <<https://www.oacps.org/>> accessed 11 December 2023.

38 Organisation of African, Caribbean and Pacific States (OACPS), 'Strategic Plan 2022–2025. Becoming a Centre of Excellence' (2022) <<https://www.oacps.org/wp-content/uploads/2022/09/oacps-2022-25-strategic-plan-becoming-a-centre-of-excellence.pdf>> accessed 11 December 2023.

region aim to promote free trade and/or regional economic integration that can include the free movement of goods, services, persons, and capital.

The number of regional trade agreements has increased from 50 in the 1990s³⁹ to 355 currently in force.⁴⁰ Research carried out by the World Bank in the past has pointed out that some of the reasons for countries to conclude regional trade agreements are to reduce international negotiation costs, and to increase bargaining power rather than to achieve benefits of trade integration.⁴¹

TABLE 3 Regional Trade Agreements

Name	Countries	Type	Other (tax, investment, SDGs)
African Continental Free Trade Area (AfCFTA)	54 countries (46 ratified and 8 pending ratification) ⁴²	Create a free trade area and single market	Protocol on Investment
Common Market for Eastern and Southern Africa (COMESA) 1994 ⁴³	21 African countries ⁴⁴	Common market for trade and investment	Model Tax Treaty
Andean Community (CAN)	4 Members, 5 Associate, and 3 Observers ⁴⁵	Free Trade Area	Regional Tax Treaty and Model Tax Treaty

39 World Bank, 'Regional Trade Agreements' (2018) <<https://www.worldbank.org/en/topic/regional-integration/brief/regional-trade-agreements>> accessed 11 December 2023.

40 See World Trade Organization, 'Regional Trade Agreements Database' (2023) <<https://rtais.wto.org/UI/PublicMaintainRTAHome.aspx>> accessed 11 December 2023.

41 Maurice Schiff and Soamiely Andriamananjara, 'Regional Groupings among Microstates' (1999) The World Bank Policy Research Working Paper, WPS No 1922 2.

42 AfCFTA, 'State Parties' <<https://au-afcfta.org/state-parties/>> accessed 11 December 2023.

43 According to the website of COMESA, it was formed to replace the former Preferential Trade Area (PTA) which had existed from the earlier days of 1981. See <<https://www.comesa.int/>> accessed 11 December 2023.

44 Burundi, Comoros, DR Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Lybia, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia, Zimbabwe.

45 Member States: Bolivia, Colombia, Ecuador and Perú. Associate Members: Argentina, Brazil, Chile and Paraguay. Observers Spain, Morocco, and Turkey. See Comunidad Andina, 'Quiénes Somos' <<https://www.comunidadandina.org/quienes-somos/>> accessed 11 December 2023.

TABLE 3 Regional Trade Agreements (*cont.*)

Name	Countries	Type	Other (tax, investment, SDGs)
Southern Common Market ⁴⁶ (MERCOSUR)	5 Members and 7 Associate countries ⁴⁷	Common market for trade and investment	

2.2 *Mapping Regional Tax Organizations and Regional Tax Cooperation Initiatives in Asia, Africa, the Caribbean and Latin America*⁴⁸

2.2.1 Regional Tax Organizations

There are five main regional tax organizations in the Global South that are participating in the discussions regarding international tax cooperation.⁴⁹

The first is the African Tax Administration Forum with 38 African member countries.⁵⁰ One of the main aims of ATAF is to build more efficient tax administrations in Africa ‘through exchanges, knowledge dissemination, capacity development and active contribution to the regional and global tax agenda.’⁵¹ ATAF has also developed its own tax treaty model for the

46 Brazil, Argentina, Paraguay and Uruguay. See Comunidad Andina, ‘Quiénes Somos’ <<https://www.comunidadandina.org/quienes-somos/>> accessed 11 December 2023.

47 Member States: Argentina, Brasil, Paraguay, Uruguay and Venezuela. Associate Members: Bolivia, Chile, Colombia, Ecuador, Guyana, Perú and Surinam. See MERCOSUR, ‘MERCOSUR Countries’ <<https://www.mercosur.int/en/about-mercosur/mercosur-countries/>> accessed 11 December 2023.

48 This section will focus on the stakeholders that facilitate regional tax cooperation. Therefore, this section leaves outside of its scope international organizations such as the OECD, United Nations, WB or IMF since the framework is based on membership of the countries (OECD, UN) or requirement for technical assistance (WB, IFM).

49 Other tax organizations are the Association of Tax Authorities of Islamic Countries ATAIC, Caribbean Organization of Tax Administrations COTA, Commonwealth Association of Tax Administrations CATA, Intra-European Organization of Tax Administrations IOTA, Pacific Islands Tax Administrations Association PITAA. In addition, there is a Network of Tax Organizations that consists of the above mentioned organizations, and ATAF, CREDAF, CIAT and WATAF. See NTO, ‘NTO Member States’ <<https://www.nto.tax/nto-members>> accessed 11 December 2023.

50 ATAF, ‘Member Countries’ <<https://www.ataftax.org/members>> accessed 11 December 2023.

51 ATAF, ‘Overview’ <<https://www.ataftax.org/overview>> accessed 11 December 2023.

elimination of double taxation and the prevention of tax avoidance and tax evasion.⁵²

The second is the Inter-American Center of Tax Administration (CIAT) that has 42 member countries in four continents: 32 American countries; five European countries; four African countries; and one Asian country.⁵³ One of the main aims of CIAT is 'to promote international cooperation and the exchange of experiences and information and provide technical assistance'.⁵⁴

The third is the *Centre de rencontres et d'études des dirigeants des administrations fiscales* (CREDAF) with 30 member countries of 4 continents.⁵⁵ The CREDAF aims to facilitate cooperation and exchange of experiences among tax administrations in French speaking countries.

The fourth is the West African Tax Administration Forum (WATAF) with 15 African member countries which are also members of ECOWAS.⁵⁶ The aim of WATAF is to 'contribute to the efficacy of tax administration and improved public service delivery in support of the development of countries in West Africa'.⁵⁷

The fifth is the Commonwealth Association of Tax Administrations (CATA) with 47 Commonwealth member countries. The aim of CATA is to help 'member countries through conferences, training programmes, publications and knowledge sharing to develop effective tax administrations that promote sustainable development and good governance'.⁵⁸

In general, these regional tax organizations may have differences regarding their memberships (only countries from Africa ATAF, or French speaking countries CREDAF, or countries members of regional organizations ECOWAS). The CIAT and CATA are the two regional tax organizations that have a broader geographical membership. However, this broader membership be a limitation

52 ATAF, 'Model Agreement for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Avoidance and Evasion' (2019) <https://events.ataftax.org/media/events/6/documents/ATAF_Model_DTA_Revised_30_Nov.pdf> accessed 11 December 2023.

53 In addition, to 20 Latin American and Caribbean countries, other members are Angola, Canada, France, India, Italy, Kenya, Morocco, the Netherlands, Nigeria, Portugal, Spain, and the United States.

54 CIAT, 'About Us' (2016) <<https://www.ciat.org/about-us/?lang=en>> accessed 11 December 2023.

55 And one associate member Revenue Quebec; see CREDAF, 'Member Countries' <<https://credaf.org/en/member-countries/>> accessed 11 December 2023.

56 WATAF, 'Member Countries' <<https://wataf-tax.org/member-countries/>> accessed 11 December 2023.

57 WATAF, 'About Us' <<https://wataf-tax.org/about-us/>> accessed 11 December 2023.

58 CATA, 'About' <<https://catatax.org/about-cata>> accessed 11 December 2023.

when participating in global tax discussions, since while ATAF is regarded as the voice of developing countries in the African region, the CIAT with a membership of developed countries and developing countries in different regions may not be able to speak with one voice. The focus of ATAF is on technical issues but also political participation in the global tax discussions, while CIAT focusses more on technical issues and the exchange of best practices among tax administrations.⁵⁹ Only ATAF has developed its own tax treaty model, which may co-exist with other tax treaty models such as the SADC and COMESA tax treaty models.⁶⁰

2.2.2 Regional Tax Cooperation Frameworks

In addition to the regional tax organizations mentioned above, there are three regional tax cooperation frameworks where tax administrations of countries in the Global South are participating.

The first is the Network of Tax Organizations created with 9 regional and international tax organizations.⁶¹ This network is

a global network of regional and international organisations of revenue administrations which aims to provide a forum for cooperation and coordination between its members and to strengthen institutional capacities, efficiency and effectiveness in tax administrations worldwide. Through peer learning and the sharing of experiences as well as through the provision of services, products and information, the NTO ambitions to significantly enhance its members' efficiency with their constituencies. It also aims to ensure adequate representation of members' interests in the various international fora and discussions.⁶²

59 For instance the 2019 Cocktail of Measures for the Control of Harmful Transfer Pricing Manipulation, for Low Income and Developing Countries Presented by the Inter-American Center of Tax Administrations (CIAT). Carlos Pérez Gómez Serrano, Enrique Bolado Muñoz and Isaác Gonzalo Arias Esteban, 'Cocktail of Measures for the Control of Harmful Transfer Pricing Manipulation, Focused within the Context of Low Income and Developing Countries' (CIAT 2019).

60 Craig West 'Regional Double Tax Treaty Models' in Florian Haase and Georg Kofler (eds), *The Oxford Handbook of International Tax Law, Oxford Handbooks* (2023; online edn, Oxford Academic, 23 Oct. 2023), <<https://doi.org/10.1093/oxfordhb/9780192897688.013.28>> accessed 13 December 2023.

61 It includes the 4 regional tax organizations mentioned in 2.1.1 (CIAT, ATAF, WATAF, and CREDAF) and other 5 (ATAIC (Islamic); COTA (Caribbean); IOTA (Intra-European); CATA (Commonwealth); and PITAA (Pacific)).

62 Romeo Sinclair Nkoulou Ella, 'International Organisations Take a Major Step to Boost Global Cooperation on Tax Issues' (2018) Medium <<https://medium.com/@romeosin>>

In short, the NTO focusses on exchange of best practices among tax administrations and contributing to increase tax knowledge. Therefore, the role of the NTO regarding the global tax initiatives is more of a reactive role instead of a proactive role.

The second is the Study Group on Asia-Pacific Tax Administration and Research (SGATAR) which has 18 member countries.⁶³ The aim of SGATAR is 'to provide a platform to enhance the performance of tax administrations in the Asia-Pacific region by promoting collaboration and communication among member tax administrations'.⁶⁴ The focus is on exchange of best practices and training to keep up to date in international tax developments e.g. transparency, exchange of information, BEPS, among others.⁶⁵ The role of SGATAR is also a reactive instead of a proactive role.

The third is BRITACOM which is the Tax Administration Cooperation Mechanism (BRITACOM) with Belt and Road Initiative (BRI) countries with the aim 'to build capacity and to facilitate cooperation between the participating countries' tax administrations. In addition, BRITACOM aims to facilitate trade and investment, foster the economic growth of the BRI jurisdictions, and contribute to the fulfilment of inclusive and sustainable development as set out in the United Nations' 2030 Agenda for Sustainable Development.⁶⁶ The role is a proactive instead of reactive role.

BRITACOM has been created by China in the framework of the Belt and Road Initiative and it consists of 34 member countries and 11 countries as observers from different regions (e.g. Asia, Latin America, Africa, Europe),⁶⁷ and some think tanks, businesses, and regional organisations⁶⁸ which includes

claimkoulouella/international-organisations-take-a-major-step-to-boost-global-cooperation-on-tax-issues-13da58610605>; Mosquera Valderrama, Lesage and Lips, (n 9), 12–13.

63 Australia, Chinese Taipei, Indonesia, Lao PDR, Malaysia, New Zealand, People's Republic of China, Singapore, Vietnam, Cambodia, Hong Kong SAR, Japan, Macao SAR, Mongolia, Papua New Guinea, Philippines, Republic of Korea, Thailand. See SGATAR, 'SGATAR' <<https://sgatar.org/>> accessed 11 December 2023.

64 SGATAR, 'Mission & Objectives' <<https://sgatar.org/public/about/mission-objectives/>> accessed 11 December 2023.

65 SGATAR, 'Focus' <<https://sgatar.org/category/focus/>> accessed 11 December 2023.

66 BRITACOM <http://www.chinatax.gov.cn/eng/n4148193/common_article.html> accessed 11 December 2023; Michael Sampson, Jue Wang, and Irma Mosquera Valderrama 'Trade, Tax and Development Finance: Understanding China's Choice of BRI Agreements and Institutions' in Florian Schneider (ed), *Global Perspectives on the Belt and Road Initiative* (Amsterdam University Press 2021).

67 BRITACOM, *ibid.*

68 Such as Asia Oceania Tax Consultants Association, International Tax and Investment Center ITIC, The Business and Industry Advisory Committee at OECD BIAC, International Bureau of Fiscal Documentation, BRITACOM, *ibid.*

also two regional tax organizations (i.e. CIAT and WATAF).⁶⁹ In addition, within BRITACOM, two networks are important to mention i.e. BRITACOF⁷⁰ and BRITACEG.⁷¹

These three tax cooperation frameworks are also relevant for regional integration, which in the case of BRITACOM goes beyond Asia, including Africa, Latin America, European countries as well as other organizations. This shows the agency of China that despite being a member of the G20 and committed to the implementation of the international tax initiatives developed by the OECD with the political mandate of the G20 has taken another path in light of the Belt Road Initiative. This path allows China to have direct contact with tax administrations by strengthening cooperation and capacity building to facilitate the projects carried out by the Belt Road Initiative.⁷²

2.3 *Preliminary Observations*

The mapping of the regional initiatives in this Sections 2.1 and 2.2 have identified the different levels of international cooperation that exist among regions, and it also shows that countries become member of different regional initiatives to enhance regional integration.

In the author's view and following the mapping in Section 2.1, one of the obstacles to regional integration is the proliferation of regional initiatives which result in countries' interest to become members of several of these initiatives without any clear objective on how a regional initiative may contribute to a country's trade and investment policy and to the achievement of the sustainable development goals. If the regional initiative covers the same area of work, the membership of countries to several initiatives may also result

69 BRITACOM, *ibid.*

70 Which is 'a non-profit official event, [which] aims to provide a platform for facilitating dialogue, strengthening cooperation in tax administration, and improving capacity building for jurisdictions, international organizations, academic institutions, businesses and other stakeholders who are willing to be involved in tax administration cooperation along the Belt and Road', BRITACOM, *ibid.*

71 Which consists of 'willing Member [tax administrations] TAs and Observers of the Council which, making full use of their existing training institutions or expertise, are dedicated to conducting tax-related training, research and technical assistance programs'. Through this network, training courses, technical assistance, and academic research and exchange will be carried out to facilitate tax administration cooperation amongst the BRI jurisdictions, *ibid.*

72 For an analysis of the role of China in the BRI from a trade, tax and investment perspective see Sampson, Wang, Mosquera Valderrama (n 66). See also Rasmus Corlin Christensen and Martin Hearson, 'The Rise of China and Contestation in Global Tax Governance' (2022) *Asia Pacific Business Review* 1.

in a lack of effective participation in the initiative mainly due to resource constraints of the tax administration to participate actively in the discussions.

For instance, a country such as Rwanda, a landlocked developing country is a member of several regional initiatives, e.g. the East Africa Community (EAC), the Southern Africa Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), the Economic and Monetary Community of Central Africa (CEEAC), the African Union, and the Organization for African, Caribbean and Pacific States (OACPS), among others. Despite the proliferation of memberships, the World Bank stated in 2012 that Rwanda has still some work to do to unlock the benefits of increased regional integration.⁷³ This is still true, since in its analysis of regional integration in the post-covid era, the World Bank stated that to develop the regional trade potential, it is important for Rwanda to develop 'a regional trade policy to foster industrialization and harness regional and continental opportunities.'⁷⁴

The mapping of regional tax organizations in Section 2.2 shows that African countries may simultaneously participate in different regional tax organizations which may diminish the effectiveness of regional tax cooperation if the mandate and scope are not the same in both tax organizations. For example, Benin, Burkina Faso, Guinea, Mali, Niger, Senegal and Togo which are members of CREDAF and WATAF. In addition, Benin, Burkina Faso, Niger, Senegal and Togo are members of ATAF.

Furthermore, in the author's view, simultaneous participation may also limit the possibility of the regional tax organization to represent its own regional interests (e.g. Africa vs. Latin America vs. Middle America, vs. Caribbean). For instance, Barbados, Belize, Canada, India, Guyana, Jamaica, Kenya, Nigeria, Trinidad and Tobago are members of the CIAT (representing mainly Latin American and Caribbean region) and the CATA (representing Commonwealth countries). Kenya and Nigeria are also members of ATAF (representing Africa region).

Therefore, the findings of this Section 2 can be used to carry out further (empirical) research to identify why there is a lack of take up of regional agreements by developing countries. Is there a problem of ownership or trust or both? Is there a different mandate for each regional agreement/(tax) organization? Or is it a problem of weak regional institutions or unfair treatment

73 Birgit Hansl, 'Leveraging Regional Integration for Rwanda' (2012) World Bank Blogs <<https://blogs.worldbank.org/africacan/leveraging-regional-integration-for-rwanda>> accessed 11 December 2023.

74 *ibid.*

of small countries? And what is the role of policy coherence in tax, trade and investment to achieve sustainable development?

The following sections will address the two main questions raised in this contribution. Section 3 will address how the existing regional initiatives can help to enhance regional economic development. Section 4 will address how the existing regional initiatives can help to strengthen the voice of developing countries in international tax negotiations.

3 How the Existing Regional Initiatives Can Help to Enhance Regional Economic Development?

3.1 *Taxation, Regional Cooperation and Economic Development*

The relationship between taxation and regional economic development has evolved throughout time. In the 1980's tax reforms in developing countries were mainly driven by fiscal crisis and revenue was raised from foreign grants or borrowing from developed countries⁷⁵ and international organizations such as the International Monetary Fund (IMF) and the World Bank (WB).⁷⁶ Developed countries and international organizations contributed to technical assistance in tax policy and administration reforms in developing countries, and proposed (or imposed by making aid or borrowing conditional on) the changes that these countries had to make in order to provide for more efficient and competitive tax systems. The aims were (and still are) to assist developing countries to strengthen their tax systems, enhancing international tax cooperation and knowledge sharing among tax administrations.

Since 2000 and as result of the commitment of governments and international organizations to eradicate poverty, and to develop a global partnership for development (Millennium Development Goals), countries and international organizations (e.g. World Bank, the Organization for Economic Cooperation and Development (OECD), and the United Nations (UN)) are presenting proposals that address the contribution of international tax cooperation and regional integration to development. The Millennium Development Goals have been replaced by the 2030 Sustainable Development Agenda, which also includes Goal 17 to 'Strengthen the means of implementation and revitalize

75 For instance, GIZ, NORaid, UK Development Aid, Dutch Development Aid among others.

76 Roy W Bahl and Richard M Bird, 'Tax Policy in Developing Countries: Looking Back – and Forward' (2008) 61 *National Tax Journal* 279, 288.

the Global Partnership for Sustainable Development.’ This Goal provides for two targets that link taxation, regional integration and development:

17.1. Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection as well as North-South Cooperation, South-South cooperation ...

17.6. Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge-sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism⁷⁷

By achieving international cooperation (and in this case tax cooperation), countries in the Global South may raise revenue to achieve the SDGs as well as to provide public services (education, health, etc.).

Even though the importance of economic development and achievement of the sustainable development goals has been acknowledged by regional organizations, international organizations still lack a comprehensive approach towards regional economic development.

One example is the 2022 UNCTAD Trade and Development Report which highlights the need to provide multilateral action to achieve economic growth and to address the problems of developing countries following the pandemic and the current economic crisis.⁷⁸ Despite the reference to development no reference was made to the role of regional organizations or regional trade agreements.

Another example is the 2022 World Investment Report which highlighted developing countries’ investment and trade facilitation measures to attract foreign direct investment (FDI).⁷⁹ In this report, attention was given to the cur-

77 United Nations, ‘Global Indicator Framework for the Sustainable Development Goals and Targets of the 2030 Agenda for Sustainable Development’ (2017) A/RES/71/313 <https://unstats.un.org/sdgs/indicators/Global%20Indicator%20Framework%20after%202022%20refinement_Eng.pdf> accessed 11 December 2023, 21–22.

78 UNCTAD, ‘Trade and Development Report: Development Prospects in a Fractured World: Global Disorder and Regional Responses’ (2022) <https://unctad.org/system/files/official-document/tdr2022_en.pdf> accessed 11 December 2023, 1.

79 UNCTAD, ‘World Investment Report 2022: International Tax Reforms and Sustainable Investment’ (2022) <https://unctad.org/system/files/official-document/wir2022_en.pdf> accessed 11 December 2023 60 .

rent tax initiatives (see Section 4.1.1) and their effect on developing countries. However, no attention was given in these reports to regional tailored solutions or to the role of regional organizations to achieve sustainable development.⁸⁰

It would have been desirable that these reports have also addressed the 2020 United Nations Initiative on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements.⁸¹ Since the effects of the Global Pandemic are still relevant for countries, it will be important to discuss how the regional cooperation can also enhance domestic resource mobilization. This has been recently analysed (although not for international tax cooperation) by the Asian Development Bank background report in 2021.⁸² The following section will address how regionalism can contribute to achieve economic development.

3.2 *Regionalism as One of the Ways to Achieve Economic Development*

In general, regionalism is regarded by organizations and countries as one of the possible solutions to achieve development by enhancing trade, and in some cases economic and political integration. The importance of regionalism has been addressed by several international and supranational (EU) organizations. The analysis has focused on costs and benefits, shortcomings, and problems that the countries may have to achieve regional integration.

For instance, in respect of regional integration in developing countries, the World Bank presented in the framework of the project on regionalism and development several working papers that analyzed the costs and benefits of regional integration for small countries and specific regions such as

80 A short reference is made to African Continental Free Trade Area (AfCFTA) mainly regarding the negotiations to the Investment Protocol. There are also references to Mega Regional Agreements which cover several topics including investment. eg AfCFTA, Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), EU–United Kingdom Trade and Cooperation Agreement (EU–UK TCA), Regional Comprehensive Economic Partnership Agreement (RCEP), United States–Mexico–Canada Agreement (USMCA); *ibid* at 70.

81 This Initiative is coordinated by UNESCAP and implemented jointly by UNCTAD and the 5 United Nations Regional Commissions (ECA, ECLAC, ESCAP, ESCWA and UNECE) in cooperation with WTO, CUTS and several other organizations from civil society, academia, and the private sector. See <<https://www.unescap.org/projects/imp>> accessed 11 December 2023. See also UNESCAP, 'Handbook on Provisions and Options for Trade in Times of Crisis and Pandemic' (2021) <<https://www.unescap.org/kp/2021/handbook-provisions-and-options-trade-times-crisis-and-pandemic>> accessed 11 December 2023.

82 Go Nagata (n 8).

the CARICOM, MERCOSUR, and Central American Common Market.⁸³ Several working papers on the impact of trade liberalization in regional integration have been presented by regional institutions, i.e. the Inter-American Development Bank and the Asian Development Bank. These reports deal among others with the obstacles and the impact of regional integration and the methodology to evaluate regional integration.⁸⁴

In 2005, the IMF conducted an institutional and economic analysis of Central America's global integration and regional cooperation policies.⁸⁵ This report addressed the macroeconomic and fiscal sustainability analysis of regional integration in Central America and the problems that weak institutions and political uncertainties may cause in the process of regional integration. More recently, in light of the COVID 19-pandemic crisis, the IMF has released some reports which recommend fostering trade integration between regions to accelerate COVID recovery.⁸⁶

For the African region, the 2009 EU Report on Development (Overcoming Fragility in Africa) suggested that the right level of regional integration, including local leadership and adequate incentives for the countries are necessary requirements to take advantage of regional integration mechanisms. This report highlighted that regional policies are poorly implemented in the Sub-Saharan African region due to poor governance, weak national institutions structures, and lack of political will.⁸⁷ No further analysis of the causes and possible solutions to these problems were presented in this report. More recently in 2019, and in light of the African Continental Free Trade Agreement, the UNCTAD is addressing the operationalisation of regional trade integration. The aim is to find out how trade facilitation can harness to deepen regional trade integration, and for this purpose several activities have been

83 Maurice Schiff and Alan L Winters, *Regional Integration and Development* (World Bank and OUP 2003) <<http://hdl.handle.net/10986/15172>> accessed 11 December 2023.

84 Alberto Barreix, Luiz Vilela and Jerónimo Roca, 'Fiscal Impact of Trade Liberalization in the Americas' (2004) Inter-American Development Bank Periodic Note on Integration and Trade in the Americas; Donghyun Park and Mario Arturo Ruiz Estrada, 'A New Multi-Dimensional Framework for Analyzing Regional Integration: Regional Integration Evaluation (RIE) Methodology' (2010) Asian Development Bank <<https://www.adb.org/publications/new-multi-dimensional-framework-analyzing-regional-integration-regional-integration>> accessed 11 December 2023 49.

85 Markus Rodlauer and Alfred Schipke, 'Central America: Global Integration and Regional Cooperation' (2005) International Monetary Fund Occasional Paper 243.

86 For instance between South Asia and East Asia. See Ranil M Salgado and Rahul Anand, 'South Asia's Path to Resilient Growth' (2022) International Monetary Fund.

87 Robert Schuman Centre of the European University Institute, 'European Report on Development' (2009) 130.

organized to facilitate the exchange of best practices between regions (e.g. Africa and Asia).⁸⁸

The following paragraphs will address the multilateral initiatives developed in the field of taxation including the concerns of regional organizations regarding the legitimacy and feasibility of these initiatives and the call by regional tax organizations for regional tailored solutions.

4 How the Existing Regional Initiatives Can Help to Strengthen the Voices of Developing Countries in International Tax Negotiations

4.1 *International Tax Cooperation*

4.1.1 International Tax Cooperation Initiatives

The 2008 financial crisis resulted in political leaders in the G20 and G8 meetings addressing the importance to enhance international tax cooperation, which included mainly transparency, and exchange of information for developed countries and developing countries. Leaders also expressed their willingness to help developing countries to strengthen their tax systems to increase their own revenue resources.

In order to achieve transparency, the OECD developed with the political mandate of the G20 first the standard on exchange of information and thereafter the standard on automatic exchange of financial account information. To enhance the implementation of the standard on exchange of information, the OECD created the Global Transparency Forum. At the time of writing more than 160 jurisdictions have become members of this Forum.⁸⁹ To facilitate the exchange of financial account information, 120 jurisdictions have signed the Multilateral Competent Authority Agreement (CRS MCAA).⁹⁰ To provide technical assistance to developing countries, Pilot Projects between developed and developing countries were developed.⁹¹ Furthermore, the United Nations

88 Celine Bacrot and Giovanni Valensisi, 'Harnessing Trade Facilitation for Regional Integration' (2019) UNCTAD <<https://unctad.org/news/harnessing-trade-facilitation-regional-integration>> accessed 11 December 2023.

89 OECD, 'Global Forum Members' (Global Forum on Transparency and Exchange of Information for Tax Purposes) <<https://www.oecd.org/tax/transparency/who-we-are/members/>> accessed 11 December 2023.

90 <<https://www.oecd.org/tax/automatic-exchange/about-automatic-exchange/crs-mcaa-signatories.pdf>> accessed 11 December 2023.

91 For instance, regarding pilot projects: AEOI, the Global Forum Annual Report mentioned seven bilateral pilot projects. See OECD, 'Tax Transparency 2018: Report on Progress' (OECD 2018) <<https://www.oecd.org/tax/transparency/global-forum-annual-report-2018.pdf>> accessed 11 December 2023.

Development Programme has introduced a programme to provide technical assistance to tax administrations in developing countries throughout the Tax Inspector Without Borders Programme.⁹²

In 2013, the OECD introduced with the political mandate of the G20 a project to tackle Base Erosion and Profit Shifting by Multinationals (BEPS). In 2015 non-OECD, non G20 countries were invited to participate as BEPS Associate in the BEPS Inclusive Framework and to commit to the implementation of the 4 Minimum Standards of the BEPS Project. More recently, in October 2021, the OECD, G20 and the BEPS Inclusive Framework have reached a political agreement to introduce measures to tax highly digitalized business (Pillar 1) and to introduce a minimum tax rate of 15% (Pillar 2 GloBE). These initiatives have received criticism from developing countries, scholars and civil society regarding the role of the OECD vis-à-vis the BEPS Inclusive Framework. In addition, developing countries (individually and through regional organizations) have questioned whether these initiatives can contribute to a fair global tax order. These concerns will be addressed below.

4.1.2 The Legitimacy Concerns

In the past, some scholars have addressed the input and output legitimacy deficits of the international standards developed by the OECD with the political mandate of the G20.⁹³ Regarding input legitimacy, the main argument is that even though countries have been invited to participate in the implementation of these standards in settings such as the Global transparency Forum and BEPS Inclusive Framework, there was a lack of participation and representation of developing countries in the decision making process of the content of the BEPS Project and the BEPS 4 Minimum standards.⁹⁴ In general, tax

92 Wouter Lips and Irma Mosquera Valderrama, 'Global Sustainable Tax Governance in the OECD-G20 Transparency and BEPS Initiatives' in Cécile Brokelind and Servaas Van Thiel (eds), *Tax Sustainability in an EU and International Context* (IBFD 2020); Mosquera Valderrama (n 9); Irma Mosquera Valderrama, Dries Lesage and Wouter Lips, *Taxation, International Cooperation and the 2030 Sustainable Development Agenda*, vol 19 (Springer 2021) <<https://link.springer.com/book/10.1007/978-3-030-64857-2>> accessed 11 December 2023.

93 Irma Mosquera Valderrama, 'Legitimacy and the Making of International Tax Law: The Challenges of Multilateralism' (2015) 7 *World Tax Journal* 23; Ivan Ozai, 'Institutional and Structural Legitimacy Deficits in the International Tax Regime' (2020) 12 *World Tax Journal* 53.

94 Mosquera Valderrama, *ibid.*

scholars⁹⁵ and civil society⁹⁶ have questioned the usefulness of the BEPS Project to achieve the 2030 Sustainable Development Agenda, and the predominant role of the OECD and the OECD countries in the decision-making process.⁹⁷

Some of the concerns regarding the participation of developing countries in the BEPS Inclusive Framework were addressed by the October 2021 OECD report to the G20. In this report, the OECD introduced a proposal to include a co-chair of the BEPS Inclusive Framework representing developing countries.⁹⁸ In the report, the OECD recognized

the diverse membership of the Inclusive Framework, which includes different types of non-OECD economies, current chairing arrangements could evolve to comprise two co-chairs, including one from a non-OECD/non-G20 economy. Feedback from regional consultation events on practical ways to enhance inclusivity indicated strong support for greater representation by developing countries in the leadership of the Inclusive Framework and its subsidiary bodies. Similar co-chairing arrangements

95 Christensen (n 7); Ozai (n 93); Christians (n 7); Yariv Brauner, 'BEPS: An Interim Evaluation' (2014) 6 *World Tax Journal* 10; Richard S Collier and Nadine Riedel, 'The OECD/G20 Base Erosion and Profit Shifting Initiative and Developing Countries' (2018) 72 *Bulletin for International Taxation*.

96 Alex Cobham, 'New UN Tax Handbook: Lower-Income Countries vs OECD BEPS' (2017) *Tax Justice Network Blog* <<https://www.taxjustice.net/2017/09/11/new-un-tax-handbook-sets-lower-income-countries-oecd-beps/>>; ActionAid, 'Levelling up. Ensuring a Fairer Share of Corporate Tax for Developing Countries' (2015) <https://actionaid.nl/wp-content/uploads/2017/03/levelling_up_final.pdf>; The BEPS Monitoring Group, 'Overall Evaluation of the G20/OECD Base Erosion and Profit Shifting (BEPS) Project' (2015) <<https://bepsmonitoringgroup.wordpress.com/2015/10/05/overall-evaluation/>>; Tax Justice Network, 'Briefing on Base Erosion and Profit Shifting (BEPS) Implications for Developing Countries' (2014) <<https://www.taxjustice.net/wp-content/uploads/2013/04/TJN-Briefing-BEPS-for-Developing-Countries-Feb-2014-v2.pdf>> all accessed 11 December 2023.

97 We have argued elsewhere that there are input and output legitimacy deficits of these standards, since the participation of non-OECD countries, non G20 countries in the BEPS Project was lacking and it has not yet been proven that these standards are useful for developing countries to achieve the 2030 SDG Agenda. Mosquera Valderrama (n 93) and Irma Mosquera Valderrama, 'Output Legitimacy Deficits and the Inclusive Framework of the OECD/G20 Base Erosion and Profit Shifting Initiative' (2018) 72 *Bulletin for International Taxation*.

98 See also OECD, 'Developing Countries and the OECD/G20 Inclusive Framework on BEPS' (2021) *OECD Report for the G20 Finance Ministers and Central Bank Governors* <<https://www.oecd.org/tax/beps/developing-countries-and-the-oecd-g20-inclusive-framework-on-beps.pdf>> 45, accessed 11 December 2023.

could be considered for the Working Parties and other subsidiary bodies. In addition, consideration could be given to the revision of the memberships of the bureau or steering groups of the subsidiary bodies, to ensure that they more systemically include representatives from a range of non-OECD economies, including lower-capacity countries.⁹⁹

In November 2021, in a Ministerial Dialogue on Tax and Developing Countries¹⁰⁰ hosted by the Minister of Finance of Jamaica, countries stated their concerns regarding

the governance of the Inclusive Framework, including the representation of developing countries in leadership positions, and ways to maximise our voice and influence over international tax rule making. We noted the diversity of the membership of the Inclusive Framework and that the practicalities of participating effectively in international taxation discussions are often significant constraints, particularly for small lower capacity countries.¹⁰¹

In order to enhance governance, the countries participating in the Ministerial Dialogue recommended

To further realise equal footing and to strengthen the voices of developing countries, the governance structure of the Inclusive Framework could evolve to be more representative of developing countries and ensure their views are heard and understood (including a developing country representative co-hosting the Inclusive Framework and an updated mandate and role for the Advisory Group for Co-operation with Partner Economies). Practical measures to support the effective participation by developing countries during meetings are also important. Different

99 *ibid.*

100 Countries participating Barbados, Côte d'Ivoire, Egypt, Georgia, Honduras, Jamaica, Jordan, Senegal, Thailand, and Vietnam and the three countries hosting the G20 Presidency between 2020–2022, ie the United Kingdom, Italy and Indonesia. See Office of the Minister of Finance and the Public Service (Jamaica), 'Chair's Statement of Outcomes. Ministerial Dialogue on Tax and Developing Countries. Hosted by the Minister of Finance of Jamaica' (2021) <<https://mof.gov.jm/wp-content/uploads/chair-statement-of-outcomes-ministerial-dialogue-on-tax-and-developing-countries.pdf>> accessed 11 December 2023.

101 *ibid.*, 1.

regions can reflect further about how regional bodies can gear up and prepare effectively for international taxation discussions.¹⁰²

The outcome of these discussions is the setting of a co-chair of the BEPS Inclusive Framework from a non-OECD/non-G20 country to enhance the participation of developing countries in international tax discussions. The question is whether this is sufficient to address countries', regional organizations', civil society's, and scholar's concerns regarding legitimacy, even more so in the Pillar 1 and Pillar 2 proposals.

These concerns have been raised by regional organizations African Union¹⁰³ and CARICOM¹⁰⁴ as well as by regional tax organizations such as the African Tax Administration Forum (ATAF). One example is for instance the proposal presented by ATAF in July 2021¹⁰⁵ which departs from the solution adopted by the OECD and addresses the need to provide effective and equitable Pillar 1 and Pillar 2 rules. The lack of consensus and the legitimacy concerns have also resulted in countries developing unilateral rules to deal with the taxation of the digital economy,¹⁰⁶ as well as with the introduction of the minimum tax.¹⁰⁷

¹⁰² *ibid.*, 2.

¹⁰³ African Union, 'Africa Calls for International Taxation Systems Reforms as It Forges a Common Position on Digital Taxation' (2020) <<https://au.int/en/pressreleases/20201208/africa-calls-international-taxation-systems-reforms-it-forges-common-position>> accessed 11 December 2023.

¹⁰⁴ CARICOM, 'Caricom Wants Inter-Governmental Tax Body to Set Standards, Rules' (2020) <<https://caricom.org/caricom-wants-inter-governmental-tax-body-to-set-standards-rules/>> accessed 11 December 2023.

¹⁰⁵ ATAF, '130 Inclusive Framework Countries and Jurisdictions Join a New Two-Pillar Plan to Reform International Taxation Rules – What Does This Mean for Africa?' (2021) <<https://www.ataftax.org/130-inclusive-framework-countries-and-jurisdictions-join-a-new-two-pillar-plan-to-reform-international-taxation-rules-what-does-this-mean-for-africa>> accessed 11 December 2023.

¹⁰⁶ Examples are the digital service tax, significant economic presence, among others. See Irma Mosquera Valderrama, 'Trade, Digitalization and Taxation' in Julien Chaisse and Cristián Rodríguez-Chiffelle (eds), *The Elgar Companion to the WTO* (Elgar 2023) 90–107.

¹⁰⁷ Examples are the EU Directive adopting the GLoBE, and the introduction by countries of GLoBE rules eg Japan with some differences from the OECD GloBe rules, see PWC, 'Japan's 2023 Tax Reform Proposals Include an Outline for Pillar Two Legislation' (2023) <<https://www.pwc.com/us/en/services/tax/library/japan-2023-tax-reform-proposals-includes-pillar-two-legislation.html>>; BakerMcKenzie, 'Japan and South Africa: 2023 Shifting Trends in International Tax' (2023) <<https://insightplus.bakermckenzie.com/bm/tax/japan-and-south-africa-2023-shifting-trends-in-international-tax/>> both accessed 11 December 2023.

The legitimacy of Pillar 1 and Pillar 2 has also been questioned by developing countries even though the decision-making process of Pillar 1 and Pillar 2 follows the political outcome reached in 2021 by 137 of the 141 jurisdictions (at that time) participating in the BEPS Inclusive Framework.¹⁰⁸ The number has now increased to 141, since the inclusive framework has increased to 145 (including 2 jurisdictions that joined in November 2023) jurisdictions.¹⁰⁹

In July 2023, 138 of the 143 (at that time; now 145) jurisdictions committed to the standstill (freeze) of digital taxes while global agreement is being reached and have agreed on the introduction of an implementation package for Pillar One and Pillar Two.¹¹⁰ Belarus, Canada, Pakistan, Russia and Sri Lanka did not support this political statement.¹¹¹

At the UN level, a UN Resolution on 'Promotion of Inclusive and Effective International Tax Cooperation at the United Nations' was approved in November 2022 by the Second Committee of the UN.¹¹² The discussions for this resolution were initiated by Nigeria (one of the countries that did not participate in the 2021 political outcome agreed by 137 of the 141 jurisdictions participating in the BEPS Inclusive Framework).

In the notes containing the summary of the discussions the position of the representative of the government of Nigeria has been summarized. According to the notes, for this representative,

good governance and investment constitute Africa's goals relating to the 2030 Agenda on Sustainable Development, pointing out efforts focused on strengthening tax systems. He underscored that the African Group has

¹⁰⁸ From the 142 countries, 4 countries (Nigeria, Sri Lanka, Kenya and Pakistan) did not participate in the political agreement. OECD, 'Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy – 1 July 2021' (OECD 2021) <<https://www.oecd.org/tax/beps/statement-on-a-two-pillar-solution-to-address-the-tax-challenges-arising-from-the-digitalisation-of-the-economy-july-2021.pdf>> accessed 11 December 2023.

¹⁰⁹ OECD (n 4).

¹¹⁰ OECD, 'Outcome Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy' (11 July 2023) <<https://www.oecd.org/tax/beps/outcome-statement-on-the-two-pillar-solution-to-address-the-tax-challenges-arising-from-the-digitalisation-of-the-economy-july-2023.pdf>> accessed 11 December 2023.

¹¹¹ Canada is not in agreement with the standstill of digital taxes. See 'Countries Agree to Extend Digital Services Tax Freeze Through 2024' (*Reuters*, 12 July 2023) <<https://www.reuters.com/business/finance/countries-agree-extend-digital-services-tax-freeze-through-2024-2023-07-12/>> accessed 11 December 2023.

¹¹² UNGA Promotion of Inclusive and Effective International Tax Cooperation at the United Nations, 'Second Committee Revised Draft Resolution' (16 November 2022) A/C.2/77/L.11/Rev.1.

invested heavily on tax policy and administration, significantly increasing its capacity. Further, African countries have strengthened their participation in tax cooperation efforts and called on the United Nations to begin negotiations on a convention on tax matters.¹¹³

In July 2023 in the First Latin American and Caribbean Summit for an Inclusive, Sustainable and Equitable Global Tax Order which has been initiated by Colombia, Chile and Brazil; Finance ministers and high-level officials from 16 of the Latin American and Caribbean countries have approved the creation of a regional tax cooperation platform for Latin American and the Caribbean. This agreement has been supported by the United Nations Economic Commission for Latin America and the Caribbean, known as ECLAC (in Spanish CEPAL) which will act as the 'technical secretariat' for this platform.¹¹⁴ In the joint declaration the signatory countries

affirm their commitment to generating knowledge, sharing experiences, contributing to the forging of shared positions and non-binding concrete solutions that would guide ministerial decision-making in addressing the region's tax policy challenges. Furthermore, they seek to build in a participatory way and through consensus a space for integrating Treasury, Economy and Finance ministers to foster dialogue with the aim of ensuring that international and regional tax policies be inclusive, equitable, environmentally and socially sustainable and favorable to growth, the reduction of inequalities and the achievement of the Sustainable Development Goals (SDGs).¹¹⁵

Following the UN November 2022 Resolution on the promotion of an inclusive and effective tax cooperation at the UN in December 2022 and a detailed report by the Secretary-General published in July 2023, the UN African Group and other developing countries proposed an UN Resolution to develop an

113 United Nations, 'Concluding Its Session, Second Committee Approves 11 Draft Resolutions, Including Texts on Women's Development, Global Tax Cooperation, Entrepreneurship' (2022); 'Africa Calls for International Taxation Systems Reforms as It Forges a Common Position on Digital Taxation' (Africa Union, 8 December 2020) <<https://au.int/en/pressreleases/20201208/africa-calls-international-taxation-systems-reforms-it-forges-common-position>> accessed 11 December 2023.

114 CEPAL, Press Communique (27 July 2023) <<https://www.cepal.org/en/pressreleases/authorities-16-countries-approve-creation-regional-tax-cooperation-platform-latin>> accessed 11 December 2023.

115 *ibid.*

international framework Convention to enhance inclusive and effective international tax cooperation under the auspices of the UN. This UN Resolution has been adopted in November 2023.¹¹⁶ For this purpose, the UN Resolution proposed the creation of an ad hoc intergovernmental committee will be created to draft this framework Convention This ad hoc committee is at the time of writing in place.

This Resolution recognizes the importance of actions at international, regional and national level to address the role of taxation in order to close the sustainable development financing gap. It also acknowledges the role of the African Union in promoting international tax cooperation to fight illicit financial flows.¹¹⁷ The UN Resolution also refers to the recent

Regional Platform for Tax Cooperation in Latin America and the Caribbean with the purpose of contributing to the collective search for solutions to the key fiscal issues of developing countries and of achieving equitable tax policies that are conducive to growth, the reduction of inequalities and the financing of the Sustainable Development Goals.¹¹⁸

4.1.3 Preliminary Observations

The above actions shows that countries in Africa, Central America, the Caribbean and Latin America, civil society and scholars are questioning the legitimacy of the initiatives to achieve international tax cooperation developed by the OECD and G20 and the need to establish a fair global tax order.¹¹⁹ In addition, Latin American and Caribbean countries have agreed on a regional cooperation framework to address the needs of their regions and to agree on common solutions tailored to their regions.

Furthermore, the UN Resolution for the Promotion of inclusive and effective international tax cooperation at the United Nations also states the importance to ‘take into consideration the work of other relevant forums, potential synergies and the existing tools, strengths, expertise and complementarities available in the multiple institutions involved in tax cooperation at the international,

116 Full text of the UN Resolution is available at <<https://documents-dds-ny.un.org/doc/UNDOC/LTD/N23/356/75/PDF/N2335675.pdf?OpenElement>> accessed 11 December 2023.

117 *ibid*, 3.

118 *ibid*, 4.

119 ATAF, ‘Statement on the Success of the Africa Group Resolution for the Creation of a United Nations Convention on International Tax Cooperation’ (2022) <<https://www.ataftax.org/ataf-statement-on-the-success-of-the-africa-group-resolution-for-the-creation-of-a-united-nations-convention-on-international-tax-cooperation>> accessed 11 December 2023.

regional and local levels'.¹²⁰ However, in order to reach an agreement to these solutions and to strengthen the voice of regions in global tax negotiations, the obstacles to achieve regional integration should be removed. These obstacles are addressed the following section.

4.2 *Regionalism as One of the Ways to Strengthen the Voice of the Regions in Global Tax Negotiations*

The multilateral developments in taxation (BEPS Project, BEPS Inclusive Framework, BEPS Multilateral Instrument) have been seen by trade and investment organizations as the path to follow to achieve consensus in multilateral settings.¹²¹ The main argument is that the BEPS Project shows that despite tax sovereignty, solutions to the problems of taxation can be addressed throughout multilateral settings developed by the OECD and the G20. Therefore, other organizations that are struggling with seeking multilateral solutions in areas such as trade and investment can also follow the BEPS model to achieve global consensus for instance at the WTO¹²² and UNCITRAL level.¹²³

However, this 'optimistic' approach should keep in mind that in taxation there are legitimacy deficits, as well. Despite the agreement to implement the BEPS 4 Minimum Standards by countries of the BEPS Inclusive Framework and the commitment of countries to sign a Multilateral Instrument to modify bilateral tax treaties, countries and civil society are still questioning the legitimacy of the role of the OECD, the G20 as well as the representation and participation of developing countries in the multilateral tax solutions (Section 4.1.2).

These concerns have been raised in the discussions regarding the implementation of the BEPS Project and more recently in the discussions of the adoption of Pillar 1 and Pillar 2 Proposal. These concerns have been raised despite

120 United Nations General Assembly (n 13) 5.

121 For instance, see submission of Colombia to UNCITRAL in June 2019 that proposed the use of the BEPS Multilateral Instrument as a Model for the negotiation of the International Investment Agreements. UNGA, 'Possible Reform of Investor-State Dispute Settlement (ISDS). Submission from the Government of Colombia. Note by the Secretariat' (2019) A/CN.9/WG.III/WP.173 <https://uncitral.un.org/sites/uncitral.un.org/files/wgiii_wp_173e.pdf> accessed 11 December 2023.

122 See for instance discussions at the WTO Session 'Trade and Tax: Adapting to Digitalization'; World Economic Forum, 'Report by Session Organizer: Trade and Tax: Adapting to Digitalization' (2019) <<https://globtaxgov.weblog.leidenuniv.nl/files/2019/12/WTO-public-forum.pdf>> accessed 11 December 2023.

123 See I Mosquera Valderrama, 'Tax Governance a Model to Reform International Investment Agreements' (UNCITRAL Meetings, 2019) <<https://globtaxgov.weblog.leidenuniv.nl/files/2019/10/Mosquera-presentation-13-October-2019.pdf>> accessed 11 December 2023.

the fact that unlike the BEPS Project where the OECD-G20 participated in the decision-making process, with Pillar 1 and Pillar 2, the decision-making process is left to the countries of the BEPS Inclusive Framework that includes OECD, G20 and non-OECD, non-G20 countries.

As it has been addressed in Section 4.1.2 countries in Africa, the Caribbean and Latin America have expressed their concerns on the fairness of the Pillar 1 and Pillar 2 solutions, and sometimes their willingness to seek regional instead of multilateral solutions. The recent approval of the UN resolution to address international tax cooperation initiated by Nigeria, one of the 4 countries that decided not to commit in the political statement on Pillar 1 and Pillar 2, followed by the approval of the UN resolution to create an ad hoc intergovernmental committee to draft the UN Framework Convention for more inclusive and effective international tax cooperations shows that there is more that needs to be done to achieve legitimacy of the multilateral initiatives. Therefore, in multilateral and also in regional settings legitimacy is a condition to achieve more integration.

For regionalism to work it is also important that countries have the same objectives, as well as a commitment of countries to adopt regional models. The mapping in Sections 2.1 and 2.2 above shows that countries decide to participate in one or several tax organizations. Some of these regional organizations also have a regional tax treaty for the region, or models to use with other countries outside the region. But research carried out in the past has shown that despite the existence of these models, countries may choose to negotiate their tax treaty mainly based on the OECD Model.¹²⁴ Also regional tax treaties may differ from the OECD Model, one example is the Andean Community Tax Treaty Model that provides for more allocation rights to country of source.¹²⁵

124 Wim Wijnen and Jan de Goede, 'The UN Model in Practice 1997–2013' (2014) 68 *Bulletin for International Taxation* 118; Pasquale Pistone, 'General Report' in Claus Staringer and others (eds), *The Impact of the OECD and UN Model Conventions on Bilateral Tax Treaties* (CUP 2012) <<https://www.cambridge.org/core/books/impact-of-the-oecd-and-un-model-conventions-on-bilateral-tax-treaties/colombia/F5E22B8CB3C27CA13B9749D5C096A1AD>> accessed 11 December 2023. See also on the use of the OECD Model and UN Model: Veronika Daurer, 'Tax Treaties and Developing Countries' (2014) 42 *Intertax* 695. For a case study of the use of the OECD Model and the UN Model in Africa, see Veronika Daurer and Richard Krever, 'Choosing between the UN and OECD Tax Policy Models: An African Case Study' (2014) 22 *African Journal of International and Comparative Law* 1.

125 For an overview of the differences among regional tax treaty models, see Kiyoshi Nakayama, 'How to Design a Regional Tax Treaty and Tax Treaty Policy Framework in a Developing Country', IMF Fiscal Affairs Department Note 21/03 (2021) <<https://www.imf.org/-/media/Files/Publications/HowToNotes/2021/English/HTNEA2021003.ashx>> accessed 13 December 2023.

Therefore, regionalism in taxation has obstacles that need to be addressed by the regions, organizations, and this should be done in a coherent way that facilitates the exchange of best practices between tax administrations of countries in different regions. This should not be only done in the framework of BRITACOM as initiated by China in light of the Belt and Road Initiative (see Section 2.2.2 above), but also in other frameworks. In this case, the Network of Tax Organizations could be an important actor to achieve more coordination, ownership, exchange of ideas, as well as to facilitate cooperation among regional tax organizations.

5 Conclusions and Recommendations for Further Research

This article aimed to first provide a mapping of the regional initiatives and organizations and their link to regional tax cooperation. The second aim was to analyze how the existing regional tax cooperation initiatives can help to enhance regional economic development and to strengthen the voices of developing countries in international tax negotiations.

Despite the importance of regional integration to achieve development, attention should be given to the proliferation of regional initiatives that may result in a lack of take up by countries of these initiatives. The mapping of the initiatives in Section 2 shows that countries are members of several different initiatives/agreements/organizations. Since some of these regional initiatives deal with the same objective (e.g. trade, economic, political integration), more research should be done on the proliferation of membership and initiatives, and how these initiatives interact with multilateral developments.

In international tax cooperation, there are different regional models, initiatives, and tax organizations. As in trade and investment, there is not a clear path on how these initiatives can contribute to sustainable development. Moreover, the multilateral initiatives such as the BEPS Project developed by the OECD with the political mandate of the G20 have legitimacy deficits which have been addressed by scholars, countries and civil society. In order to solve these deficits, the OECD has created the BEPS Inclusive Framework, and it has introduced a co-chair of a developing country of the BEPS Inclusive Framework.

However, in the midst of the discussions regarding Pillar 1 and Pillar 2, the legitimacy concerns of developing countries are still present. Therefore, with the support of some African countries as well as ATAF, Nigeria initiated the discussion to give to the UN the main role in the development of international initiatives for cooperation. The result is two UN Resolutions (November 2022

and November 2023) and a UN detailed report by the Secretary General in July 2023. The November 2023 UN Resolution states the need to develop an international framework Convention to promote inclusive and effective international tax cooperation. This Resolution proposes the introduction of an ad-hoc governmental to draft this framework Convention.

However one question that remains is how this Framework can operate in a regional context. In the author's view, even though this UN Resolution has stressed the need to take into account the work of other relevant forums, potential synergies and complementarities available in multiple institutions involved in international tax cooperation at international, local and regional level (see Section 4.1.2) it is still not clear, what would be the role of regional tax organizations and regional tax cooperation frameworks identified in Sections 2.2.1 and 2.2.2 in facilitating the work of this ad hoc intergovernmental committee.

In addition, countries such as Colombia and Chile (member of the OECD) have decided to initiate regional discussions to address the problems of Pillar 1 and Pillar 2 in a regional setting mainly throughout the creation of the Regional Tax Cooperation Platform for Latin American and the Caribbean (Section 4.1.2). This shows that multilateral initiatives are still far from being the only solution for all problems of international tax cooperation, and that international organizations such as the OECD, and the UN as well as political forums will need to take consensus and legitimacy into account when designing multilateral tax initiatives.

To conclude, the analysis provided in Sections 2, 3 and 4 shows that despite the benefits of regional cooperation, there are still obstacles to regional cooperation, and that these obstacles may also influence economic development. In the author's view, the proliferation of memberships and organizations may be an obstacle to achieve regional economic development. Countries may want to participate in several agreements which may have the same or similar objectives, and in some cases, to withdraw from one or another, in order to focus on another agreement. This is the case of South Africa that has decided to withdraw from the OACPS which has been negotiating the EU-ACP (Post-Cotonu Agreement).

Against this background, the regional networks can play an important role to give form and shape to international tax cooperation at a regional level. However, in order to achieve this objective, the proliferation and membership of countries to different regional organizations identified in this article will need to be addressed. In the author's view, it is important for regional organizations and initiatives will need to set up their own objectives, their own roadmap to achieve these objectives, and to ensure that countries that are

members of the regional initiatives truly and effectively participate in these initiatives and not only 'on paper'.

It is important to link regional integration to regional economic development and to the 2030 Sustainable Development Agenda. The mapping of regional economic integration initiatives shows that only one organization has introduced its own development Agenda (Africa Union 2023 Development Agenda). Therefore, in order to achieve economic development, the attention of regional organizations and international organizations should also focus on how regional initiatives can be useful to achieve SDG 17.6 that promotes '*North-South, South-South and triangular regional and international cooperation*' (see Section 2.2.1 above).

Finally, more research should be done to achieve policy coherence in tax, trade and investment initiatives to achieve development. Unlike reports provided by the EU¹²⁶ or developed countries¹²⁷ on policy coherence, the regional organizations and their member countries should be the ones who develop their own analysis and provide for their own policies that allow the countries to achieve their SDGs. The mapping of Section 2.1 above shows that some organizations have introduced regional tax treaties, investment codes. However, these are separate instruments that may or may not be implemented by the organizations. Therefore, more research should be carried out on policy coherence and how this policy coherence is linked to the 2030 Sustainable Development Agenda. This analysis can contribute to foster tailored regional solutions, and in this way achieve SDG 17.6 that promotes regional tailored partnerships for development.

126 European Commission, '2019 EU Report on Policy Coherence for Development' (2019) <https://international-partnerships.ec.europa.eu/system/files/2019-09/swd-2019-20-pcdreport_en.pdf> accessed 11 December 2023.

127 See for the Netherlands, the 2016 (revised in 2018) Coherence for Development Plan. This Plan is now currently under revision. Minister for Foreign Trade and Development Cooperation (Netherlands), 'Letter of 25 November 2022 from the Minister for Foreign Trade and Development Cooperation to the House of Representatives on the Revised Action Plan on Policy Coherence for Development' (2023) <<https://www.government.nl/documents/parliamentary-documents/2023/02/06/letter-to-parliament-action-plan-on-policy-coherence-for-development>>. See also OECD, 'Country Profile – The Netherlands' <https://www.oecd.org/governance/pcsd/Country%20profile%20-%20The%20Netherlands_rev.pdf>; OECD, 'Country Profile – Belgium' <<https://www.oecd.org/governance/pcsd/Belgium.pdf>> all accessed 11 December 2023.

Funding Information

The writing of this article was substantially supported by the GLOBTAXGOV Project (2018–2023) funded by the European Research Council (ERC) under the European Union's Seven Framework Programme (FP/2007–2013) (ERC Grant agreement n. 758671) and the EU Jean Monnet Chair EUTAXGOV funded by Erasmus+ Programme (Grant agreement n. 101047417).