YOUTH FOR
TAX JUSTICE
NETWORK

The UN Framework Convention July 2026 Draft: What Youth Won, What Was Weakened, and What Must Be Done Going Forward

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A Defining Moment for Tax Justice

The release of the Co-Lead's Zero Draft of the UN Framework Convention on International Tax Cooperation on 21 July 2026 marks a defining moment in the decades-long struggle for a fair and equitable international tax system. For the first time, a UN treaty stands on the verge of becoming reality, one that could transform how countries tax multinational corporations, curb illicit financial flows, and mobilize domestic resources for sustainable development.

For the 1.8 billion young people worldwide, 90% of whom live in developing countries, this Convention represents hope. Hope that the revenues lost to tax abuse estimated at $480 billion annually, with Africa losing $89 billion can finally be redirected toward education, healthcare, climate adaptation, and decent work.

But hope is not victory. The Zero Draft is a foundation, not a finished product. It contains significant wins for the Global South, but also troubling weaknesses that must be addressed in the next phase of negotiations.

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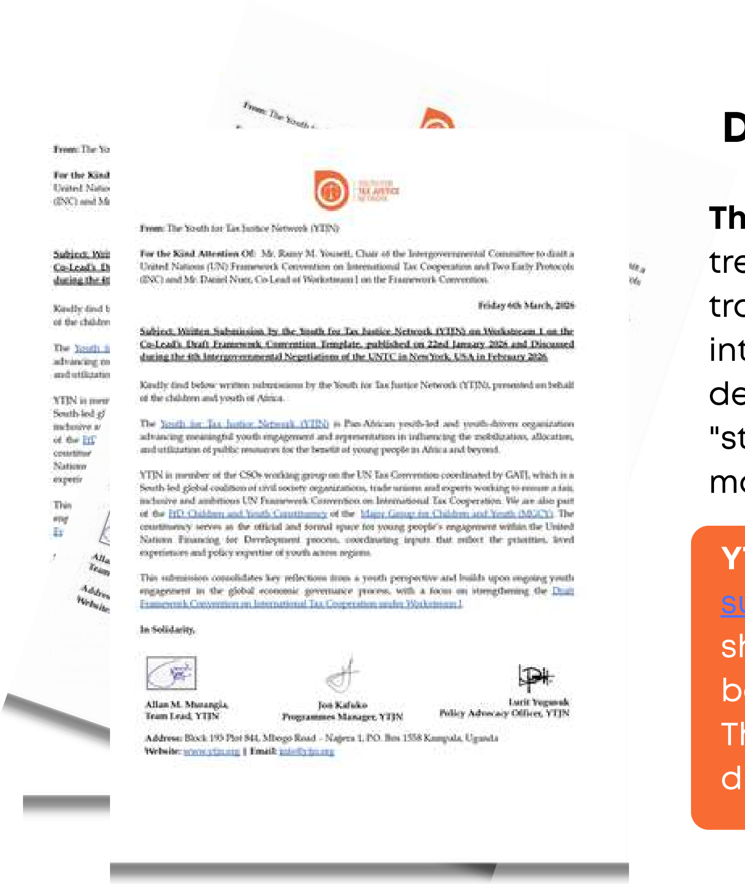
PART I: Victories In The Framework Convention


From: The Youth for Tax Justice Network (YTJN)

For the Kind Attention Of: Mr. Ramy M. Youssef, Chair of the Intergovernmental Committee to draft a United Nations (UN) Framework Convention on International Tax Cooperation and Two Early Protocols (INC) and Mr. Daniel Nuer, Co-Lead of Workstream I on the Framework Convention.

Friday 6th March, 2026

Subject: Written Submission by the Youth for Tax Justice Network (YTJN) on Workstream I on the Co-Lead's Draft Framework Convention Template, published on 22nd January 2026 and Discussed during the 4th Intergovernmental Negotiations of the UNTC in New York, USA in February 2026

Kindly find below written submissions by the Youth for Tax Justice Network (YTJN), presented on behalf of the children and youth of Africa.

The Youth for Tax Justice Network (YTJN) is Pan-African youth-led and youth-driven organization advancing meaningful youth engagement and representation in influencing the mobilization, allocation, and utilization of public resources for the benefit of young people in Africa and beyond.

YTJN is member of the CSOs working group on the UN Tax Convention coordinated by GATJ, which is a South-led global coalition of civil society organizations, trade unions and experts working to ensure a fair, inclusive and ambitious UN Framework Convention on International Tax Cooperation. We are also part of the FfD Children and Youth Constituency of the Major Group for Children and Youth (MGCY). The constituency serves as the official and formal space for young people's engagement within the United Nations Financing for Development process, coordinating inputs that reflect the priorities, lived experiences and policy expertise of youth across regions.

This submission consolidates key reflections from a youth perspective and builds upon ongoing youth engagement in the global economic governance process, with a focus on strengthening the Draft Framework Convention on International Tax Cooperation under Workstream I.

In Solidarity,

Allan M. Musangja, Team Lead, YTJN

Jon Kafuko, Programmes Manager, YTJN

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Article 1: A Clear Mandate for Domestic Resource Mobilization

The Result: The July draft establishes as a treaty objective an "inclusive, fair, transparent, efficient, equitable, and effective international tax system for sustainable development" with explicit commitments to "strengthening domestic resource mobilization."

YTJN Contribution: YTJN's 6 March 2026 submission explicitly called for "No State shall be denied taxing rights solely on the basis of the absence of physical presence." This language is directly reflected in the July draft.

Why this matters: For the first time, a global tax treaty will explicitly require States to design tax systems that mobilize resources for development resources that can fund schools, clinics, and climate action for the largest generation in history.

Article 2: Principles Anchored in Human Rights and Fairness

The Result: The draft sets out eight guiding principles, including alignment with international human rights law, a holistic sustainable development perspective, fairness in the allocation of taxing rights, and transparency and accountability of all taxpayers.

YTJN Contribution: YTJN's 5 December 2025 submission explicitly called for "intergenerational equity" as a guiding principle and "transparency and accountability of all taxpayers." While the exact term "intergenerational equity" was not used, the principles collectively establish a strong intergenerational justice framework.

Why this matters: Tax policies must now be consistent with States' obligations to progressively realize economic, social, and cultural rights including the rights of children and young people to education, healthcare, and social protection.

Article 5: Source-Based Taxing Rights Without Physical Presence

The Result: The draft recognizes that taxing rights apply "*whether or not such activities involve physical presence*", a major victory for developing countries seeking tax digital economy activities.

Why this matters: African countries can now tax digital platforms that generate revenue from their markets without maintaining a local office, closing a loophole that has cost developing countries billions.

YTJN Contribution: YTJN's 6 March 2026 submission explicitly called for "*No State shall be denied taxing rights solely on the basis of the absence of physical presence.*" This language is directly reflected in the July draft.

Article 13: A Democratic COP with Implementation Powers

The Result: The draft establishes a Conference of the Parties (COP) with powers to review implementation periodically, elaborate and adopt supplementary protocols, and examine information from States Parties and international organizations.

Why this matters: The COP creates an ongoing accountability mechanism where civil society and youth can hold governments accountable and adopt future protocols with binding measures**.**

YTJN Contribution: YTJN's 6 March 2026 submission was explicit: "The COP shall review implementation, adopt decisions to operationalize commitments, establish subsidiary bodies, develop guidelines, and evaluate effectiveness. Civil society and youth organizations shall be accredited as observers." The July draft substantially adopts YTJN's vision.

Article 21: Treaty Renegotiation with Good Faith Obligations

The Result: The draft requires States Parties to take "progressive and meaningful steps towards aligning existing agreements, including, where necessary, the renegotiation of existing agreements," with a good faith obligation on the other Party.

Why this matters: Unfair treaties that have cost African countries billions cannot simply be left in place. Source countries can demand renegotiation, and treaty partners must negotiate in good faith.

YTJN Contribution: YTJN's 6 March 2026 submission called for "Where any provision of a bilateral or multilateral tax treaty between States Parties is inconsistent with this Convention, States Parties shall renegotiate or terminate such inconsistent provisions." The July draft substantially adopts this position.

Article 25: No Reservations

The Result: The draft states: "No reservations may be made to this Convention."

Why this matters: No country can opt out of core obligations. The Convention will apply uniformly, ensuring equal protection regardless of where young people live.

YTJN Contribution: YTJN's 6 March 2026 submission explicitly called for "No reservations may be made to this Convention." This was adopted in full.

PART II: Victories In Protocols 1 (Cross-Border Services)

The Result: Protocol 1 adopts source-based taxing rights that do not require physical presence. Article 5 establishes that fees for services arise in a State Party if the services are performed physically, or if the consumer is a resident, or if the payer is a resident—allowing taxation without requiring a permanent establishment. Article 6 on automated digital services further strengthens this by deeming income to arise where the consumer is resident, where consideration depends on end users in that State, or where services depend on user data generated from that State. Article 19 states that "No reservations may be made to this Protocol," ensuring uniform application.

YTJN Contribution: YTJN's 27 February 2026 submission to Workstream II called for source-based taxing rights without physical presence, significant economic presence as the primary nexus standard, and no reservations. These demands are reflected in Articles 5, 6, and 19.

Why this matters: African countries can now tax cross-border digital services without requiring companies to establish a physical presence, closing a major loophole.

PART III: Victories In Protocols 2 (Dispute Prevention and Resolution)

The Result: Protocol 2 establishes a strengthened Mutual Agreement Procedure (MAP) with flexible timelines, direct communication between competent authorities, and implementation notwithstanding domestic time limits. It includes mediation and conciliation as voluntary, non-binding tools, with mediators drawn from a roster established by the Meeting of the Parties. It establishes a comprehensive preventive architecture including Advance Pricing Arrangements, advance rulings, cooperative compliance arrangements, simultaneous tax audits, and joint audits. UN support functions are established, including maintaining rosters of mediators, providing technical assistance and capacity-building, and compiling anonymized information.

YTJN Contribution: YTJN's 27 February 2026 submission to Workstream III called for strengthened MAP with flexible timelines, voluntary mediation and conciliation, comprehensive prevention mechanisms, UN support functions, and voluntary consultations for "no treaty" situations. These demands are reflected in Articles II.1-II.10, III.1-III.6, and IV.1-IV.2.

Why this matters: Effective dispute prevention and resolution mechanisms ensure that tax revenues are not tied up in protracted disputes, allowing countries to mobilize domestic resources for development.

PART IV: What Was Weakened And Why It Matters

Article 5: Source-Based Taxing Rights Without Physical Presence

January 2026 Draft	July 2026 Draft
"Taking into account their different capacities, the States Parties agree to pursue international tax cooperation approaches that will contribute to the achievement of sustainable development in its three dimensions, economic, social and environmental, in a balanced and integrated manner."	Identical text. No changes.

What the January draft meant: It established a broad principle linking tax cooperation to sustainable development, but it was always aspirational. YTJN and civil society called for binding commitments on environmental taxation (polluter pays principle) and gender-responsive fiscal policies aligned with CEDAW. Six Parties requested greater specificity. These were not reflected.

What the July draft means: The article remains purely aspirational. No binding environmental taxation provisions. No gender-responsive fiscal policies. No reporting requirements. Polluters continue to externalize costs onto communities; costs borne disproportionately by young people in developing countries.

YTJN Position: Article 4 must include binding commitments on progressive environmental taxation (polluter pays principle), gender-responsive fiscal policies aligned with CEDAW, and regular reporting to the COP. The current text fails to give a clear mandate to unlock resources for climate action and gender equality.

Article 6: High-Net-Worth Individuals – From "Shall" to "Shall Cooperate"

January 2026 Draft	July 2026 Draft
"States Parties shall develop and implement measures to detect, deter and prevent tax avoidance and evasion by high-net-worth individuals."	"States Parties shall cooperate to enhance measures to detect, deter and prevent tax avoidance and evasion by high-net-worth individuals."
"The States Parties shall share information regarding structures and techniques used by high-net-worth individuals to avoid and evade taxes."	The States Parties shall share general information regarding structures and techniques used by high-net-worth individuals to avoid and evade taxes."
"The States Parties shall explore coordinated approaches to ensuring effective taxation of high-net-worth individuals."	"The States Parties shall explore coordinated approaches... while respecting each State Party's sovereign right to determine the design, structure and level of taxation within its national tax system."

What the January draft meant: "Shall develop and implement" created a binding obligation on States to take concrete action. "Shall share" requires active cooperation. "Shall explore" was already weak, but it was not qualified by a sovereignty clause.

What the July draft means: "Shall cooperate to enhance" is weaker than "shall develop and implement." "Shall share general information" narrows the scope. The added sovereignty clause, "while respecting each State Party's sovereign right" could be used to block coordinated action. Without binding measures, billionaires who pay as little as 0.5% of their wealth in taxes will continue to escape fair taxation.

YTJN Position: Replace "shall cooperate" with "shall develop and implement." Remove the sovereignty clause. Add concrete measures including a Global Asset Registry, public automatic exchange of information on wealth holdings, and minimum effective tax rates applicable to HNWIs. "Explore" must be replaced with binding language**.**

Article 7: Illicit Financial Flows – From "Shall" to "Shall Cooperate"

January 2026 Draft	July 2026 Draft
"The States Parties shall develop and implement measures to combat tax-related illicit financial flows, including effective tools for the detection and prevention of tax-related illicit financial flows, enforced through mutual administrative assistance and exchange of information..."	"The States Parties shall cooperate to combat tax-related illicit financial flows, including tax avoidance and tax evasion. Such cooperation shall include developing effective tools for the detection and prevention of such tax-related illicit financial flows, to be enforced through mutual administrative assistance and exchange of information..."

What the January draft meant: "Shall develop and implement" created a binding obligation on States to take concrete action. "Enforced through" signaled that cooperation was mandatory, not optional.

What the July draft means: "Shall cooperate" is weaker than "shall develop and implement." No public country-by-country reporting. No Global Asset Registry. The $89 billion annually lost from Africa will continue to leak unless these gaps are addressed.

YTJN's position: Restore ***"shall develop and implement.***" Add mandatory public country-by-country reporting. Add a Global Asset Registry. Enable the wider use of information exchanged for tax purposes to address related financial crimes.

Article 8: Harmful Tax Practices – From "Shall Implement" to "Shall Explore"

January 2026 Draft	July 2026 Draft
"The States Parties shall cooperate… to identify and deter harmful tax practices to neutralize their distortive effects…"	"The States Parties shall cooperate… to develop and apply common principles and standards to identify harmful tax practices and measures to deter them…"
"The States Parties shall develop, enhance and implement effective tools to address harmful tax practices including tools that provide for: (a) enhanced transparency; (b) monitoring and identifying emerging harmful tax practices; and (c) the effective taxation of economic activities that benefit from harmful tax practices."	"The States Parties shall explore appropriate measures and tools to address harmful tax practices including those that provide for: (a) enhanced transparency; (b) monitoring and identifying emerging harmful tax practices; and (c) the effective taxation of economic activities that benefit from harmful tax practices."

What the January draft meant: "Shall develop, enhance and implement" created a binding obligation to take concrete action. "To neutralize their distortive effects" signaled that the objective was elimination, not mere identification.

What the July draft means: "Shall explore" is the weakest possible language, a commitment to think about acting, not to act. No definition of harmful tax practices. No minimum tax floor. The "to neutralize" language was removed. Without these tools, the race to the bottom continues.

YTJN's position: Restore "shall develop, enhance and implement." Add a clear definition of harmful tax practices aligned with human rights obligations. Add a minimum effective tax rate floor. Recognize extraterritorial obligations: no State may disregard the cross-border impact of its tax decisions.

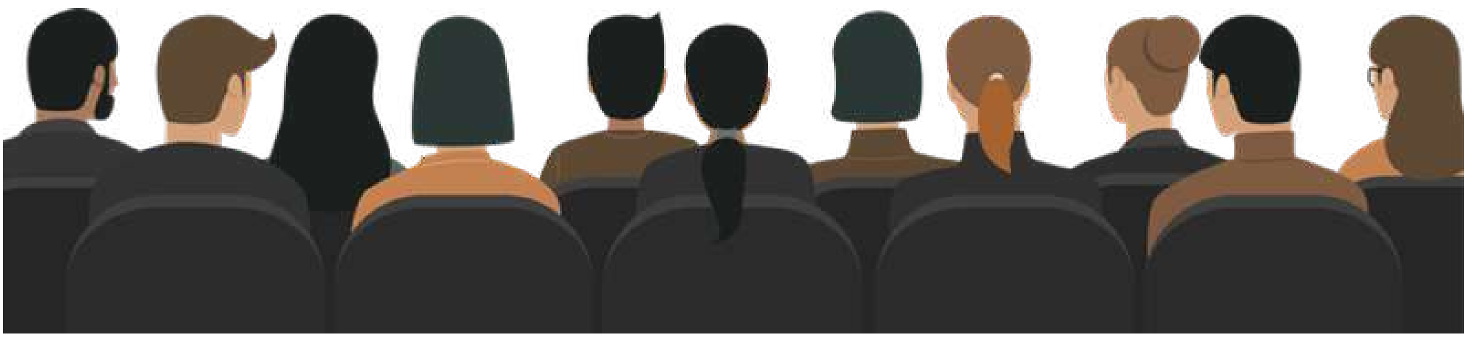
Article 12: Capacity Building – Weakened Obligations

January 2026 Draft	July 2026 Draft
"Each State Party shall take the necessary measures... The States Parties shall make concrete efforts to the extent possible... to respond to demands for technical assistance and capacity development..."	"Each State Party shall cooperate to strengthen its capacity... States Parties shall, according to their capacity, provide one another technical assistance..."

What the January draft meant: "Shall take the necessary measures" and "shall make concrete efforts to the extent possible" created binding obligations on States to act. The language was specific and action oriented.

What the July draft means: "Shall cooperate to strengthen" and "according to their capacity" introduce conditionality. The framing of capacity building as reparative justice is absent. Technical assistance remains a tool for exporting donor preferences, not empowering developing countries.

YTJN's position: Capacity building must be framed as reparative justice, not charity. It must enable Global South countries to participate fully, independently, and on equal footing. Provide technology transfer including digital infrastructure and data analytics systems. Technical assistance shall not export donor-country preferences. Establish a capacity building fund financed by developed countries, with equal voice for developing countries in governance.



Protocol 2: Arbitration – A Significant Divergence

YTJN's Position	July 2026 Draft Protocol 2
"Arbitration, whether mandatory, optional, binding, or advisory, has no place in an international tax system committed to fairness and equality. Its inclusion would replicate the power imbalances seen in investor-state dispute settlement (ISDS) mechanisms, where opaque processes and asymmetric resources have historically produced outcomes that undermine public policy space and favour the most powerful actors."	Article III.3 includes arbitration as a mechanism, with binding decisions implemented through MAP. Arbitration can be requested if MAP is unresolved within three years.

What YTJN demanded: Categorical rejection of arbitration in all forms, mandatory, optional, binding, or advisory.

What the July draft means: Arbitration transfers decision-making from public institutions to private arbitrators, is costly and complex, and systematically favors well-resourced countries. While the draft includes safeguards, arbitrators drawn from a roster, independent-opinion process, binding decisions implemented through MAP, the inclusion of arbitration itself is a significant divergence from YTJN's advocacy.

YTJN's position: Remove arbitration from Protocol 2. Dispute resolution must be conducted exclusively through state-to-state mechanisms that respect fiscal sovereignty.

PART V: The Arguments For weakening And Why They Should Be Rejected

Argument 1: "We need to build consensus"

The claim: Weakening language is necessary to secure broad agreement and avoid fragmentation.

The rebuttal: Consensus cannot come at the expense of substance. The Terms of Reference, the mandate for this process requires "strong and concrete commitments." A treaty that "explores" rather than "implements" is not a treaty, it is a declaration of intent. The Africa Group has consistently demonstrated that ambitious language can secure consensus when Member States are willing to negotiate in good faith. The weakening serves not consensus but the preservation of an unjust status quo.

Argument 2: "This is consistent with international law"

The claim: Binding obligations would violate existing treaty obligations or create legal uncertainty.

The rebuttal: As the African Union has clearly stated, obligations between Parties to this Convention do not create obligations for third parties. The claim that treaty renegotiation would "violate international law" is a defence of a system that has already cost Africa $50 billion annually. International law evolves—and the UN Convention is precisely the mechanism for that evolution. The Vienna Convention on the Law of Treaties recognizes that later treaties can modify earlier ones between the same parties.

Argument 3: "We must avoid duplication with OECD frameworks"

The claim: Aligning with existing OECD frameworks prevents duplication and ensures coherence.

The rebuttal: Existing frameworks have failed developing countries. The OECD's peer review hasn't stopped preferential regimes. BEPS hasn't ended profit shifting. Most recently, the OECD exempted the world's largest economy from minimum tax rules. A third of UN Member States are not even members of the Inclusive Framework. "Alignment" with failure is not a virtue. It is a guarantee of continued failure. The UN Convention must establish its own standards, not replicate those of a forum where developing countries had limited voice.

Argument 4: "Sovereignty must be respected"

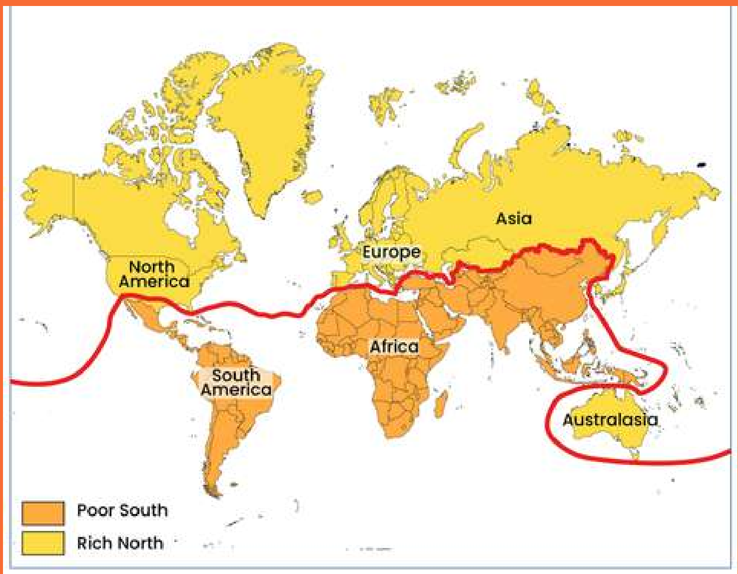
The claim: Binding international obligations infringe on national sovereignty.

The rebuttal: As YTJN has consistently argued, true sovereignty requires the effective power to tax which is systematically undermined by cross-border financial secrecy and tax avoidance structures. Multilateral cooperation is not an infringement on sovereignty; it is a restoration of sovereign authority. When a country cannot tax because capital can move freely and hide in secrecy jurisdictions, that country's sovereignty is an illusion. The Convention restores the ability of States to exercise genuine fiscal sovereignty.

PART VI: The Task Ahead

For The Africa Group & Global South Countries

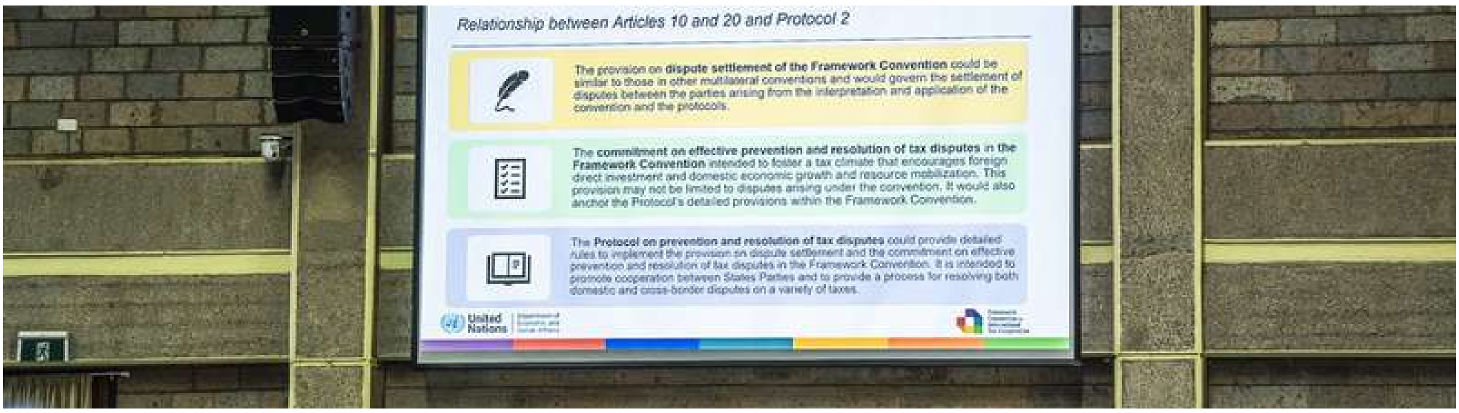
1. Secure Substance in the Framework Convention, Not Just Protocols



Protocols are optional instruments. States Parties to the Framework Convention are not bound by a protocol unless they become a Party to it. This means there is a significant risk that most Global North countries will not subscribe to the protocols, leaving the substantive commitments, unitary taxation, public country-by-country reporting, and a Global Asset Registry unimplemented. The Africa Group must ensure that these substantive commitments are embedded in the Framework Convention itself, not relegated to optional protocols that can be ignored.

2. Strengthen the Weakened Articles

Articles 4, 6, 7, 8, and 12 must be restored to their January 2026 strength or beyond. The weakening from "shall" to "shall explore" and "shall cooperate" must be reversed.



3. Reject Arbitration in Protocol 2

The inclusion of arbitration must be removed from Protocol 2. Dispute resolution must be conducted exclusively through state-to-state mechanisms that respect fiscal sovereignty. Arbitration transfers decision-making from public institutions to private arbitrators, is costly and complex, and systematically favors well-resourced countries.

4. Ensure Inclusive COP Governance

Civil society and youth must be accredited as observers with access to meetings and documents. The COP's rules of procedure must be transparent and inclusive.

5. Counter the "OECD Duplication" Narrative

Existing frameworks have failed. The UN Convention must not replicate them. The Africa Group must consistently rebut arguments that alignment with OECD frameworks is a virtue.

6. Participate in the Nairobi Session

The Nairobi session in November 2026 is the next critical opportunity to strengthen the Convention. The Africa Group must attend in full force and present a united front.

For African CSOs and Youth Movements

1. Support the Africa Group Position

Protocols are optional instruments. States Parties to the Framework Convention are not bound by a protocol unless they become a Party to it. This means there is a significant risk that most Global North countries will not subscribe to the protocols, leaving the substantive commitments, unitary taxation, public country-by-country reporting, and a Global Asset Registry unimplemented. The Africa Group must ensure that these substantive commitments are embedded in the Framework Convention itself, not relegated to optional protocols that can be ignored.

2. Ensure Country Delegations Participate in Nairobi

CSOs must engage with their national delegations to ensure they are present and active in the Nairobi session. Many countries send small delegations or none at all. This must change. Every African country must be represented and must support the Africa Group position. CSOs should brief delegations, provide technical support, and hold them accountable for representing the interests of their people.

3. Mobilize and Advocate

The youth climate movement proved that intergenerational justice is not a niche concern. Tax justice is no different. The resources to fund a liveable planet already exist, they are simply in the wrong hands. Youth movements must mobilize, amplify the message, and demand that their governments act.

4. Continue to Submit Written Inputs

The protocols are still being drafted. YTJN's submissions have proven effective. Continue to provide evidence-based, concrete proposals. Every submission builds on the previous one and strengthens the case for binding measures.

5. Monitor Implementation

The COP's review function must be robust. African CSOs must develop monitoring mechanisms to track implementation and hold governments accountable.

Conclusion

The July 2026 Zero Draft is a historic achievement, the product of years of advocacy by youth, civil society, and developing countries. It establishes a foundation for a fairer, more equitable international tax system. Victories include source-based taxing rights without physical presence, a COP with implementation powers, treaty renegotiation with good faith obligations, and no reservations.

But the foundation is incomplete. Weakened articles threaten to undermine the Convention's transformative potential. Arguments about "consensus" and "international law" are being used to preserve an unjust status quo. And the risk that Global North countries will not subscribe to the protocols means that substantive commitments must be embedded in the Framework Convention itself.

The coming sessions in August and November 2026 are the next critical battlegrounds. The Africa Group must attend in full force. CSOs and youth movements must ensure their delegations are present and vocal. The Africa Group position must be supported and amplified.

Youth can wait no longer. Neither should the world.

About YTJN

Youth for Tax Justice Network (YTJN) is a Pan-African youth organization founded in 2017, dedicated to advancing meaningful youth participation in shaping how resources are mobilized, allocated, and utilized for the benefit of young people across Africa. It works to involve youth voices in the financing for development agenda. The network is a coalition of young activists and advocates committed to promoting fair, transparent, and accountable tax systems. YTJN empowers youth to engage in policy debates, advocate for progressive taxation, and challenge practices like corporate tax avoidance and illicit financial flows that deprive countries of resources for education, healthcare, and climate action. Through capacity-building, research, campaigns, and participation in international forums, members amplify youth voices in shaping domestic and global tax policies.

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For more information: **Youth for Tax Justice Network**