



Brief intro to the Financing for Development follow-up process

International expert meeting on the management and disposal of recovered and returned stolen assets, including in support of sustainable development

14 February 2016

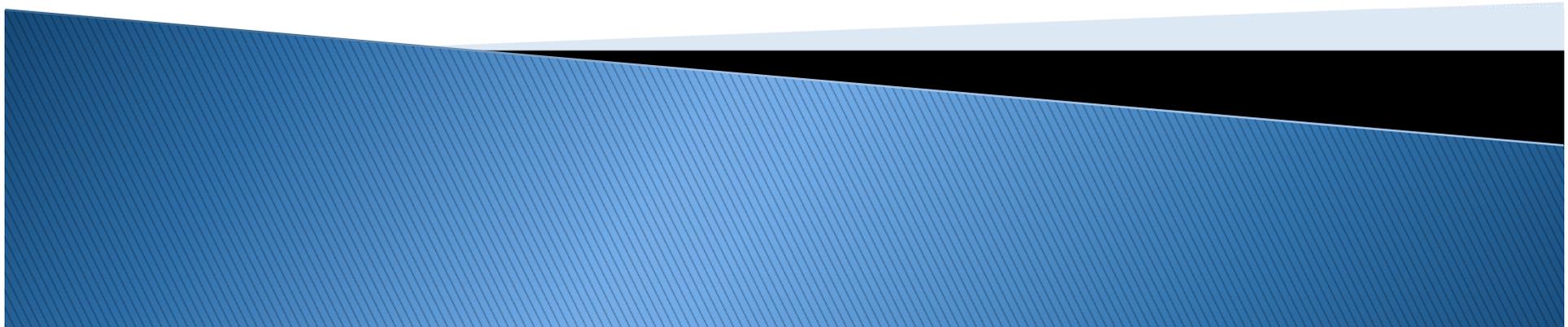
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All views expressed are personal and should not be considered as the views of the United Nations.

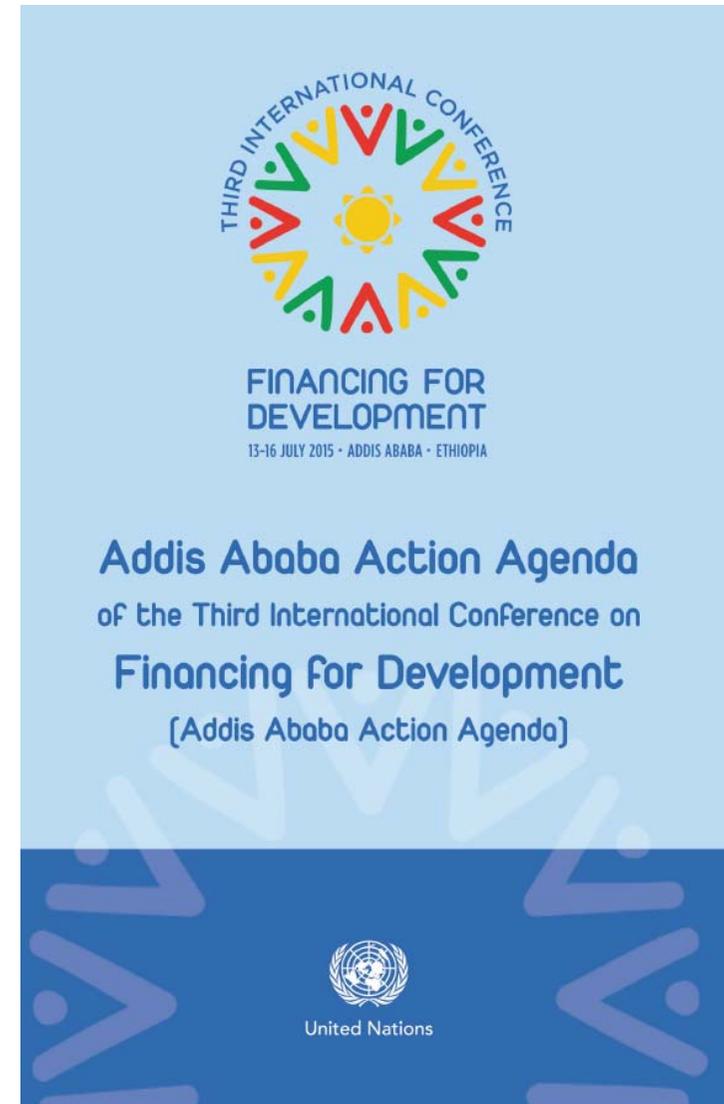
Third International Conference on Financing for Development

Addis Ababa Action Agenda



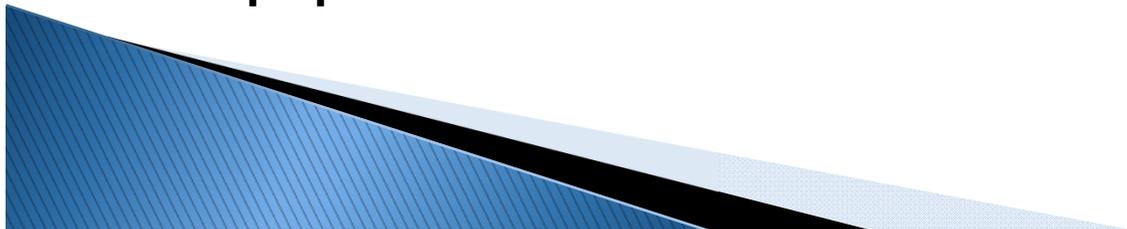
Conference introduction

- ▶ Official preparatory process begin in 2014
- ▶ Conference held in July 2015 in Addis Ababa, Ethiopia
- ▶ Parallel process to the definition of the SDGs and agreement of the 2030 Agenda

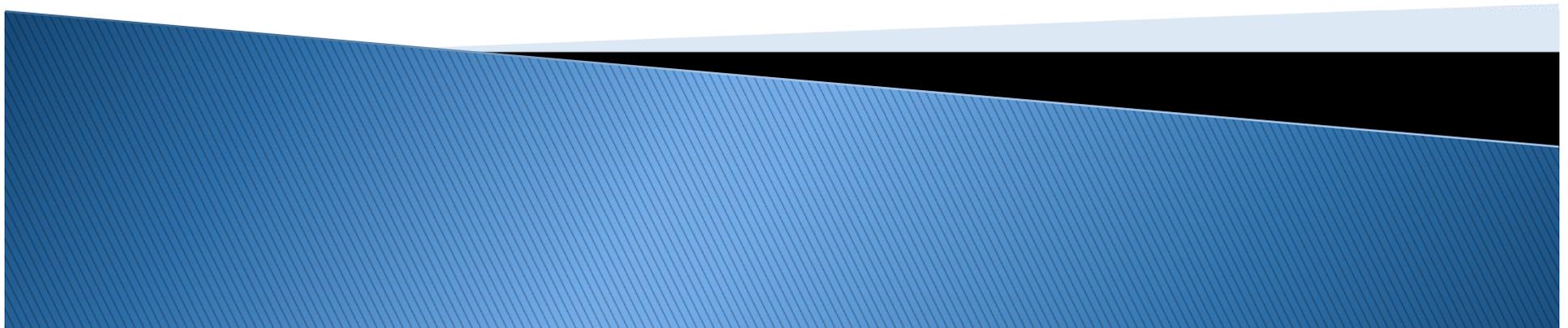


Outcome

- ▶ Final outcome agreed at the conference
- ▶ A new global framework for financing sustainable development
- ▶ A comprehensive set of policy actions by Member States, with a package of over 100 concrete measures to transform the global economy and achieve the Sustainable Development Goals
- ▶ Includes all the means of implementation (MoI) of the 2030 Agenda
- ▶ Addis Agenda included strengthened follow-up procedures to ensure implementation

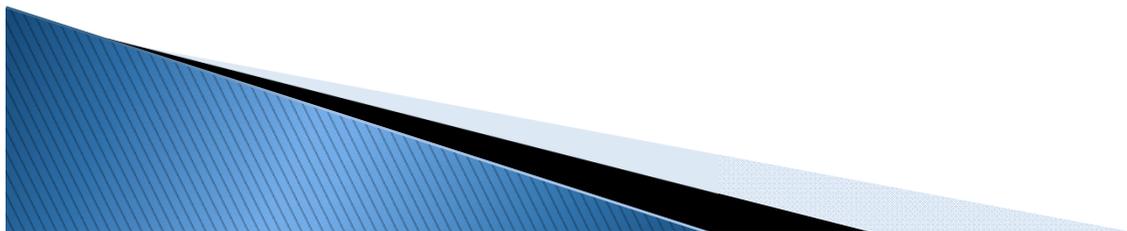


Addis Agenda, SDGs and stolen asset recovery



2030 Agenda for Sustainable Development & stolen assets

- ▶ SDG 16 on Peaceful and inclusive societies
- ▶ Target 16.4: significantly reduce illicit financial flows and arms flows, strengthen recovery and return of stolen assets and combat all forms of organized crime.
 - Target date 2030
 - Language mirrored in the Addis Agenda
 - Indicator 16.4.1: Total value of inward and outward illicit financial flows (in current United States dollars)



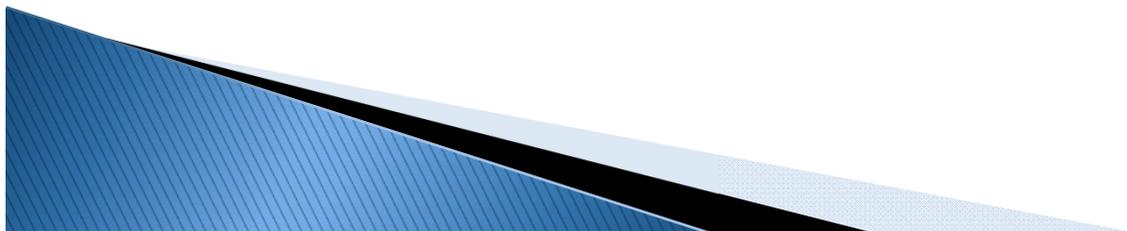
Addis Agenda and illicit financial flows

- ▶ Primary commitment in paragraph 23
- ▶ “We will redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them, including by combating tax evasion and corruption through strengthened national regulation and increased international cooperation.”



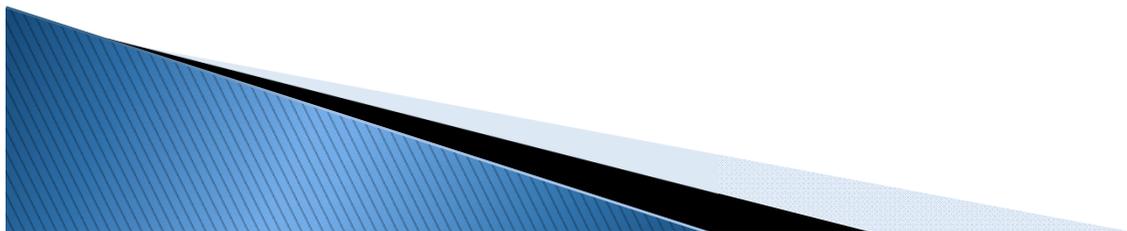
Addis Agenda and illicit financial flows

- ▶ Further language in paragraph 24
- ▶ Note lack of definition of IFFs
 - Commonly used definitions of IFFs would consider stolen assets as the proceeds of IFFs
- ▶ Recognition of High Level Panel report from Africa, invites estimates of volume of IFFs
- ▶ Invites IMF, World Bank and UN to assist both **source and destination** countries
- ▶ Note: Request for the Statistical Commission to facilitate enhanced tracking of data on all cross-border financing flows (para 126)



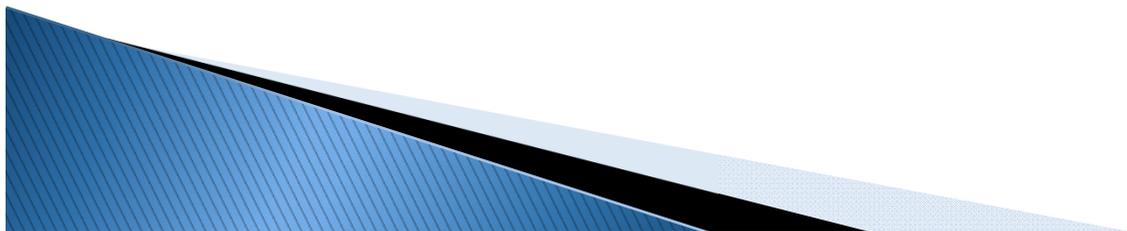
Addis Agenda and stolen assets

- ▶ Paragraph 25 focusses on corruption, stolen assets, safe havens, transparency, accountability, and AML/CFT
- ▶ **“We encourage the international community to develop good practices on asset return.”**
 - “good practices” and not “best practices”
 - “international community” and not a specific institution



Addis Agenda and stolen assets

- ▶ “We support the Stolen Asset Recovery Initiative of the United Nations and the World Bank, and other international initiatives that support the recovery of stolen assets.”
- ▶ “We will strive to eliminate safe havens that create incentives for transfer abroad of stolen assets and illicit financial flows.”
- ▶ Note lack of specific policy proposals



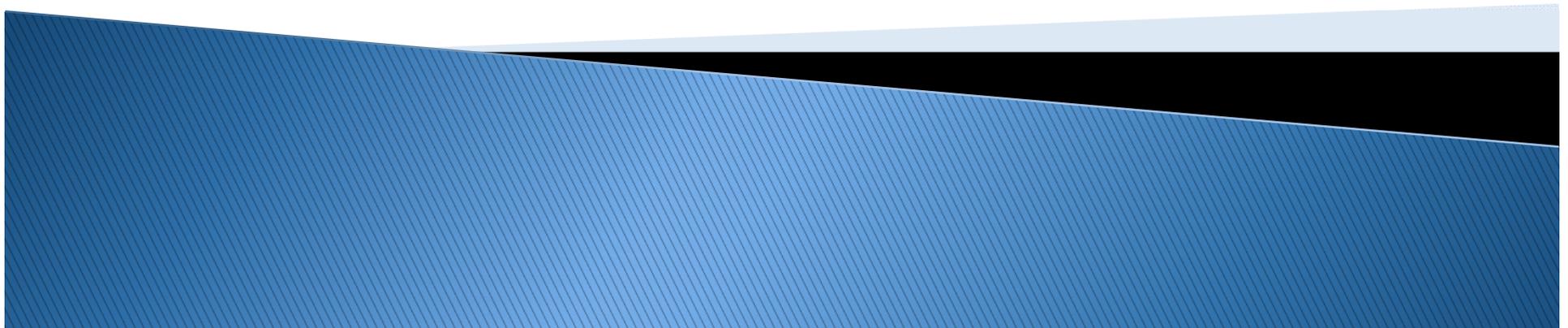
Stolen assets and international tax cooperation

- ▶ Measures related to international tax cooperation can be very relevant to stolen asset identification
- ▶ “We encourage countries, in accordance with their national capacities and circumstances, to work together to strengthen transparency and adopt appropriate policies, including...
 - “Access to beneficial ownership information for competent authorities...”
 - Progressively advancing towards automatic exchange of tax information among tax authorities



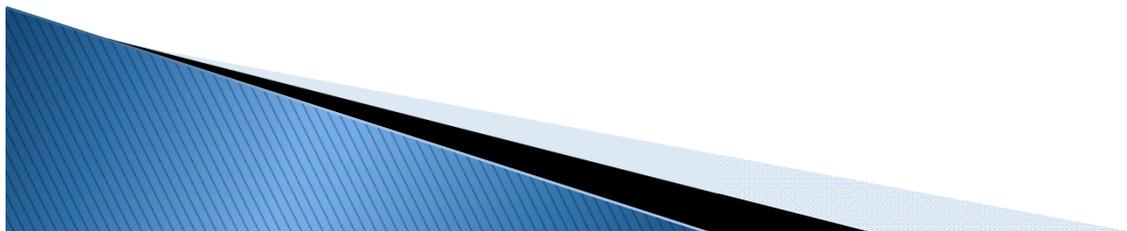
Follow-up arrangements

Including the Inter-agency Task Force



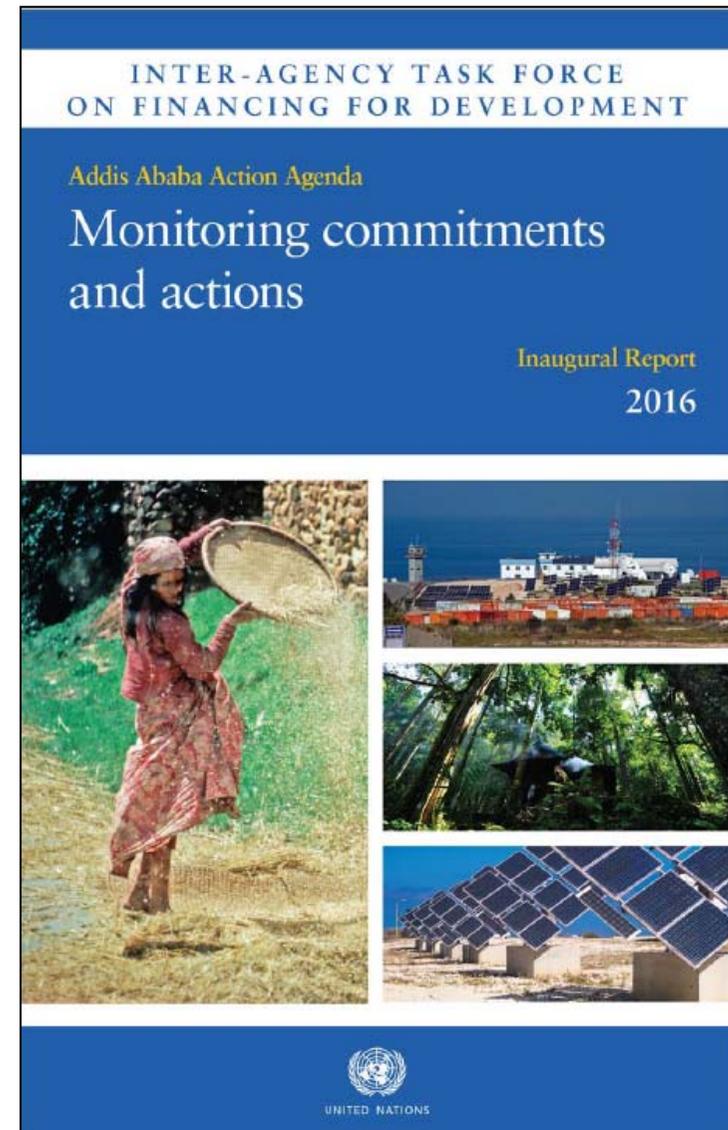
Follow-up arrangements

- ▶ Addis Agenda included two new follow-up mechanisms:
 - Institutional – Inter-agency Task Force on Financing for Development
 - Annual report to the ECOSOC Forum and HLPF
 - Online annex for comprehensive reporting of data and policy updates
 - Intergovernmental – ECOSOC Forum on Financing for Development Follow-up
 - 2017 Forum from 22–25 May 2017



Inter-agency Task Force on FfD

- ▶ IATF is to advise the intergovernmental follow-up process on progress, implementation gaps and recommendations for corrective action
- ▶ FfDO serves as the secretariat and substantive editor
- ▶ Membership
 - Five major institutional stakeholders (World Bank Group, IMF, WTO, UNCTAD and UNDP)
 - UN regional commissions
 - Over 50 agencies and programmes
 - Non-UN-System entities (e.g. FSB, OECD)

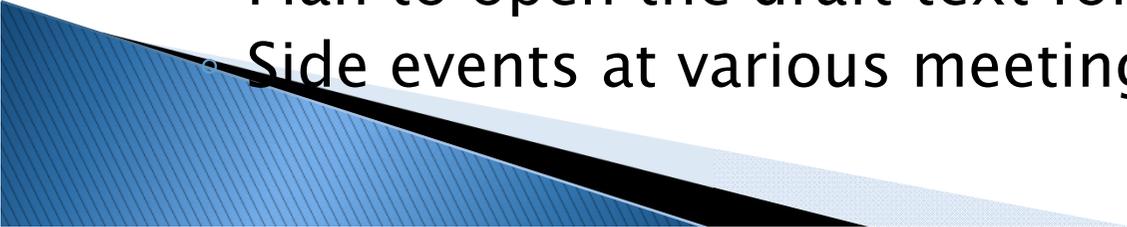


Inter-agency Task Force on FfD

- ▶ Inaugural 2016 report focussed on how to monitor the implementation of commitments
- ▶ 2017 report – draft available third week in March
 - The first substantive report, setting a baseline for the monitoring of the agenda
 - Discussion of the global context and its implications for the follow-up process
 - Analyses of thematic issues – does the Addis Agenda address these global challenges?
 - Overview of each chapter of the Addis Agenda
- ▶ Online Annex – available third week in March
 - Covering the broader set of commitments and actions
 - Broken down into over 100 clusters with data on several hundred commitments

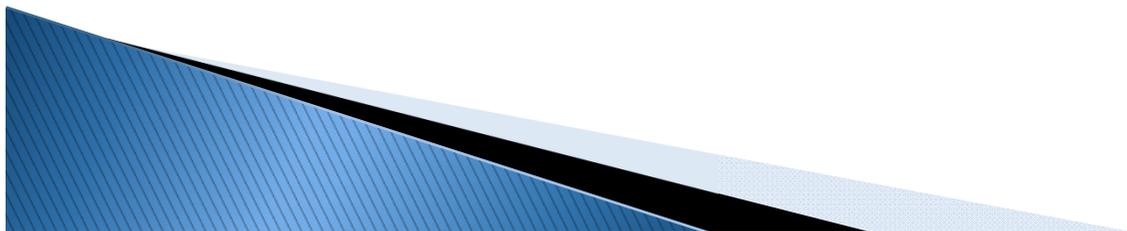


Inter-agency Task Force on FfD

- ▶ Voluntary collaboration platform to follow-up on specific commitments
 - New measures of international public finance
 - Illicit financial flows
 - Sustainable development incentives of private investors
 - Financing social protection floors
 - ▶ Engagement with Member States and stakeholders
 - Briefings in New York with delegations
 - Plan to open the draft text for comment
 - Side events at various meetings
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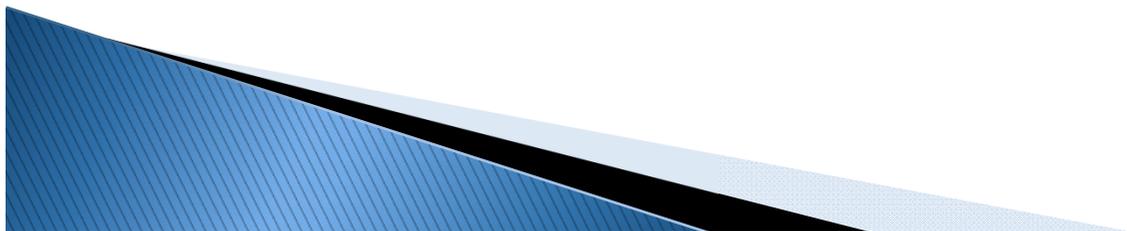
Inter-agency Task Force on FfD

- ▶ IATF report is the main input to the ECOSOC Forum on FfD Follow-up
- ▶ IATF report is also an input to the High Level Political Forum (HLPF) on Sustainable Development
 - IATF reports on all the means of implementation of the 2030 Agenda



IATF and illicit financial flows

- ▶ Technical meeting of the IATF – 30 Sept
 - Participation of experts from CSOs, academia, think tanks, private sector
- ▶ Discussion on what are illicit financial flows?
 - Most common definition: “money that is illegally earned, transferred or used that crosses borders.”
- ▶ Working practices – component by component
 - Compilation, not aggregation, of component estimates
 - Efforts to fill data gaps
- ▶ Policy options by component
- ▶ Pilot risk, vulnerability, and impact assessments



General Assembly resolutions

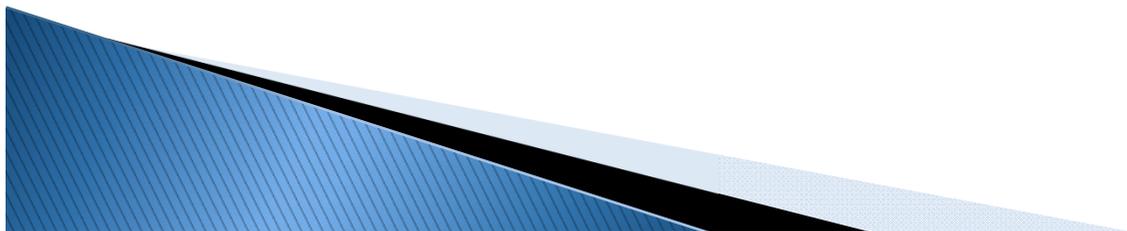
- ▶ Ongoing follow-up process
- ▶ 2016 General Assembly (71st session)
 - Financing for Development process
 - Annual second committee resolution (A/71/217)
 - Illicit financial flows
 - Second Committee-drafted resolution on illicit financial flows adopted by consensus (A/71/213)
 - Language on stolen asset recovery and return in original draft did not survive 2C negotiation process
 - Third Committee resolution has extensive language on stolen assets (A/71/208)
- ▶ 2017 General Assembly (72nd session)
 - Second Committee mandated to discuss illicit financial flows again



ECOSOC Forum on FfD Follow-up

▶ 2016 Forum

- 18 to 20 April 2016 at the United Nations Headquarters in New York
- Included the special high-level meeting with the Bretton Woods institutions, WTO and UNCTAD
 - Special themes: policy coherence; humanitarian and development nexus
- Inter-governmentally agreed conclusions and recommendations
 - Focused on IATF report structure



ECOSOC Forum on FfD Follow-up

- ▶ 2017 Forum scheduled for 22 – 25 May 2017
 - Ministerial component and special high level meeting with Bretton Woods institutions
- ▶ Agenda still being discussed at the ECOSOC Bureau
 - There have been requests for focus on country experiences, case studies and examples
- ▶ Inter-governmentally agreed conclusions
 - Member States will choose how to engage with policy options outlined by the Task Force
 - Negotiations likely to begin in April
 - Will serve as input for the HLPF (10 – 19 July 2017)





Thank you

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