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

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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
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
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 (71\textsuperscript{st} 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 (72\textsuperscript{nd} 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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