



THE PRESIDENT
OF THE
GENERAL ASSEMBLY



THE PRESIDENT
OF THE
ECONOMIC AND SOCIAL COUNCIL

12 February 2020

Excellency,

As we announced on 28 January 2020, we will convene a High-level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda. The panel will be launched at an event on 2 March 2020.

This initiative, taken upon our own responsibility, was developed in consideration of the request contained in General Assembly resolution 74/206 entitled, “Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development”. We expect the panel to offer new and creative solutions to make the systems for financial accountability, transparency and integrity more robust, effective, and universal in approach. The panel will engage with international institutions, both UN System and non-UN bodies, as well as Member States and other stakeholders throughout the term of its work. The terms of reference for the panel is attached. We welcome comments and suggestions on the terms of reference that contribute to the overall aim we have set for the panel.

The panel members will be drawn from academia, policymakers, civil society, and the private sector, with due consideration to geographic and gender balance. We have sought out individuals with in-depth knowledge of the particular challenges faced by countries from different regions of the world and at different levels of economic and social development. We are open to suggestions regarding panel members. Panel members will serve in their personal capacities.

Please send your suggestions related to the terms of reference and potential panel members to our offices by emailing ulrik.tetzschner@mfa.no and heddachem@un.org by close of business on Friday, 21 February 2020.

We look forward to your constructive participation and engagement in this initiative. In the meantime, please accept, Excellency, the assurances of our highest regards.

Tijjani Muhammad-Bande

Mona Juul

All Permanent Representatives and
Permanent Observers to the United Nations
New York

Terms of Reference

High-level panel on international financial accountability, transparency and integrity for achieving the 2030 Agenda

Launched by the Presidents of the General Assembly and the Economic and Social Council

Introduction

The 2030 Agenda for Sustainable Development is a plan of action for people, planet and prosperity. It recognizes that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development. It seeks to shift the world on to a sustainable and resilient path and, in it, Member States pledge that no one will be left behind.

There are only 10 years left to reach this vision, yet, mobilizing sufficient financing for sustainable development remains a major challenge. Additional annual investment needed to achieve just a few of the goals is estimated at over \$2.5 trillion by 2030. The Addis Ababa Action Agenda emphasises the complementary nature of public and private finance, and domestic and international finance, but highlights that domestic public finance is essential to providing public goods and services. Yet public goods and services, such as education and health care are underfunded. Without more public investment achieving the 2030 Agenda will be impossible.

In the Addis Agenda, Member States pledge to enhance revenue administration, improve transparency, promote good governance and deter, detect, prevent and counter corruption. The continued lack of financial accountability, transparency and integrity erodes the ability of States to raise revenue and directly undermines the efforts of the global community to successfully achieve the Sustainable Development Goals. Hidden, secret, fraudulent and misleading transactions prevent States from enforcing the law and collecting their fair share of taxes. Trillions of dollars are estimated to be held in off-shore undeclared financial holdings. The lack of accountability, transparency and integrity also creates an uneven playing field that harm small- and medium-sized businesses and undermine the equity and inclusiveness of our economies.

Recent revelations of wide-spread tax evasion and corruption, as well as the continued concerns about tax avoidance in an era of digital economic activity, demonstrate that the world urgently needs to put more effort into creating level playing fields and mobilising resources equitably. The international community needs multilateral action to tackle these challenges if we are to reach our global goals.

Countries are taking action nationally by strengthening existing institutions and law enforcement, as evidenced by a number of high-profile cases in tax evasion and corruption prosecution. Nonetheless, as noted in the Addis Agenda, in a world of cross-border trade, investment and finance, there are limits to the ability to raise resources and enforce integrity through domestic action alone. There are existing mechanisms of international cooperation, both within the United Nations and outside of it, which provide important venues for Member States to take action together. International institutions are stepping up their work on financial accountability, transparency and integrity. The Inter-agency Task Force on Financing for

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Development continuously analyses financial accountability, transparency and integrity challenges, surveys the various estimates of the challenges and also reviews policy advancements. Work is ongoing to improve estimation of the volume of illicit transactions, but further action cannot wait for more estimates.

The current international institutional architecture falls short on many accounts in combatting all types of illicit finance – from criminal, corrupt or commercial activities – and returning stolen assets to their country of origin. These areas include: financial transparency, tax matters, combatting bribery and corruption, preventing money laundering and returning stolen assets. Rethinking and redesigning the international frameworks related to financial accountability, transparency and integrity is critical to financing the Sustainable Development Goals. This is a global problem that requires global cooperation.

There is a widely acknowledged need to address these aspects and advance international cooperation through fair, inclusive and universal platforms. All voices need to be heard and engaged in making decisions in these areas. General Assembly Resolution 74/206 specifically calls upon the Presidents of the General Assembly and Economic and Social Council (ECOSOC) to consider the importance of combating illicit financial flows and strengthening good practices on asset return to foster sustainable development.

The Presidents of the General Assembly and ECOSOC welcome this call and emphasise that the world must move from piecemeal reforms to bold vision, comprehensive actions and political leadership. For this reason, the Presidents of the General Assembly and ECOSOC are convening a high-level panel on international financial accountability, transparency and integrity for achieving the 2030 Agenda.

Objectives

The high-level panel is expected to contribute to the overall efforts undertaken by Member States to implement the ambitious and transformational vision of the 2030 Agenda to change global economic and financial systems to make them fair and equitable: systems that contribute to ending poverty and hunger and achieving sustainable development in all its dimensions. Our common goal is to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

In pursuing its work, the panel will undertake an initial review of the international institutional and legal frameworks related to financial accountability, transparency and integrity. It will provide an assessment of the current frameworks and existing proposals to reform them. It should offer new and creative solutions to make the systems for financial accountability, transparency and integrity robust, effective, and universal in approach.

The panel is expected to:

- Review current challenges and likely future trends and their relationship to the existing international legal and institutional frameworks related to financial accountability, transparency and integrity;
- Identify gaps in the legal and institutional architecture related to financial accountability, transparency and integrity, especially where universality has not yet been achieved;
- Make recommendations for: (i) updating existing international frameworks related to financial accountability, transparency and integrity; (ii) the creation of new

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international frameworks, where warranted; and (iii) governance arrangements to match the challenges; and

- Make proposals to strengthen international cooperation that will enhance capacity to implement the recommendations.

Composition

The Presidents will appoint fifteen members to the panel, including two co-chairs. They will be drawn from academia, policymakers, civil society, and the private sector, with due consideration to geographic and gender balance. The panel will include members: (i) with an understanding of the complex and interrelated aspects of financial accountability, transparency and integrity; (ii) who have a strong grasp of the strengths and weaknesses of existing institutions; (iii) with experience in designing and implementing policies in relevant domains; and (iv) with in-depth knowledge of the particular challenges faced by countries from different regions of the world and at different levels of economic and social development.

Role of Panel Members

The panel members will serve in their individual capacities and will have four roles:

- *Analytical role:* the panel members will contribute their knowledge, experiences and ideas to the group. They should jointly agree on the panel's analysis and recommendations;
- *Topic leadership role:* the co-chairs may request some panel members to lead aspects of the panel's work based on their expertise. This may include participation in events and conferences, consultations, meetings with officials, and other engagements;
- *Partnership role:* the panel members will also be requested to engage with Member States, international institutions, civil society, the private sector, academia and other stakeholders, throughout the term of the panel's work; and
- *Outreach role:* the panel members will also be requested to support the dissemination of the panel's report and advocate for the adoption of its recommendations.

Panel members should plan to attend all four meetings of the panel and the final report presentation.

Expected Outcome

July 2020	The panel will produce an interim report setting out its analysis of the situation.
January 2021	The panel will produce its final report providing recommendations.
1 st Half of 2021	The global community should consider and act upon these recommendations, with Member States of the United Nations taking action during the 75 th session of General Assembly, including through the 2021 ECOSOC Forum on Financing for Development and the General Assembly's Special Session on corruption both taking place in April 2021.

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Panel Secretariat

The panel will be supported by an independent secretariat, hosted by the United Nations Department of Economic and Social Affairs/Financing for Sustainable Development Office. The secretariat will be responsible for producing and editing background papers and the panel's interim and final reports, supporting the panel's communications and outreach, coordinating the input of all stakeholders and organizing the panel's meeting and other events. The funding for the panel's work and the independent secretariat will be provided through voluntary contributions to the Trust Fund to Support Activities for the Follow-up to the International Conference on Financing for Development. All contributions are managed and audited in accordance with the UN Financial Regulations and Rules.

Process and Timeline

The panel will hold at least four meetings of up to three days each. It will solicit comments and suggestions from interested stakeholders including policymakers and government officials, representatives of international agencies, academics, the private sector and members of civil society both at its formal meetings and between them. International bodies, including UN System agencies and non-UN institutions, are invited to engage with the panel.

Together, these deliberations and inputs will feed into an interim report of findings to be presented in July 2020 during the High-level Segment of ECOSOC. On the basis of the interim report, panel members will participate in regional consultations and discussions with all types of stakeholders to inform the final report. The panel's final report and recommendations will be published and distributed to Member States in January 2021. Updates on the progress of the panel will be provided periodically throughout the process.

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Month	Event	Location
28 Jan 2020	Announcement to Member States by the Presidents of ECOSOC and the General Assembly on the formation of the panel	New York UN HQ
2 March 2020	Public launch of the panel	New York UN HQ
30 March – 1 April 2020 (tbc)	1 st meeting of the panel	Oslo, Norway (tbc)
26-28 May 2020 (tbc)	2 nd meeting of the panel	Abidjan, Cote D'Ivoire (tbc)
July 2020	Presentation of interim report of the panel	New York UN HQ
Sept 2020	3 rd meeting of the panel	TBD - Asia
Oct 2020	Regional consultation: Africa	TBD – Southern or Eastern Africa
	Regional consultation: Europe	TBD - Paris/Brussels /Vienna/Geneva
Nov 2020	Regional consultation: Asia	Malaysia (tbc)
	Regional consultation: Latin America & Caribbean	TBD - Caribbean
Jan 2021	4 th meeting of the panel	TBD - Caribbean
Jan 2021	Final report of the panel presented	New York UN HQ