



THE PRESIDENT
OF THE
GENERAL ASSEMBLY



THE PRESIDENT
OF THE
ECONOMIC AND SOCIAL
COUNCIL

Terms of Reference

High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda

An initiative of the President of the General Assembly and the President of 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.

Mobilizing sufficient financing for implementing the 2030 Agenda remains a major challenge. Additional annual investment needed to achieve just a few of the goals is estimated at over USD 2.5 trillion by 2030. The Addis Ababa Action Agenda on Financing for Development 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 these two global Agendas, Member States pledge to enhance revenue administration; improve transparency; promote good governance; identify, assess and act on money laundering risks; significantly reduce illicit financial flows; and deter, detect, prevent and counter corruption and bribery. Yet, many are concerned that insufficiency in 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 (SDGs). 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. Insufficient accountability, transparency and integrity create uneven playing fields that harm small- and medium-sized businesses and undermine equity and inclusiveness in our economies. It also impacts on the effectiveness of macroeconomic policies, and facilitates criminals being able to hide the proceeds of their crimes.

Tax evasion, money laundering and corruption, as well as tax avoidance, especially in an era of digital economic activity, demonstrate that the world needs to put more effort into preventing financial crimes, creating level playing fields, ending financial opacity, 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 to reach SDG 16 and its targets by strengthening existing institutions and enhancing the effectiveness of law enforcement. This is evidenced by a number of high-profile prosecutions related to tax evasion, bribery and corruption. 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 financial accountability, transparency and integrity through domestic action alone.

There are existing mechanisms of international cooperation, both within the United Nations and outside of it, including the United Nations Convention against Corruption and the United Nations Convention on Transnational Organized Crime, which provide important frameworks for Member States to take action together. A number of international institutions are stepping up their work on financial accountability, transparency and integrity. The United Nations Inter-agency Task Force on Financing for Development, which includes 60 UN and non-UN institutions, agencies and programmes, 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, both through the SDG indicator process and in separate research and analytical work. [See Annex 2 for a full list of relevant bodies]

Yet, in the view of many Member States and other stakeholders, there is room for improvements in the implementation, inclusiveness, and/or design of the international institutional architecture and related commitments. To promote financial accountability, transparency and integrity further action may be needed in the following areas: financial and beneficial ownership transparency, tax matters, bribery and corruption, confiscation and disposal of the proceeds of crime, money laundering and the recovery and return of stolen assets. Ensuring the effective implementation of comprehensive international frameworks related to financial accountability, transparency and integrity is critical to financing the SDGs. This is a global problem that requires global cooperation.

The Addis Agenda acknowledges the need to address these aspects and advance international cooperation through fair, inclusive and universal platforms. Recognising the delicate balance on key issues contained in intergovernmental documents, all voices need to be heard and engaged when making decisions in these areas. General Assembly Resolution 74/206 includes an invitation to the President of the General Assembly, the President of Economic and Social Council to give appropriate consideration to the importance of combating illicit financial flows and strengthening good practices on asset return to foster sustainable development.

The President of the General Assembly and the President of the Economic and Social Council welcome this call. On this background, they 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. Our common goal, as set out in SDG 16, 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 autonomously, the panel is expected to:

- Review current challenges and trends related to financial accountability, transparency and integrity;
- Review existing international institutional and legal frameworks related to financial accountability, transparency and integrity, with a view to identify any gaps, impediments and vulnerabilities in their design and/or implementation, including with regard to their comprehensiveness, effectiveness and universality;
- Make evidence-based recommendations, building on the successes and ongoing work of existing mechanisms, on:
 - How to make the systems for financial accountability, transparency and integrity more comprehensive, robust, effective, and universal in approach;
 - Ways to address identified gaps, impediments and vulnerabilities, including by:
 - (i) strengthening the implementation of existing mechanisms, standards and commitments; (ii) improving existing international frameworks related to financial accountability, transparency and integrity, where possible; (iii) exploring the need for, and feasibility of, establishing additional international instruments or frameworks, where warranted; and (iv) governance arrangements to match the challenges; and
 - Ways to strengthen international cooperation, including through existing bodies, 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 policymakers, academia, civil society, the public and private sectors, 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 grasp of the strengths and weaknesses of existing institutions; (iii) with experience in designing and implementing policies in relevant domains; and (iv) with knowledge of the 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;
- *Engagement role:* throughout the term of the panel's work, the panel members will engage with Member States to understand their circumstances, practices and needs; with relevant international institutions and bodies to understand the effectiveness and limitations of existing mechanisms and their implementation; as well as civil society, the private sector, academia and other stakeholders; and
- *Outreach role:* the panel members may wish to support the dissemination of the panel's report and recommendations after the conclusion of the panel's work.

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.
February 2021	The panel will produce its final report providing recommendations.

Panel Secretariat and Funding

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 engagement of the Panel with all stakeholders, and organizing the panel's meeting and other events. A core group of UN agencies will assist the secretariat in its work [see Annex 2].

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. Information about the secretariat's funding and staffing will be posted on the website of the panel (www.factipanel.org).

Process and Consultations

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 work with the panel. Together, these deliberations and inputs will feed into an interim report of findings to be presented in July 2020 at the time of the High Level Segment of ECOSOC.

On the basis of the interim report, panel members will participate in regional consultations and discussions with Member States and interested stakeholders to seek input and get feedback on their analysis. The panel will seek close coordination with existing international bodies. These consultations will inform the final report and recommendations, including the analysis that motivated the recommendations. The panel will conclude its work by publishing its final report, expected in February 2021. Updates on the progress of the panel will be provided to all stakeholders periodically throughout the process.

See Annex 1 on the tentative timeline for the work of the panel.

The panel will post all relevant information on its webpage (www.factipanel.org) to be launched early March 2020.

Annex 1: Tentative timeline

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
15 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
	4 th meeting of the panel	TBD - Caribbean
Jan 2021	Final report of the panel presented	New York UN HQ

Annex 2:

Core Group of UN agencies*:

United Nations Conference on Trade and Development

United Nations Development Programme

United Nations Office on Drugs and Crime

United Nations Regional Commissions

List of international bodies the panel might wish to consult¹

Asia-Pacific Economic Cooperation Forum

Community of Latin American and Caribbean States

Conference of the Parties to the United Nations Convention against Transnational Organized Crime

Egmont Group

FATF-style regional bodies

Financial Action Task Force

Global Forum on Transparency and Exchange of Information for Tax Purposes

Group of 20

Inclusive Framework on Base Erosion and Profit Shifting

International Monetary Fund

Organisation for Economic Cooperation and Development

Organization of American States

Regional development banks

United National Convention Against Corruption Conference of State Parties

United Nations Committee of Experts on International Cooperation in Tax Matters

World Bank Group

World Customs Organization

¹ List based on inputs from Member States and UN organizations.

* United Nations core group members as of 27 February 2020.