

Indore World Summit **(IWS) 2022**



Economic & Financial Affairs Council
(ECOFIN)

Agenda: Promoting sustainable development by reducing illicit financial flows and improving asset return requirements.

LETTER FROM EXECUTIVE BOARD

It is an absolute honor to be appointed in the Executive Board of UN General Assembly second committee - ECOFIN at Indore world summit'22

It is a matter of immense joy to be a part of this amazing event and invite you to partake in this milestone. I believe that MUNs help you realize that no one is too small to make a change and no voice can ever go unheard, as long it intends to construct a solution. A delegate in any MUN conference is like that one stone thrown into a stagnant pond that brings about a ripple of change. The world today is more sensitive than ever towards the existence of transnational activities across the globe, but a topic usually undermined but of prime importance is the discussion on macroeconomics and its linkages with sustainable development . It is the need of the hour to address the issue in the perspective of various unacceptable developments, in order to achieve international well being. At IWS'22, we will discuss, negotiate, and deliberate over this important, immensely wide and open-ended agenda. I genuinely hope that the background guide gives you tones of openings to elaborate your research. Always remember that the background guide is just to give you a brief explanation of the scenario at hand which is to be addressed. Do not limit your research to this Background guide and study further on the cases and try to solve the QARMA. (Questions A Resolution Must Answer). Also, if there is any problem in understanding the background guide, we will more than grateful to help you out!

Looking forward to an outstanding Debate!

Godspeed!

Regards

Vinayak (chairperson) - vinayaakhere08@gmail.com

Points to Remember

A few aspects that delegates must keep in mind while preparing for the debate:

Procedure: The purpose of putting in procedural rules in any committee is to ensure a more organized and efficient debate. The committee will follow the UNA-USA Rules of Procedure. Although the Executive Board shall be strict with the Rules of Procedure, the discussion of agenda will be the main priority. So, delegates are advised not to restrict their statements due to hesitation regarding procedure.

Foreign Policy: Following the foreign policy of one's country is the most important aspect of a Model UN Conference. This is what essentially differentiates a Model UN from other debating formats. To violate one's foreign policy without adequate reason is one of the worst mistakes a delegate can make.

Role of the Executive Board: The Executive Board is appointed to facilitate debate. The committee shall decide the direction and flow of debate. The delegates are the ones who constitute the committee and hence must be uninhibited while presenting their opinions/stance on any issue. However, the Executive Board may put forward questions and/or ask for clarifications at all points of time to further debate and test participants.

Nature of Source/Evidence: This Background Guide is meant solely for research purposes and must not be cited as evidence to substantiate statements made during the conference. Evidence or proof for substantiating statements made during formal debate is acceptable from the following sources:

1. **United Nations:** Documents and reports by the United Nations or any related UN body is held as a credible proof to support a claim or argument. **Multilateral Organizations:** Documents from international organizations like OIC, NAFTA, SAARC, BRICS, EU, ASEAN, the International Court of Justice, etc. may also be presented as credible source of information.

2. **Government Reports:** These reports can be used in a similar way as the State Operated News Agencies reports and can, in all circumstances, be denied by another

country.

3. News Sources: (a) Reuters: Any Reuters article that clearly makes mention of the fact or is in contradiction of the fact being stated by a delegate in council.

(b) State operated News Agencies: These reports can be used in the support of or against the State that owns the News Agency. These reports, if credible or substantial enough, can be used in support of or against any country as such but in that situation, may be denied by any other country in the council. Some examples are – RIA Novosti (Russian Federation), Xinhua News Agency (People's Republic of China), etc.

Please Note- Reports from NGOs working with UNESCO, UNICEF and other UN bodies will be accepted. Under no circumstances will sources like Wikipedia, or newspapers like the Guardian, Times of India, etc. be accepted. However, notwithstanding the criteria for acceptance of sources and evidence, delegates are still free to quote/cite from any source as they deem fit as a part of their statements.

United Nations General Assembly

Established in 1945 under the [Charter of the United Nations](#), the General Assembly occupies a central position as the chief deliberative, policymaking and representative organ of the United Nations. Composed of all 193 Members of the United Nations, it provides a unique forum for multilateral discussion of the full spectrum of international issues covered by the Charter. It also plays a central role in the process of standard-setting and the codification of international law.

The Assembly meets from September to December each year (main part), and thereafter, from January to September (resumed part), as required, including to take up outstanding reports from the Fourth and Fifth Committees. Also during the resumed part of the session, the Assembly considers current issues during high-level thematic debates organized by the President of the General Assembly. During that period, the Assembly traditionally also conducts informal consultations on a wide range of substantive topics towards the adoption of new resolutions

The UN General Assembly (UNGA) is the main policy-making organ of the Organization. Comprising all Member States, it provides a unique forum for multilateral discussion of the full spectrum of international issues covered by the Charter of the United Nations. Each of the 193 Member States of the United Nations has an equal vote.

The UNGA also makes key decisions for the UN, including:

- appointing the Secretary-General on the recommendation of the Security Council
- electing the non-permanent members of the Security Council
- approving the UN budget

The Assembly meets in regular sessions from September to December each year, and thereafter as required. It discusses specific issues through dedicated agenda items or sub-items, which lead to the adoption of resolutions.

FUNCTIONS AND POWERS

The Assembly makes recommendations to States on international issues within its competence. It has also taken actions across all pillars of the United Nations, including with regard to political, economic, humanitarian, social and legal matters. In September 2015, the Assembly agreed on a set of 17 Sustainable Development Goals, contained in the outcome document of the United Nations Summit for the adoption of the post-2015 development agenda (resolution 70/1 entitled “Transforming our world: the 2030 Agenda for Sustainable Development”). In 2022, the Assembly held a series of meetings to discuss the recommendations put forward by the Secretary-General in his report [link] entitled “[Our Common Agenda](#)”, an agenda of action, designed to strengthen and accelerate multilateral agreements – particularly the 2030 Agenda – and make a tangible difference in people’s lives (Read “[Our common agenda](#)”, [summary of thematic consultations](#)).

According to the Charter of the United Nations, the General Assembly may:

Consider and approve the United Nations budget and establish the financial assessments of Member States

Elect the non-permanent members of the Security Council and the members of other United Nations councils and organs and, on the recommendation of the Security Council, appoint the Secretary-General

Consider and make recommendations on the general principles of cooperation for maintaining international peace and security, including disarmament

Discuss any question relating to international peace and security and, except where a dispute or situation is currently being discussed by the Security Council, make recommendations on it

Discuss, with the same exception, and make recommendations on any questions within the scope of the Charter or affecting the powers and functions of any organ of the United Nations

Initiate studies and make recommendations to promote international political cooperation, the development and codification of international law, the realization of human rights and fundamental freedoms, and international collaboration in the economic, social, humanitarian, cultural, educational and health fields

Make recommendations for the peaceful settlement of any situation that might impair friendly relations among countries

Consider reports from the Security Council and other United Nations organs

The Assembly may also take action in cases of a threat to the peace, breach of peace or act of aggression, when the Security Council has failed to act owing to the negative vote of a permanent member. In such instances, according to its [“Uniting for peace” resolution of 3 November 1950](#), the Assembly may consider the matter immediately and recommend to its Members collective measures to maintain or restore international peace and security.

Economic and Financial Committee

The Economic and Financial Committee, also known as ECOFIN is the second of the six committees of the United Nations General Assembly

Economic and Financial Committee was formed with the rest of the General Assembly when the UN was established after the Second World War in 1945. The committee first met in London in January 1946. Since then, the committee meets once every year in October for a 4-5-week session. Its primary roles include addressing issues related to economic growth and development with specific regard to macroeconomic policy on international trade and external debt sustainability, securing financing for sustainable development, poverty eradication and globalization and interdependence.

The ECOFIN is administrated by one chairperson, three vice-chairpersons and one rapporteur. The ECOFIN regularly updates its working methods and practices to enable deeper debate and greater impact of the committee's deliberations and decisions. These efforts include streamlining the agenda, holding "question time" sessions with secretariat officials after the presentation of substantive reports and reducing the number and length of draft resolutions adopted. The Committee currently holds a dialogue with the Executive Secretaries of the Regional Commissions as well as a number of side events as part of its programme of work.

Mandate

The mandate of ECOFIN encompasses economic growth and development, financing for development, sustainable development, human settlements, poverty eradication, globalization and interdependence, operational activities for development, and information and communication technologies for development. Its mandate further explores groupings of nations such as Least Developed Countries to encourage regional growth and support for all nations.

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Functions and Powers

ECOFIN is unique in that it focused on the globalized economy and support nations financially. Its primary roles include addressing issues related to economic growth and development with specific regard to macroeconomic policy on international trade and external debt sustainability, securing financing for sustainable development, poverty eradication and globalization and interdependence. Though resolutions adopted by the committee are not enforceable, they carry the weight of the international community's will. The GA also has the power to convene an emergency special session and act to ensure peace security.

What are illicit financial flows?

In the international development community, the concept of IFFs is emerging as a powerful and constructive umbrella to bring together previously disconnected issues. The term emerged in the 1990s and was initially associated with capital flight. It now generally refers to cross-border movement of capital associated with illegal activity or more explicitly, money that is illegally earned, transferred or used that crosses borders.

This falls into three main areas:

- The acts themselves are illegal (e.g., corruption, tax evasion); or
- The funds are the results of illegal acts (e.g., smuggling and trafficking in minerals, wildlife, drugs, and people); or
- The funds are used for illegal purposes (e.g., financing of organized crime).

However, there is an ongoing global discussion on whether and what commercial activities – such as tax avoidance – should be considered part of IFFs, considering that many business practices to lower tax liabilities are legal.

So, while the term “illicit financial flows” is increasingly used, there is still no agreement on the precise definition.

History

Historically, the imposition of national capital controls has held illicit financial flows limited. Capital controls, which mean that countries regulate the monetary flows in and out of their countries prior to War II.⁶ With capital controls, international illicit flows are potentially limited to the physical transfer of cash over national borders. Naturally, there was tax avoidance in this period, but it took rather a domestic form and remained smaller in scope.

Three developments have intensified the role of international tax avoidance and illicit flows since the times of capital control. Firstly, the waves of independencies from the 1960s onwards established newly sovereign countries. These countries' economies, however, were often still dependent on capital from their former metropolises. To track the profits from these investments, however, many of these countries lacked the administrative and legislative structure.

Secondly, capital controls were continuously weakened from the 1960s onwards. The Washington Consensus emerged in the late 1970s, and neoliberal policies were introduced widely around the globe.⁷ The Washington Consensus is a policy agreement that focuses on trade and investment liberalization, privatization, and deregulation; and has been applied multiple times both in the Global North and the Global South. This weakened domestic tax authorities, as capital control was increasingly revoked in favor of free-market policies.⁸ It is important here to clarify that freedom of capital movement does not equal tax avoidance, but that it facilitates the masking and distorting of international financial flows.

Lastly, and partly resulting from these liberal policies, international financial flows have accelerated. Particularly Transnational Corporations (TNCs) have been able to use this to their advantage, switching profits quickly between tax jurisdictions. The influence and capacity to do so has expanded over the years. TNCs now account for roughly 80% of international trade. These trades often occur between two sister companies under the same umbrella company, which alone accounts for more than half of global trade.¹⁰ This has resulted in countries competing over tax revenues by offering lower tax rates. This race to the bottom only exacerbate the difficulty for developing countries to finance their development. All three of these developments together – the difficult infancy conditions for newly independent countries, the weakening of capital controls, and the rise of Transnational Corporations, have contributed to higher levels of tax evasion. Countries in the global South, which are those with most need for tax revenues, are particularly harsh hit by this spike in tax evasion.

What is asset recovery?

Asset recovery – as outlined in the UN Convention against Corruption (UNCAC chapter V) – refers to the process by which the proceeds of corruption transferred abroad are **recovered and repatriated** to the country from which they were taken or to their rightful owners.

A precise account of the proceeds of corruption circulating the globe is not possible, but the World Bank estimates that developing countries lose US\$20-40 billion each year due to corruption. This money could be spent on tackling poverty, providing decent public services and achieving the Sustainable Development Goals.

Discussion of the Problem

The relationship between international tax evasion and Less Developed Countries Tax evasion is undoubtedly an issue both for the global North and the global South.

In absolute terms, for instance, the United States are the largest loser of governmental income due to tax evasion, losing over 300 billion US\$ every year, accompanied by Brazil, European States, Russia and China in the group of the biggest losers. The relationship to development becomes clearer, however, if one looks at the losses countries have to incur relative to their GDP. For the U.S., for instance, this number drops to below 1.2% of GDP. Developing countries, who are the hungriest for tax revenue, lose higher amounts of their legitimate taxes. This is due in part to the large informal economy in many developing nations, and the continuing difficulties in collecting taxes in rural and less developed areas.

Developing countries thus seek to attract Foreign Direct Investment (FDI), which ideally offers tax revenues that are collectable. What journalism and research have shown over the last years, however, is that much of this FDI is operated through offshore firms, which are letter-box companies that reside in jurisdictions with particularly lax tax legislation. Since 2011, this number has exceeded 1.1 trillion US\$ per annum.

To exemplify the strain this puts on developing countries' ability to fund their own development, the comparison with global development aid is striking. In 2016, global development aid billed at 142.6 billion US\$, according to the Organization for Economic Cooperation and Development (OECD) – which represents little more than a tenth of the yearly outflows from developing countries. In the case of Sub-Saharan Africa, even accounting for Foreign Direct Investment and other licit flows of money, the net flow is negative – meaning that money is flowing out of Sub-Saharan Africa, making

development more difficult to attain. This holds true for developing nations in general, as well

Methods of international tax evasion

One of the striking revelations of the Panama Papers was to what extent these tax evasion practices were within the boundaries of the law. The tax outflows from developing countries, however, occur through both legal and illegal practices – with the line between them often quite blurry. One central practice for capital flight is misinvoicing. Through stating falsified sums on a customs invoice for a trade between two companies, profits are shifted from one tax jurisdiction to another.¹⁹ By underreporting an export invoice, for example, a company can directly evade taxes and customs and shift profit outside. Import over-invoicing, on the other hand, exaggerates the prices of material bought from another country, allowing to shift profits there. Both these methods are relatively equally used for capital flight from the global South. In developing countries where capital controls of some sort are imposed, misinvoicing is often used to circumvent these.

The precise share of misinvoicing in capital flight from the global South is debated. A report of Christian Aid estimated that developing nations lose 1.6 billion US\$ of direct tax revenue. The Global Financial Integrity think tank (GFI), with a broader methodology, estimates misinvoicing to account for over 80% of illicit capital flight from the global South, over 800 billion US\$. The incentives for companies to falsify invoices is even higher when the trade occurs between two branches of one larger corporation. The Panama Papers revealed, for instance, that Apple moved profits to its own branch on the Channel island Jersey.

The second large practice of capital flight is the trafficking of the money unrecorded. This can either be done physically (which represents only a relatively small amount); or through shell companies in offshore financial centers. According to the numbers of the GFI, which measures these outflows in errors and omissions in a country's balance of payment, this means of capital outflow has greatly increased over the last years, accounting for almost 20% of capital outflows in 2013

The role of offshore financial centers (OFCs)

Offshore financing has played an increasingly important role in international financing. In its most basic form, the IMF defines it as “the provision of financial services by banks and other agents to non-residents”. Offshore financial centers, then, are Terri-

tories or States in which offshore finance represents a large chunk of general financial sector activity, that is, where most of financial services is offered to non-residents. The boundaries are not clear cut, and what qualifies as an OFC depends on the definition.

The most important OFCs for capital flight from the global South are those offering banking secrecy for the customers of their financial services. This secrecy can be used to let money from the global South “disappear”. Almost half of all capital flight from the global South is ultimately directed towards such offshore financial centers with strict banking secrecy. 32 of the 52 offshore financial centers identified by the IMF are island nations or territories, which potentially depend on the income from providing tax secrecy. Another particularity is represented by the large number of non-sovereign territories, which represent 16 of the 52 countries (11 under British sovereignty, 3 under Dutch sovereignty, and two under Chinese sovereignty). They are joined *inter alia* by Panama, Switzerland, Ireland and Luxemburg, most prominently.

What unifies these countries is that they have a very low corporate tax rate and to not cooperate with other countries in the exchange of financial information. The financial secrecy index (see figure on the right) gives a good account of countries’ participation in international information exchange. Despite international attempts at curbing illicit flows to OFCs, the size of the offshore market has enjoyed relatively stable growth over the last decade. Between 1982 and 2003, they grew 2,8% per year on average – twice as much as total global GDP, which grew by only 1,2% on average. In 2010 for instance, the Tax Justice Network estimates, between 21 and 31 trillion US\$, or between 9% and 13% of global household wealth, were held in tax havens. Another study found that offshore wealth had increased by 35% between 2007 and 2015.

This is intrinsically linked to Transnational Corporations: 90% of the 200 biggest corporations worldwide are present in tax havens. A report by Oxfam on the issue identified those tax havens that “facilitate the most extreme forms of corporate tax avoidance”. Notwithstanding these clear cut-examples, illicit capital flight from the developing world also ends up in the developed world more than four out of ten times. Offshore financing has increased in spite of international attempts at countering illicit financial practices over the last decades. The next section will review these efforts.

Past international efforts One of the central issues in detecting tax avoidance is transparency. Practices of misinvoicing, for example, can be detected by mirroring and comparing the invoices of the importing and the exporting country. Another tactic to identify misinvoicing is to look for abnormal prices – real examples are a ballpoint pen from Trinidad worth 8,500 US\$ a piece, or apple juice from Israel worth over 4000 US\$ a liter. Such exaggerated mispricing, however, is rather the exception to the rule,

and detecting mispricing can be a challenging task.

Many countries have therefore entered into tax cooperation agreements on a bilateral basis. Over 500 such agreements have been made between States and territories since 2000. These bilateral agreements, however, often exclude developing countries, which benefit little from the information sharing between tax havens and developed economies. A more comprehensive approach is therefore needed. The OECD and the UN have both put forward such a multilateral approach to address the problem.

OECD: Convention on Mutual Administrative Assistance in Tax Matters

The OECD drafted the Convention on Mutual Administrative Assistance in Tax Matters already in 1988 with the Council of Europe. It was amended after the G20 proposed a renewal in 2010, and opened for all countries to participate. It serves as a multilateral basis for cooperation between multiple tax jurisdictions and applies to income and corporate taxes. As of November 2017, 115 countries participate in the Convention, including the non-sovereign tax havens by extension of the participation of the United Kingdom and the Netherlands, respectively. It is the most comprehensive effort in the international community, and seeks to facilitate the exchange of relevant information to combat tax evasion. The States party to the convention commit to exchanging this information, but are not legally bound to do so.

United Nations: Committee of Experts on International Cooperation in Tax Matters

Within the United Nations system, the Committee of Experts on International Cooperation in Tax Matters was established by ECOSOC Res.2004/69. The Committee has drafted the United Nations Model Double Taxation Convention, which is however unbinding, and not an official recommendation by the United Nations. It rather serves as a guideline for countries to incorporate into their bilateral treaty negotiations. In the Model Convention, specific rules for the taxation of goods, capital, and services are provided to ensure that individuals do not have to pay taxes twice. Additionally, information exchange is encouraged to facilitate the detection of the misuse of its provisions, for which developing countries are more prone due to their potentially lacking enforcement and implementation mechanisms

The economic impact of IFFs on sustainable development:

Concerns about the impact of IFFs on economic development are all the more

justified when considering the wider picture of net financial transfers (or net resource transfers) that have typically flowed from developing to developed countries over recent decades. External resources that are deemed necessary to fund development generate return flows of interest payments and profit remittances which must be funded by the developing country and can outweigh any earnings flows. This net transfer of financial resources is here defined as the difference between net capital inflows and net income payments to foreign capital, including net changes in international reserves. It is the financial counterpart, but with opposite sign, to the balance of trade in goods and non-capital services. Since this is a net position, a negative sign means that there is a loss of domestic resources and therefore some part of the value of domestic production is unavailable for domestic use.

Existing commitments

There is a wide range of possible activities that generate resources that are illicitly transferred across borders. These include corporate and individual tax avoidance, profit shifting, tax evasion, organized crime and corruption. The United Nations Convention against Corruption is the only legally binding global instrument on all forms of corrupt behaviour. The Convention is complemented by a number of regional and cross-regional anti-corruption conventions. The United Nations Convention against Transnational Organized Crime also includes relevant commitments on the transfer of the proceeds of crime. In the area of tax cooperation, **there is no legally binding global instrument**, but a number of plurilateral initiatives, including the ones hosted at the Organisation for Economic Co-operation and Development (OECD) – such as the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting, the Global Forum on Transparency and Exchange of Information for Tax Purposes and the Convention on Mutual Administrative Assistance in Tax Matters. The Economic and Social Council has adopted resolution 2017/3, which contains the United Nations code of conduct on cooperation in combating international tax evasion, and the Committee of Experts on International Cooperation in Tax Matters has developed an influential model treaty for bilateral cooperation on tax. Member States have also committed to effectively implementing the International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation, the recommendations set by the Financial Action Task Force.

Aside from financial crimes, criminal activities giving rise to illicit financial flows can include environmental crimes (e.g. illegal wildlife trade, illegal fishing and illegal logging), illegal mining, trafficking in drugs and other illicit substances, trafficking in persons, and illicit transfer of cultural objects or property. Such crimes are frequently covered

by additional international agreements and frameworks. Action against the proceeds associated with these crimes will not only contribute to reducing illicit financial flows, but also help deter crime in these areas, generating strong synergies for sustainable development. As illicit financial flows and transnational organized crime may benefit terrorists or fund conflict in some regions, Aside from financial crimes, criminal activities giving rise to illicit financial flows can include environmental crimes (e.g. illegal wildlife trade, illegal fishing and illegal logging), illegal mining, trafficking in drugs and other illicit substances, trafficking in persons, and illicit transfer of cultural objects or property. Such crimes are frequently covered by additional international agreements and frameworks. Action against the proceeds associated with these crimes will not only contribute to reducing illicit financial flows, but also help deter crime in these areas, generating strong synergies for sustainable development. As illicit financial flows and transnational organized crime may benefit terrorists or fund conflict in some regions,

Main achievements and remaining challenges

Since the drain on development emanating from IFFs first caught the attention of wider audiences in governments, civil society and multilateral fora, considerable progress has been made in tackling such flows through a multitude of initiatives at national and international levels.

This includes the United Nations Convention against Corruption and the United Nations Convention against Transnational Organized Crime that provide the most comprehensive and universal instruments to-date to reduce IFFs originating from corruption and organized crime. Important steps forward are being taken to advance the recovery and return of 'stolen assets' (or the proceeds of corruption that have been transferred abroad) including through the joint World Bank/UNODC Stolen Asset Recovery (StAR) Initiative, its Asset Recovery Watch database, and the Global Forum on Asset Recovery (GFAR).

Similarly, the United Nations Tax Committee, the Financial Action Task Force, the OECD's Global Forum for Transparency and Exchange of Information for Tax Pur-

poses, its Multilateral Convention on Mutual Cooperation in Tax Matters and its Base Erosion and Profit Shifting Project (in cooperation with the Group of 20) have all contributed to debates on and the implementation of measures to increase tax administration, tax transparency and cross-border information exchange mechanism, alongside numerous national initiatives. The World Bank's IFFs Risk Assessment Framework will also help countries to enhance their capacities to develop economic and other policies to address IFFs more effectively.

Yet, important challenges remain:

Definitional challenge: There remains no universally agreed-on definition of what constitutes IFFs, though there are some parameters for identifying IFFs. IFFs are often defined as constituting money that is illegally earned, transferred or used and that crosses borders. Second, there are generally three categories of IFFs, although these are not mutually exclusive or comprehensive: IFFs originating from transnational criminal activity; corruption-related IFFs; and tax-related IFFs.

Measurement: The deliberately hidden nature of IFFs poses formidable problems for the reliable measurement of these flows. Existing estimates provide a partial picture, by regions and types of flows, and underlying statistical methods to estimate the volume of IFFs as well as conceptual frameworks for a comprehensive definition of the components of IFFs remain contentious. UNODC and UNCTAD, as co-custodians of SDG indicator 16.4. to reduce IFFs, are engaged, in cooperation with UNECLAC and UNECA, with testing and developing common statistical methods to measure IFFs and to provide data for the aggregate scale indicator under SDG target 16.4. Similarly, while certain mutual accountability frameworks do exist at the global level for preventing and countering IFFs – such as the UNCAC Implementation Review Mechanism and the FATF monitoring process – few quantitative tools and standards exist to ob-

jectively measure IFFs and international efforts to combat IFFs and ensure returns.

Technology: The fast-growing role of information and communication technologies also requires close attention in the context of IFFs. Criminals – including transnational organized crime groups – can increasingly use digital avenues to facilitate cross-border trade and associated financial flows, for example through the criminal misuse of so-called ‘cryptocurrencies’. At the same time, big data analytics, machine learning and neural network programming also provide an array of tools and methods to better predict illicit behavior and measure IFFs more accurately.

Participation: For a variety of reasons, the participation of developing countries in multilateral initiatives to enhance tax transparency, such as the Automatic Exchange of Information initiative of the OECD, the G20 and the G7, remains limited. While there is a range of regional initiatives in developing countries, such as the Asset Recovery Inter-Agency Network of Southern Africa, the African Legal Support Facility and similar organizations in Latin America and Asia, these require closer interaction and integration with advanced-country led initiatives. There also is a need, more generally, for capacity-building support to combat IFFs in developing countries.

QUESTIONS TO CONSIDER

- 1) How low income group countries strengthen their digital infrastructure in order to tackle IFFs issue?
- 2) What can be the possible channels through which flow of funds take place (illegally) and how it can be limited?
- 3) What possibly can be the role of islands nations (favourite destination for off-shore assets) in this matter?
- 4) How can be the countries internal tax structure could be restructured in order to prevent illicit financial flows?

5) Ways for global co-operation for asset return requirements

Three things which I expect out of each delegate is how well they have researched, and after **proper research**, how well they are **analysing** the issues and collaborating above two factors (research,analysis) with the simple term known as - **logic**

If each one of you are able to incorporate these three aspects , you all are good to go

- 1) Research
- 2) Analysis
- 3) Logic

BIBLIOGRAPHY AND EXTRA RESOURCE LINKS

<https://www.un.org/en/ga/>

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<https://daccess-ods.un.org/access.nsf/Get?OpenAgent&DS=A/77/304&Lang=E>

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RULES OF PROCEDURE

Roll Call

A committee meeting begins with a roll call, without which quorum cannot be established. A debate cannot begin without a quorum being established. A delegate may change his/her roll call in the next session. For example, if Delegate answers the Present in the First session, he can answer Present and vote in the next session when the roll call occurs.

During the roll call, the country names are recalled out of alphabetical order, and delegates can answer either by saying Present or Present and voting. Following are the ways a roll call can be responded in -

Present - Delegates can vote Yes, no, or abstain for a Draft Resolution when they answer the Roll Call with Present;

Present and voting - An delegate is required to vote decisively, i.e., Yes/No only if they have answered the Roll Call with a Present and voting. A Delegate cannot abstain in this case.

Abstention - The Delegate may abstain from voting if they are in doubt, or if their country supports some points but opposes others. Abstention can also be used if a delegate believes that the passage of the resolution will harm the world, even though it is unlikely to be highly specific. A delegate who responded with present and voting is not allowed to abstain during a substantive vote. An abstention counts as neither "yes" nor "no vote", and his or her vote is not included in the total vote tally.

Quorum

In order for the proceedings of a committee to proceed, quorum (also known as a minimum number of members) must be set which is one-third of the members of the committee must be present. Quorum will be assumed to be established unless a delegate's presence is specifically challenged and shown to be absent during the roll call. The Executive Board may suspend committee sessions if a quorum is not reached.

General Speakers List

After the agenda for the session has been established, a motion is raised to open the General Speaker's List or GSL. The GSL is where all types of debates take place throughout the conference, and the list remains open throughout the duration of the agenda's discussion. If a delegate wishes to speak in the GSL, he or she must notify the Executive Board by raising his or her placard when the Executive asks for Delegates desiring to speak in the GSL. Each country's name will be listed in the order in which it will deliver its speech. A GSL can have an individual speaker time of anywhere from 60-120 seconds. Following their GSL speech, a Delegate has the option of yielding his/her time to a specific Delegate, Information Points (questions) or to the Executive Board.

Speakers List will be followed for all debate on the Topic Area, except when superseded by procedural motions, amendments, or the introduction of a draft resolution. Speakers may speak generally on the Topic Area being considered and may address any draft resolution currently on the floor. Debate automatically closes when the Speakers List is exhausted.

Yield

A delegate granted the right to speak on a substantive issue may yield in one of three ways at the conclusion of his/her speech: to another delegate, to questions, or to the Director. Please note that only one yield is allowed. A delegate must declare any yield at the conclusion of his or her speech.

- Yield to another delegate. When a delegate has some time left to speak, and he/ she doesn't wish to utilize it, that delegate may elect to yield the remaining speaking time to another delegate. This can only be done with the prior consent of another delegate (taken either verbally or through chits). The delegate who has been

granted the other's time may use it to make a substantive speech, but cannot further yield it.

- Yield to questions. Questioners will be selected by the Executive Board. Follow-up questions will be allowed only at the discretion of the Director. The Director will have the right to call to order any delegate whose question is, in the opinion of the Director, rhetorical and leading and not designed to elicit information. Only the speaker's answers to questions will be deducted from the speaker's remaining time.

- Yield to the EB. Such a yield should be made if the delegate does not wish his/her speech to be subject to questions. The moderator will then move to the next speaker.

Motions

Motions are the formal term used for when one initiates an action. Motions cover a wide variety of things.

Once the floor is open, the Chairs will ask for any points or motions. If you wish to bring one to the Floor, this is what you should do:

- Raise your placard in a way that the chair can read it
- Wait until the Chair recognizes you
- Stand up and after properly addressing the Chair("Thank you, honourable Chair" or something along these lines), state what motion you wish to propose
- Chairs will generally repeat the motions and may also ask for clarification. Chairs may do this if they do not understand and may also ask for or suggest modifications to the motion that they feel might benefit the debate.

Every motion is subject to seconds, if not otherwise stated. To pass a motion at least one other nation has to second the motion brought forward. A nation cannot second its own motion. If there are no seconds, the motion automatically fails.

If a motion has a second, the Chair will ask for objections. If no objections are raised, the motion will pass without discussion or a procedural vote. In case of objections, a procedural vote will be held. The vote on a motion requires a simple majority, if not otherwise stated.

While voting upon motions, there are no abstentions. If a vote is required, everyone

must vote either “Yes” or “No”. If there is a draw on any vote, the vote will be retaken once. In case there are multiple motions on the Floor, the vote will be casted by their Order of Precedence. If one motion passes, the others will not be voted upon anymore. However, they may be reintroduced once the Floor is open again.

During a moderated caucus, there will be no speakers’ list. The moderator will call upon speakers in the order in which the signal their desire to speak. If you want to bring in a motion for a moderated caucus, you will have to specify the duration, a speakers’ time, a moderator, and the purpose of the caucus. This motion is subject to seconds and objections but is not debatable.

In an unmoderated caucus, proceedings are not bound by the Rules of Procedure. Delegates may move around the room freely and converse with other delegates. This is also the time to create blocks, develop ideas, and formulate working papers, draft resolutions, and amendments. Remember that you are required to stay in your room unless given permission to leave by a Chair.

During the course of debate, the following **points** are in order:

Point of Personal Privilege: Whenever a delegate experiences personal discomfort which impairs his or her ability to participate in the proceedings, he or she may rise to a Point of Personal Privilege to request that the discomfort be corrected. While a Point of Personal Privilege in extreme case may interrupt a speaker, delegates should use this power with the utmost discretion.

Point of Order: During the discussion of any matter, a delegate may rise to a Point of Order to indicate an instance of improper parliamentary procedure. The Point of Order will be immediately decided by the Director in accordance with these rules of procedure. The Director may rule out of order those points that are improper. A representative rising to a Point of Order may not speak on the substance of the matter under discussion. A Point of Order may only interrupt a speaker if the speech is not following proper parliamentary procedure.

Point of Parliamentary Enquiry: When the floor is open, a delegate may rise to a Point of Parliamentary Inquiry to ask the EB a question regarding the rules of procedure. A Point of Parliamentary Inquiry may never interrupt a speaker. Delegates with substantive questions should not rise to this Point, but should rather approach the committee staff during caucus or send a note to

the dais.

Point of information: After a delegate gives a speech, and if the delegate yields their time to Points of Information, one Point of Information (a question) can be raised by delegates from the floor. The speaker will be allotted the remainder of his or her speaking time to address Points of Information. Points of Information are directed to the speaker and allow other delegations to ask questions in relation to speeches and resolutions.

Right to Reply: A delegate whose personal or national integrity has been impugned by another delegate may submit a Right of Reply only in writing to the committee staff. The Director will grant the Right of Reply and his or her discretion and a delegate granted a Right of Reply will not address the committee except at the request of the Director.

Draft Resolution

Once a draft resolution has been approved as stipulated above and has been copied and distributed, a delegate(s) may motion to introduce the draft resolution. The Director, time permitting, shall read the operative clauses of the draft resolution. A procedural vote is then taken to determine whether the resolution shall be introduced. Should the motion received the simple majority required to pass, the draft resolution will be considered introduced and on the floor. The Director, at his or her discretion, may answer any clarificatory points on the draft resolution. Any substantive points will be ruled out of order during this period, and the Director may end this clarificatory question-answer period' for any reason, including time constraints. More than one draft resolution may be on the floor at any one time, but at most one draft resolution may be passed per Topic Area. A draft resolution will remain on the floor until debate on that specific draft resolution is postponed or closed or a draft resolution on that Topic Area has been passed. Debate on draft resolutions proceeds according to the general Speakers List for that topic area and delegates may then refer to the draft resolution by its designated number. No delegate may refer to a draft resolution until it is formally introduced.

Amendments

All amendments need to be written and submitted to the executive board. The format for this is authors, signatories and the clause with mentioning the add, delete and replace. There are two forms of amendment, which can be raised by raising a

Motion for amendment and approval of the chair=

Friendly Amendments: Amendment, which is agreed upon by all the author's does not require any kind of voting

Unfriendly Amendments: Amendments that are introduced by any other need not be voted upon by the council and are directly incorporated in the resolution. You need a simple majority in order to introduce a normal amendment.

BODY of Draft Resolution

The draft resolution is written in the format of a long sentence, with the following rules:

Draft resolution consists of clauses with the first word of each clause underlined.

The next section, consisting of Preambulatory Clauses, describes the problem being addressed, recalls past actions taken, explains the purpose of the draft resolution, and offers support for the operative clauses that follow. Each clause in the preamble begins with an underlined word and ends with a comma.

Operative Clauses are numbered and state the action to be taken by the body. These clauses are all with the present tense active verbs and are generally stronger words than those used in the Preamble. Each operative clause is followed by a semi-colon except the last, which ends with a period.

SAMPLE POSITION PAPER

Committee : UNDP

Country : Chad

Topic : Women in Development

Chad is concerned about gender equality concerns and is pleased that people are paying attention to this subject. We promote human rights and believe that all humans, including men and women, are created equal. We see that violence and gender discrimination would be a violation of human rights. We also think that women, like men, should be allowed a larger role in practically every facet of life.

This crisis has been resolved in practically every country, and we now need to create a safer and more secure environment. Improved environment for women and their activities As many as 70% to 80% of women are responsible for their home. However, they are in an unpleasant condition due to a lack of education, financial management, and even awareness of their rights. Which led to bigger problems such as unpaid overtime work, low education owing to forced young marriage, and other culturally based constraints that make people unhappy.

Our country may have joined and ratified human rights accords that acknowledged the Gender equality is a concept. And our government enthusiastically passed the domestic violence statute, which is yet another step toward recognising this issue. Nonetheless, we think that there is a problem in law enforcement, which is why Chad will participate in UNDP programmes regarding gender equality, women empowerment, and advocating our position to our own people.

The government of Chad presented various remedies to this problem.

1. Creating an environment in which women are accepted and treated equally. in which case

As an example, UNDP should engage in social and cultural activities to create a “model community.” to different villages Education is one of the projects. The majority of the time, young girls are stolen away from school and compelled to work or marry owing to financial difficulties Developing an option may be night school or another flexible-in-time and free school.

2. A basic financial education. Women should seek out services or products that are effective. capable of handling them We would aid them in obtaining credit and a better and safer loan. And they should be functioning as entrepreneurs in their town or group. Which in this case In this situation, they create a new, independent employment.

THE MATERIAL IN THIS GUIDE ARE SOLELY FOR READING PURPOSES, AND THE DATA IS COMPILED FROM VARIOUS SOURCES QUOTING THE ABOVE INFORMATION.*

AT NO POINT IN TIME SHOULD THIS GUIDE BE TAKEN FOR RAISING QUESTIONS IN THE COMMITTEE OR AS A PROOF FOR ANY SORT OF ALLEGATIONS.

HAPPY RESEARCHING. ALL THEEEEE BESTTTTT!!