**Mandate of the UN Independent Expert on the promotion of a democratic and equitable international order**

**Consultation on the role of international financial institutions in promoting an equitable and democratic international order, especially in the field of taxation**

**- Geneva, 14 October 2016 -**

*Concept Note*

**Background**

The mandate of the Independent Expert was established by Human Rights Council resolution 18/6 in September 2011 and renewed by Council resolution 27/9. The first, and current, mandate holder, Mr. Alfred de Zayas, was appointed on 1 May 2012. To date, the Independent Expert has written ten thematic reports to the Human Rights Council and the General Assembly on various issues falling within the scope of his mandate, including the adverse impacts of free trade and investment agreements on human rights (A/HRC/33/40; A/HRC/30/44 and A/70/285), and the relationships between taxation and the fulfilment of human rights treaty obligations by States (A/71/286).

In October 2016, the Independent Expert will present to the General Assembly his report on the adverse impact of tax evasion, tax havens and tax avoidance on the promotion of a democratic and equitable international order. In this report, the Independent Expert explores a number of challenges posed to the international order by widespread tax avoidance, tax evasion, tax fraud, profit-shifting from individuals or companies, through ghost corporations registered in tax havens or secrecy jurisdictions and illicit financial flows. Highlighting that these practices deprive countries – especially developing countries – of revenue needed to fulfil their human rights obligations, the report analyses a number of good initiatives and practices in the field of taxation from intergovernmental organisations, civil society and others. The report calls inter alia for the creation of a UN tax cooperation body with the mandate to adopt a UN tax convention, the phasing-out of tax havens, and the revision of the Guiding Principles on business and human rights to include the obligation of corporations to pay their fair share of taxes.

In 2017, the Independent Expert intends to continue researching these issues and more specifically to assess the role of inter-governmental meetings such as the World Economic Forum, the G20, and institutions such as the WTO, the IMF, the World Bank, the OECD, in making the economy work for human rights and not against them. These institutions should henceforth provide policy advice on tax matters – as well as on many other issues – that should contribute to advance human rights, and promote a democratic and equitable international order. While the Independent Expert notes that the World Bank recently adopted a new Environmental and Social Framework, he is concerned that the World Bank, the IMF and the WTO are still to be incorporated into the UN system and abide by the purposes and principles of the UN Charter. Strategies must thus be developed to ensure that the financial market contribute to alleviate poverty and promote rather than hinder a democratic and equitable international order.

In sight of the presentation of his 2016 report to the General Assembly at the end of October 2016 and his research focus for 2017, the Independent Expert is convening a one-day consultation with a wide range of experts. The aim of the consultation will be twofold: 1) to identify ways to disseminate and follow up the recommendations contained in his 2016 report on taxation; and 2) to collect inputs on the role of international financial institutions in the promotion of a world order that is democratic and equitable.

**Objectives**

The consultation intends to:

1. Discuss a strategy to follow-up on the recommendations contained in the Independent Expert’s thematic reports on trade, taxation and human rights, including ideas for the IE’s Interactive dialogue with the General Assembly;
2. Discuss how the IE could contribute to advance the various initiatives from Member States; e.g. China and G77’s proposal for an intergovernmental tax body under the auspices of the United Nations with the mandate to elaborate a Convention on Taxation and International Cooperation in Tax Matters; inter-governmental organisations (e.g. UNCTAD; OECD) and civil society in the field of taxation.
3. Share ideas on the next research focus of the Independent Expert, including recommendations to the WTO, the World Bank and the IMF on tax matters and other related issues.
4. Explore obstacles to and good practices for the advancement of economic, social and cultural rights and a more democratic and equitable international order by international financial institutions.

**Expected outcome**

* Strategies to implement the recommendations contained in the IE’s report A/71/286 on taxation, including recommendations that could be formulated to the General Assembly – and the new UN Secretary General.
* Possibilities of concerted action to place the issue of taxation on the agenda of the Human Rights Council (UPR and Forum on Democracy and Rule of Law) and other human rights mechanisms (Treaty bodies; Special Procedures).
* Ideas and proposals related to the IE next research focus on the WTO, the World Bank, the IMF and the promotion of a democratic and equitable international.

**Modalities**

Participation in the meeting will be upon invitation only.

A range of experts from non-governmental organizations, international organizations, academic and other sectors are expected to attend this meeting. Each participant is invited to make a 5 to 10 minute presentation on a specific aspect of the subject-matter as a contribution to the discussion. Written submissions are welcome.

The meeting will be conducted over one day and will consist of four plenary sessions. It will last from 9:00 to 18:00.

# The event will take place in Geneva at the same time as the twelve annual session of the Committee of Experts on International Cooperation in Tax Matters. The consultation will be held in English with no simultaneous interpretation.