ECOFIN

Oakridge MUN 2026

Economic and Financial Committee (ECOFIN)

Agenda: Enhancing International Financial Cooperation to Address Illicit Financial Flows and Strengthen Domestic Resource Mobilization

CONTENTS

Letter from the Executive Board

Dear Delegates,

It is our pleasure to welcome you to the United Nations General Assembly Second Committee, the Economic and Financial Committee, commonly known as ECOFIN, at Oakridge MUN 2026. This committee provides a platform for Member States to deliberate on some of the world's most pressing economic and developmental challenges.

This year's agenda, **Enhancing International Financial Cooperation to Address Illicit Financial Flows and Strengthen Domestic Resource Mobilization**, examines an issue that lies at the heart of sustainable development, economic governance, and international cooperation. It challenges delegates to consider how States can strengthen their domestic economies while working together to address increasingly complex cross border financial challenges.

Success in this committee will require more than familiarity with statistics or international agreements. It will demand an understanding of your country's priorities, thoughtful negotiation, and the ability to develop practical solutions that balance national interests with collective global action.

This Background Guide has been prepared to introduce the key concepts, institutions, and debates surrounding the agenda. We encourage you to use it as the foundation for your research and to explore the topic further through independent study and critical analysis.

We hope this committee inspires meaningful discussion, rigorous diplomacy, and innovative policymaking. On behalf of the Executive Board, we wish you the very best in your preparation and look forward to welcoming you to committee.

Warm regards,
The Executive Board

MUN Rules Of Procedure (ROP)

1. Roll Call

- The Chair calls on each country to declare if they are "Present" or "Present and Voting." It refers to the voting procedure on the Draft Resolution, where a delegate can vote "Yes", "No", or opt to "Abstain".
- If "Present and Voting," the delegate cannot abstain from voting. If the delegate chooses to respond with "Present", they may answer with "Present and Voting" on subsequent days, but this is not permissible for "Present and Voting" as this reply must be used consistently from that point forth.

2. Setting the Agenda

- Delegates motion to set the agenda, followed by a formal debate on which topic to discuss first. This motion requires a simple majority to pass.

3. Speakers' List

- After passing a motion to enter formal debate, delegates are placed on a speakers' list to make formal speeches. Time limits are set, and the Chair calls on delegates to speak in order.
- A delegate must raise their placard if they wish to add their name to this list. They can be on this list only once on any occasion.

4. Points

- **Point of Order:** To correct a procedural error by the Chair.
- **Point of Personal Privilege:** For personal discomfort (e.g., if the room is too cold, or if a fellow delegate cannot be heard).
- **Point of Inquiry:** To ask questions about discussion or statements in committee.
- **Point of Parliamentary Inquiry:** To ask questions with regard to the Rules of Procedure.

5. Motions

- **Motion to Suspend the Meeting:** To break for caucuses or adjourn the session.
- **Motion to Close Debate:** Ends the discussion on a topic and moves to voting. Requires a two-thirds majority.
- **Motion to Table the Topic:** Postpones debate on a topic. Requires a majority vote.

6. Yields

- **Yield to the Executive Board:** A delegate yields their remaining time from their speech to the Executive Board. It is to be used as they see fit.
- **Yield to Another Delegate:** A delegate yields their remaining time for another delegate to speak. (This delegate's permission must be sought beforehand)
- **Yield to Points of Information:** A delegate yields their remaining time to Points of Information to the committee.
- **Yield to Comments:** A delegate yields their remaining time to comments from the committee.

7. Caucuses

- **Moderated Caucus:** The Chair controls the speaking order with shorter, focused speeches. The topic selected is a narrowed version of the agenda, chosen by the delegate who proposed the moderated caucus.
- **Unmoderated Caucus:** Informal discussion among delegates not under the moderation of the Executive Board.

8. Draft Resolutions and Amendments

- Delegates collaborate to create draft resolutions, which are formal solutions to the discussed issue.
- **Friendly Amendments:** Accepted by all sponsors without a vote.
- **Unfriendly Amendments:** Need to be voted on to be added.

9. Voting

- **Procedural Votes:** Includes motions and amendments; all members must vote.
- **Substantive Votes:** For resolutions and unfriendly amendments; only "Present and Voting" delegates may vote, and abstentions are allowed.

1. About the Committee

The **United Nations General Assembly Second Committee (ECOFIN)** is one of the six Main Committees of the United Nations General Assembly, mandated to deliberate on international economic, financial, and sustainable development issues. Comprising all **193 United Nations Member States**, the Committee serves as the principal multilateral forum for building consensus on matters relating to global economic governance, development financing, macroeconomic policy, international trade, poverty eradication, and sustainable development.

Unlike specialized financial institutions such as the International Monetary Fund or the World Bank, ECOFIN neither provides financial assistance nor exercises regulatory authority over domestic or international financial systems. Instead, it develops recommendations through General Assembly resolutions, promotes international cooperation, and facilitates negotiations that contribute to the evolution of international economic norms and development policy.

Given its broad developmental mandate, ECOFIN frequently examines issues that require coordination among Member States, international organizations, regional institutions, and the private sector. Its discussions often influence subsequent work undertaken by specialized agencies and international financial institutions, particularly in areas concerning financing for development, international tax cooperation, financial transparency, and sustainable economic growth.

As a General Assembly committee, ECOFIN operates primarily through consensus building and policy recommendations. Delegates are therefore expected to propose realistic, cooperative, and internationally implementable solutions that respect the principles of sovereign equality and multilateralism.

1.1 Scope of Discussion

Within ECOFIN's Mandate	**Outside ECOFIN's Mandate**
International financial cooperation	Criminal prosecution of individuals or corporations
Domestic resource mobilization and tax policy	Imposing sanctions or punitive measures
International tax cooperation	Conducting criminal investigations
Sustainable development financing	Direct military or intelligence operations
Financial transparency and beneficial ownership	Ordering asset seizures or arrests
Anti money laundering policy coordination	Trying individuals before international courts
Asset recovery frameworks and international cooperation	Binding amendments to domestic legislation
Capacity building and technical assistance	Establishing new international criminal tribunals
Financial integrity, governance, and institutional reform	Direct regulation of private banks or financial markets
Recommendations to United Nations bodies and Member States	Mandating IMF or World Bank lending decisions

Delegate's Note

While ECOFIN may discuss money laundering, corruption, tax evasion, and organized crime, its focus is not on criminal justice. The committee examines these issues through the lens of economic governance, international cooperation, sustainable development, and public finance. Delegates should therefore prioritize policy coordination, institutional reform, capacity building, and international frameworks over criminal enforcement.

2. Introduction

Every government depends on financial resources to function. Revenue collected through taxation, customs duties, public enterprises, and other domestic sources finances essential public services, including healthcare, education, infrastructure, social welfare, climate adaptation, and national security. The ability of a State to generate, manage, and invest these resources effectively is commonly referred to as **domestic resource mobilization**, and it remains one of the most important foundations of sustainable development.

Yet, each year, substantial financial resources leave national economies through corruption, organized crime, tax evasion, money laundering, trade misinvoicing, and other illicit activities. These cross border movements of illegally earned, transferred, or utilized assets are broadly referred to as **illicit financial flows**. While estimates vary due to the hidden nature of these transactions, their cumulative impact is widely recognized as one of the most significant obstacles to economic development, particularly for developing countries.

The consequences extend well beyond financial loss. Illicit financial flows weaken public institutions, reduce government revenue, distort markets, discourage investment, facilitate corruption and organized crime, and erode public confidence in governance. In many developing economies, they further widen the gap between available public resources and the financing required to achieve the Sustainable Development Goals. Recognizing this challenge, the international community has increasingly framed the fight against illicit financial flows not merely as a law enforcement issue, but as a fundamental component of sustainable development and international economic cooperation.

The agenda before ECOFIN therefore addresses two closely connected objectives. The first is strengthening international cooperation to prevent, detect, and combat illicit financial flows through greater transparency, information sharing, regulatory cooperation, and institutional capacity building. The second is strengthening domestic resource mobilization by enabling governments to improve tax administration, enhance financial integrity, and increase the revenue available to finance long term development.

Together, these objectives seek to ensure that countries retain the resources necessary to support inclusive economic growth and achieve the commitments of the 2030 Agenda for Sustainable Development.

For ECOFIN, the central question is therefore not simply how illicit financial flows can be prevented, but how international cooperation can strengthen the capacity of all States, particularly developing countries, to build transparent, resilient, and sustainable financial systems.

2.1 What Are Illicit Financial Flows?

Before examining international cooperation, domestic resource mobilization, tax policy, or financial transparency, it is essential to understand the central concept underlying this agenda. Every subsequent discussion in this guide builds upon the idea of illicit financial flows. Without first understanding what they are, how they arise, and why they are so difficult to regulate, it becomes impossible to evaluate the legal, economic, and political debates surrounding them.

At first glance, the term appears straightforward. It suggests money that moves illegally across international borders. In practice, however, the concept is considerably more complex. Unlike offences such as bribery or money laundering, there is **no single internationally agreed legal definition** of an illicit financial flow. Different international organizations, governments, and researchers often adopt different approaches depending on whether they examine illicit financial flows from a criminal, fiscal, statistical, or developmental perspective. This lack of consensus remains one of the principal challenges in measuring their scale, comparing national data, and designing effective international policy responses.

The United Nations generally understands illicit financial flows as **financial resources that are illegally earned, transferred, or utilized across international borders**. While this broad conceptual understanding provides a common point of reference, it does not constitute a legally binding definition under international law. Instead, it serves as a practical framework for identifying activities that undermine financial integrity, reduce government revenue, facilitate criminal activity, and impede sustainable development.

One reason the concept remains difficult to define is that illicit financial flows do not describe a single crime. Rather, they represent the movement of value generated through numerous underlying activities. These may include corruption, tax evasion, organized crime, trade misinvoicing, environmental crime, money laundering, or the concealment of assets through anonymous corporate structures. In many cases, several of these activities occur simultaneously within a single financial transaction, making it difficult to identify where one offence ends and another begins.

For analytical purposes, the United Nations broadly categorizes illicit financial flows into three principal sources, discussed in section 2.3 below. Although these categories provide a useful analytical framework, they frequently overlap in practice. Funds generated through corruption, for example, are often laundered through complex corporate structures before eventually being hidden in offshore jurisdictions or disguised through commercial transactions.

2.2 Why Are Illicit Financial Flows Difficult to Define?

Few terms in international economic governance have attracted as much attention and as much debate as illicit financial flows (IFFs). Despite appearing frequently in resolutions of the United Nations General Assembly, reports of international organizations, and discussions on sustainable development, there remains no universally accepted legal definition of the term. This absence of consensus is not a legal oversight, but rather a reflection of the complexity of the phenomenon itself.

Unlike offences such as fraud, bribery, or money laundering, illicit financial flows do not constitute a distinct crime under international law. Instead, they describe the movement of financial value across borders that is connected to activities which violate legal, regulatory, or administrative frameworks. Consequently, what one institution classifies as an illicit financial flow may differ from another depending on its mandate, methodology, or policy objectives.

For law enforcement agencies, the focus often lies on proceeds generated through criminal activity, including corruption, organized crime, terrorism financing, and money laundering. Tax authorities may instead focus on tax evasion, abusive transfer pricing, and trade misinvoicing that reduce public revenue. Development institutions approach the issue from yet another perspective, examining how financial resources leaving a country weaken governments' ability to finance essential public services and achieve sustainable development. Each perspective is valid, yet none fully captures the breadth of the phenomenon on its own.

Recognizing these challenges, the United Nations has adopted a broad conceptual understanding rather than a rigid legal definition. For the purposes of international cooperation and statistical measurement, illicit financial flows generally refer to financial resources that are illegally earned, transferred, or utilized across international borders. This framework allows Member States to examine a wide range of activities while acknowledging that the precise legal character of those activities is determined by applicable domestic and international law.

The absence of a universally accepted definition has practical consequences. It makes it difficult to compare estimates across countries, complicates international data collection, and limits the ability of policymakers to measure the effectiveness of efforts aimed at reducing illicit financial flows.

Transactions are often deliberately concealed through multiple jurisdictions, anonymous corporate structures, complex ownership arrangements, or sophisticated financial instruments, making reliable measurement exceptionally difficult. For this reason, the United Nations Conference on Trade and Development and the United Nations Office on Drugs and Crime have spent several years developing common statistical methodologies under **Sustainable Development Goal Indicator 16.4.1**, providing Member States with a standardized framework for measuring illicit financial flows.

Although definitions continue to evolve, there is broad international agreement on one principle: illicit financial flows undermine financial integrity, weaken public institutions, reduce domestic resource mobilization, and constrain the ability of governments to finance sustainable development. It is this shared understanding, rather than a universally accepted legal definition, that forms the basis of international cooperation within ECOFIN and across the wider United Nations system.

2.3 The Three Principal Sources of Illicit Financial Flows

Although illicit financial flows occur through a wide variety of mechanisms, the United Nations generally classifies them into three principal categories based on their origin. These categories are intended to provide a conceptual framework rather than rigid legal classifications. In practice, illicit financial flows frequently overlap, with proceeds generated through one activity often concealed or transferred using another. A single transaction, for instance, may involve corruption, money laundering, tax evasion, and the use of shell companies simultaneously. Understanding these categories therefore provides a structured way of examining an otherwise highly interconnected phenomenon.

Criminal Related Illicit Financial Flows

The first category comprises financial flows generated through criminal activity. These include proceeds derived from offences such as drug trafficking, human trafficking, migrant smuggling, illegal arms trafficking, environmental crime, wildlife trafficking, cybercrime, and terrorism financing. Because these activities generate significant financial gains, criminal organizations must subsequently conceal the origin of their proceeds before they can be introduced into the legitimate financial system.

This process is commonly achieved through money laundering, whereby illegally obtained funds are transferred through multiple financial transactions, businesses, or jurisdictions to disguise their criminal origin. Once successfully laundered, these proceeds may be invested in real estate, businesses, financial markets, or luxury assets, making them increasingly difficult to distinguish from legitimate wealth.

The transnational nature of organized crime means that the generation, transfer, and eventual use of criminal proceeds frequently occur across several jurisdictions. As a result, no single country possesses sufficient jurisdiction to investigate or recover such assets independently, making international cooperation an essential component of combating criminally generated illicit financial flows.

Corruption Related Illicit Financial Flows

The second category originates from corruption within both the public and private sectors. These flows arise when individuals abuse positions of authority for private financial gain through activities such as bribery, embezzlement, procurement fraud, abuse of public office, or the diversion of public funds.

Unlike many conventional financial crimes, corruption directly weakens public institutions by diverting resources that would otherwise finance essential public services. In many cases, public officials conceal these assets by transferring them through foreign bank accounts, anonymous corporate entities, trusts, or real estate investments located in other jurisdictions. Recovering such assets often requires extensive international legal cooperation, mutual legal assistance, and compliance with international instruments such as the United Nations Convention against Corruption.

Because corruption frequently involves politically exposed persons and multiple jurisdictions, investigations are often legally and diplomatically complex. Consequently, asset recovery has become one of the central priorities of international cooperation against corruption.

Tax and Commercial Related Illicit Financial Flows

The third category encompasses illicit financial flows arising from commercial activity and international taxation. Unlike criminal or corruption related flows, these transactions often occur within otherwise legitimate business operations, making them particularly difficult to detect.

Common examples include tax evasion, where taxpayers deliberately conceal income or assets to avoid legal tax obligations, and trade misinvoicing, in which the value, quantity, or description of traded goods is intentionally falsified to shift money across borders. Another significant mechanism is abusive transfer pricing, where multinational enterprises manipulate prices charged between related companies operating in different jurisdictions to artificially shift profits into lower tax jurisdictions.

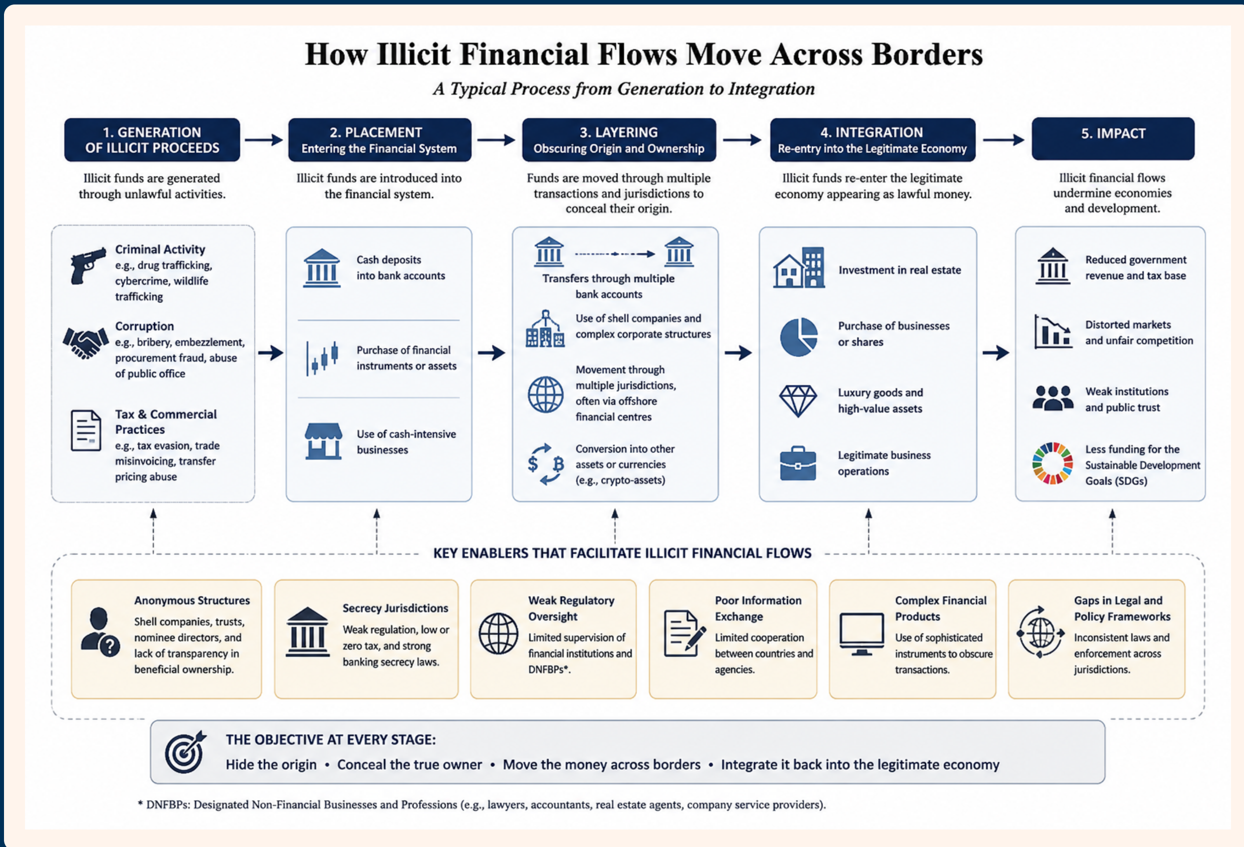
These practices reduce the taxable income reported in countries where economic activity actually occurs, thereby diminishing government revenue and weakening domestic resource mobilization. While some commercial tax planning remains lawful under national legislation, transactions designed to deliberately evade legal obligations or conceal taxable income constitute an important source of illicit financial flows.

The increasing globalization of trade, finance, and digital commerce has further complicated this category, allowing financial transactions to pass through multiple jurisdictions within seconds and often beyond the effective oversight of any single regulatory authority.

2.4 Understanding the Overlap

Although these three categories are presented separately, they rarely exist in isolation. Corruption proceeds are frequently laundered through financial institutions. Organized criminal groups often rely on trade based schemes to disguise illicit transactions. Tax evasion may involve anonymous shell companies that also facilitate money laundering or conceal the proceeds of corruption.

For this reason, international organizations increasingly view illicit financial flows as an interconnected ecosystem rather than a collection of independent financial crimes. Effective policy responses therefore require cooperation between tax authorities, financial intelligence units, customs administrations, law enforcement agencies, financial regulators, and international organizations. Addressing only one source while neglecting the others often allows illicit financial flows to simply shift from one mechanism to another.



How illicit financial flows move across borders — a typical process from generation to integration.

2.5 Why Are Illicit Financial Flows Difficult to Measure?

One of the greatest challenges in combating illicit financial flows is that they are intentionally designed to remain invisible. Unlike conventional economic activity, illicit financial flows leave few transparent records and frequently pass through multiple jurisdictions before reaching their final destination. As a result, governments rarely observe the complete transaction, making precise measurement exceptionally difficult.

This challenge begins with the absence of a universally accepted legal definition. Since international organizations, governments, and researchers often adopt different methodologies and scopes, estimates of illicit financial flows can vary significantly. Some studies focus exclusively on criminal proceeds, while others include tax related losses, trade misinvoicing, or other forms of commercial misconduct. Consequently, estimates should be interpreted as approximations rather than exact measurements.

The complexity of modern financial systems further compounds this problem. A single illicit transaction may involve a company incorporated in one jurisdiction, a bank account maintained in another, invoices issued through a third country, and assets ultimately invested elsewhere. Each authority possesses only a partial view of the transaction, while strict confidentiality laws, fragmented regulatory systems, and limited information sharing often prevent investigators from reconstructing the complete financial trail.

Many illicit financial flows also resemble legitimate commercial activity. Trade misinvoicing, for example, occurs within ordinary import and export transactions. Transfer pricing disputes arise within multinational corporations that conduct genuine business operations. Even shell companies and offshore financial centres may serve entirely lawful commercial purposes. Distinguishing legitimate financial planning from deliberate financial abuse therefore requires detailed investigation rather than simple observation.

Recognizing these challenges, the United Nations Statistical Commission endorsed the Conceptual Framework for the Statistical Measurement of Illicit Financial Flows, jointly developed by the United Nations Conference on Trade and Development and the United Nations Office on Drugs and Crime. This framework supports Sustainable Development Goal Indicator 16.4.1, which measures the total value of inward and outward illicit financial flows. Rather than attempting to produce a single global estimate, the framework encourages Member States to strengthen national statistical capacity, improve data collection, and adopt standardized methodologies that produce more reliable and internationally comparable information.

Despite continued improvements in methodology, measurement remains a means rather than an end. Reliable data enables governments to identify vulnerabilities, assess the effectiveness of public policy, strengthen institutional oversight, and design evidence based responses. Without credible measurement, international cooperation risks being guided by assumptions rather than informed analysis.

Why Measurement Matters

For policymakers, measurement is not merely a statistical exercise. It influences national priorities, resource allocation, legislative reform, and international cooperation. Countries that understand where and how illicit financial flows occur are better positioned to strengthen customs administration, improve tax compliance, enhance financial supervision, and recover assets transferred abroad. In this sense, improving measurement is itself a form of strengthening domestic resource mobilization, as it enables governments to protect public revenue before it is lost.

3. Why Do Illicit Financial Flows Matter?

At its core, illicit financial flows represent far more than the illegal movement of money across borders. Every dollar transferred out of an economy through corruption, tax evasion, organized crime, or commercial fraud is a resource that can no longer be invested in public priorities. For governments, this means fewer resources to finance infrastructure, strengthen healthcare systems, expand educational opportunities, improve public services, or respond to economic crises.

The consequences are particularly severe for developing countries, where governments often rely heavily on domestic revenue to finance essential expenditure. Unlike larger economies with diversified sources of capital and stronger fiscal institutions, many developing States possess limited financial reserves and narrower tax bases. Even relatively small revenue losses can therefore have significant consequences for economic stability and long term development. Recognizing this relationship, the United Nations has repeatedly emphasized that reducing illicit financial flows is essential to strengthening domestic resource mobilization and achieving the Sustainable Development Goals.

However, the impact of illicit financial flows extends well beyond lost government revenue. Their effects are felt throughout the economy, influencing public institutions, financial markets, private investment, and public confidence in governance.

3.1 Reduced Government Revenue

Domestic resource mobilization depends upon governments collecting revenue through taxation, customs duties, public enterprises, and other lawful sources. When individuals or corporations deliberately conceal taxable income, manipulate commercial transactions, or transfer assets abroad illegally, governments collect less revenue than they are legally entitled to receive.

Lower public revenue restricts investment in infrastructure, healthcare, education, digital transformation, environmental protection, and social welfare programmes. Over time, persistent revenue losses reduce governments' ability to respond to economic shocks and increase dependence on external borrowing or development assistance.

3.2 Weakening Public Institutions

Illicit financial flows frequently emerge in environments where governance is weak and institutional oversight is limited. Corruption, inadequate financial supervision, ineffective customs administration, and poor regulatory coordination create opportunities for financial abuse while simultaneously reducing public confidence in government institutions.

As public trust declines, voluntary tax compliance often falls as well. Citizens become less willing to contribute to public finances when they perceive that resources are being mismanaged or diverted through corruption. This creates a cycle in which declining institutional legitimacy further weakens domestic resource mobilization.

3.3 Distorting Economic Competition

Illicit financial flows also undermine fair competition within the private sector. Businesses that evade taxes, launder criminal proceeds, or conceal profits through offshore structures often obtain an artificial competitive advantage over firms that comply with legal and regulatory requirements.

This distortion discourages responsible investment, weakens market confidence, and creates incentives for otherwise compliant businesses to engage in similar practices in order to remain competitive.

3.4 Threatening Sustainable Development

The international community increasingly views illicit financial flows as a development challenge rather than solely a financial crime issue. Sustainable development depends not only upon economic growth, but also upon governments possessing sufficient financial resources to invest in people and institutions.

Recognizing this relationship, Sustainable Development Goal 16.4 calls upon Member States to significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets, and combat organized crime. Achieving this objective contributes directly to financing progress across the broader Sustainable Development Goals, including poverty eradication, quality education, public health, clean energy, and climate action.

3.5 Why This Matters for ECOFIN

For ECOFIN, the central concern is not simply preventing financial crime. Rather, it is ensuring that governments possess the financial capacity to deliver sustainable economic development. Every illicit financial flow represents not only a legal violation but also a lost opportunity for development financing.

Consequently, the committee approaches the issue through the lens of international cooperation, financial integrity, institutional reform, and domestic resource mobilization. The objective is not merely to recover lost assets, but to strengthen the systems that prevent such losses from occurring in the first place. This broader perspective explains why combating illicit financial flows has become an increasingly important component of international economic governance.

4. Domestic Resource Mobilization

Preventing illicit financial flows addresses only one side of the challenge. Even if every dollar lost through corruption, tax evasion, or money laundering could be recovered, governments would still require effective systems to generate, collect, and manage public revenue. This broader process is known as **Domestic Resource Mobilization (DRM)** and has become one of the central pillars of international development policy.

Domestic Resource Mobilization refers to a country's ability to raise financial resources from within its own economy and allocate them towards national development priorities. Rather than depending primarily on foreign aid, external borrowing, or international assistance, countries seek to finance their development through sustainable domestic sources of revenue. These include taxation, customs duties, non tax revenue, natural resource royalties, public enterprises, and other lawful sources of government income. The Addis Ababa Action Agenda recognizes domestic resource mobilization as the foundation of financing for sustainable development and calls upon Member States to strengthen their capacity for tax and revenue collection.

Domestic resource mobilization is often described as the financial backbone of the State. Governments rely on these resources to fund public services, maintain infrastructure, invest in education and healthcare, strengthen social protection systems, and respond to economic crises. Without stable domestic revenue, long term development becomes dependent upon unpredictable external financing, limiting both economic resilience and national policy autonomy.

Importantly, domestic resource mobilization is not synonymous with raising tax rates. A government may increase taxes without significantly improving public revenue if tax administration remains inefficient or compliance remains low. Effective domestic resource mobilization therefore focuses on strengthening the institutions responsible for revenue collection, improving transparency, broadening the tax base, reducing leakages, and ensuring that public finances are managed efficiently and fairly.

4.1 The Pillars of Domestic Resource Mobilization

Although each country's fiscal system differs, effective domestic resource mobilization generally rests upon four interrelated pillars.

- **Revenue Generation** concerns the design of fair and efficient tax systems capable of generating adequate public revenue while supporting sustainable economic growth.
- **Revenue Collection** focuses on the institutions responsible for administering taxes, customs, and other public revenues. Digital tax administration, electronic filing systems, customs modernization, and effective enforcement all contribute to improving collection efficiency.
- **Financial Integrity** seeks to ensure that public resources remain within the economy by reducing corruption, tax evasion, trade misinvoicing, and other illicit financial flows. Protecting revenue is as important as generating it.
- **Public Financial Management** concerns how governments allocate, monitor, and utilize public resources. Transparent budgeting, accountable expenditure, independent auditing, and effective oversight help ensure that collected revenue translates into meaningful development outcomes.

These four pillars are mutually reinforcing. Weakness in any one area can significantly reduce the effectiveness of the others.

4.2 Domestic Resource Mobilization and Illicit Financial Flows

The relationship between illicit financial flows and domestic resource mobilization is direct. Every illicit financial flow represents a potential loss of public revenue, whether through unpaid taxes, diverted public funds, criminal proceeds, or commercial fraud.

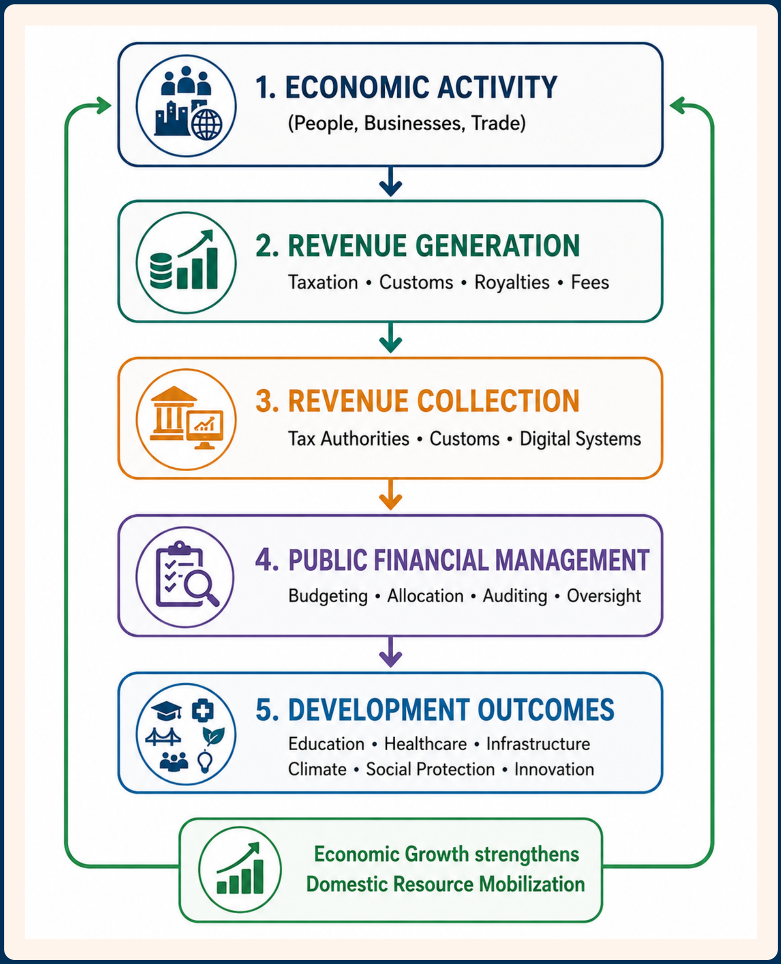
Reducing these losses increases the financial resources available for national development without necessarily increasing the tax burden on citizens.

For this reason, international organizations increasingly treat financial integrity as an essential component of domestic resource mobilization. Recent policy work by the International Monetary Fund, the World Bank, and the United Nations Office on Drugs and Crime emphasizes that strengthening anti money laundering frameworks, improving financial transparency, enhancing institutional capacity, and expanding international cooperation all contribute to stronger domestic resource mobilization outcomes.

Delegate Insight

A common misconception is that this agenda is primarily about fighting financial crime. In reality, ECOFIN is fundamentally concerned with strengthening governments' capacity to finance sustainable development. Combating illicit financial flows is important because it protects domestic resources. Domestic resource mobilization is important because it ensures those resources can be effectively generated, managed, and invested.

4.3 The Domestic Resource Mobilization Cycle



The Domestic Resource Mobilization cycle: economic activity, revenue generation, revenue collection, public financial management, and development outcomes reinforce one another.

Chapter	Explanation
What are IFFs?	How illicit financial flows move across borders (see section 2.4).
Why do IFFs matter?	Economic impact cascade: revenue → institutions → growth → SDGs.
Domestic Resource Mobilization	The DRM cycle, illustrated above.
International Cooperation	The global financial architecture, which includes the UN, IMF, World Bank, FATF, OECD, UNODC, and UNCTAD.

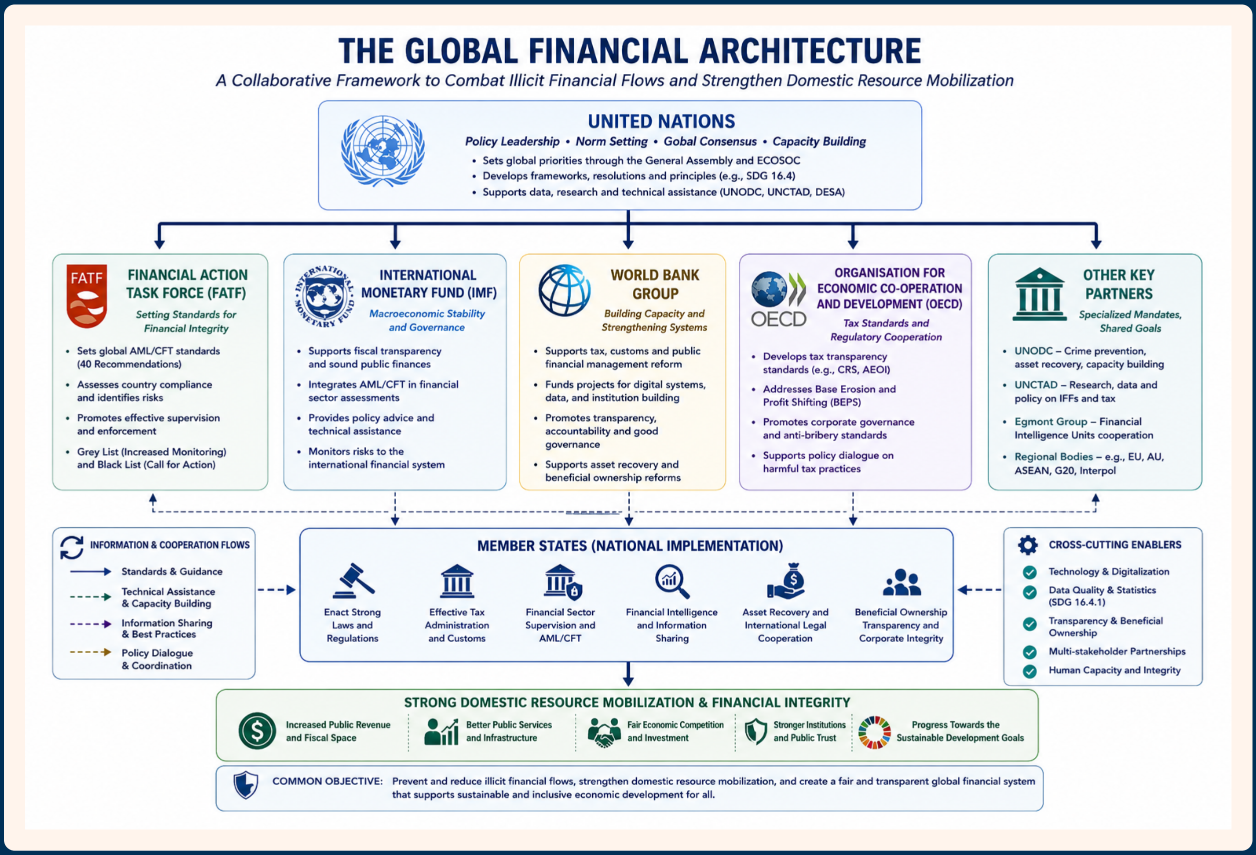
Chapter	Explanation
Current Challenges	Stakeholders include developed States, developing States, international financial institutions, the private sector, and civil society.

5. International Cooperation and the Global Financial Architecture

Illicit financial flows do not recognize national borders. Funds generated in one country may be transferred through financial institutions in another, routed through companies incorporated in a third jurisdiction, and ultimately invested elsewhere. Consequently, no State, regardless of its economic strength or institutional capacity, can effectively combat illicit financial flows acting alone.

Recognizing this reality, the international community has gradually developed a network of legal instruments, regulatory standards, financial institutions, and cooperative mechanisms designed to strengthen financial integrity, improve transparency, and facilitate international cooperation. Rather than operating under a single global authority, this framework consists of numerous organizations with complementary responsibilities. Together, they form what is commonly referred to as the **global financial architecture**.

Although these institutions differ in their mandates, they share a common objective: strengthening international cooperation while respecting the sovereign equality of Member States.



The global financial architecture: a collaborative framework to combat illicit financial flows and strengthen domestic resource mobilization.

5.1 The United Nations

The United Nations provides the principal platform for developing international consensus on illicit financial flows as a challenge to sustainable development. Through the General Assembly, the Economic and Social Council, and specialized agencies, Member States negotiate resolutions, develop policy frameworks, strengthen statistical methodologies, and encourage international cooperation.

Unlike financial institutions or regulatory bodies, the United Nations does not investigate financial crimes or regulate international banking. Its role is to facilitate dialogue, establish global priorities, promote capacity building, and encourage Member States to adopt internationally accepted principles and legal frameworks.

In recent years, the General Assembly has increasingly linked illicit financial flows to sustainable development, domestic resource mobilization, financial integrity, and international tax cooperation. Resolution 79/234 reaffirms that reducing illicit financial flows is essential to strengthening domestic resource mobilization and achieving the Sustainable Development Goals.

5.2 The Financial Action Task Force

The Financial Action Task Force (FATF) is the world's leading international standard setter for combating money laundering, terrorist financing, and the financing of weapons proliferation. Established in 1989, it develops internationally recognized recommendations that guide national legislation, financial regulation, and supervisory practices.

Rather than enforcing international law, FATF evaluates whether countries have implemented effective anti money laundering and counter terrorist financing frameworks. Jurisdictions identified as having strategic deficiencies may be placed under increased monitoring, commonly referred to as the Grey List, while jurisdictions posing serious risks to the international financial system may be subject to enhanced countermeasures.

Because illicit financial flows frequently rely upon money laundering to disguise criminal proceeds, FATF standards form one of the most important pillars of international financial integrity.

5.3 The International Monetary Fund and the World Bank

The International Monetary Fund and the World Bank approach illicit financial flows primarily through the lens of economic governance and institutional capacity.

The International Monetary Fund assists Member States in strengthening fiscal governance, financial supervision, and anti money laundering frameworks where financial crime presents macroeconomic risks. The World Bank complements these efforts through technical assistance, institutional reform, customs modernization, digital public finance, and capacity building programmes. Together, both institutions emphasize that financial integrity is essential for sustainable economic growth and effective domestic resource mobilization.

5.4 International Tax Cooperation

Tax related illicit financial flows have increasingly become a central area of international cooperation. Organizations such as the Organisation for Economic Co operation and Development have developed standards promoting transparency, automatic exchange of financial account information, and measures addressing base erosion and profit shifting.

At the same time, many developing countries have argued that international tax governance should become more inclusive through a stronger role for the United Nations. This debate has gained momentum following negotiations towards a United Nations Framework Convention on International Tax Cooperation, reflecting broader discussions concerning fairness, representation, and the participation of developing economies in international tax rule making.

5.5 Why International Cooperation Matters

The effectiveness of any national strategy ultimately depends upon cooperation beyond national borders. Information sharing, mutual legal assistance, beneficial ownership transparency, coordinated financial supervision, asset recovery, and technical assistance all require governments to work collectively rather than independently.

For ECOFIN, international cooperation therefore represents not an alternative to domestic reform, but its necessary complement. Strong domestic institutions reduce opportunities for illicit financial flows, while effective international cooperation prevents those flows from simply moving elsewhere.

Caveat

Despite significant progress over the past two decades, important challenges remain unresolved. Countries continue to disagree on questions relating to tax sovereignty, financial transparency, digital assets, beneficial ownership, and the appropriate balance between national jurisdiction and international cooperation. These debates continue to shape negotiations within the United Nations and form the basis of many of the policy disagreements delegates will encounter during committee.

6. Contemporary Challenges and Emerging Debates

The international community broadly agrees that illicit financial flows undermine sustainable development and weaken domestic resource mobilization. Yet, despite decades of international cooperation, significant disagreements remain over how these challenges should be addressed. Differences in legal systems, economic priorities, institutional capacity, and national sovereignty continue to shape negotiations within the United Nations and other international forums.

Rather than debating whether illicit financial flows should be addressed, Member States increasingly debate how they should be addressed, who should lead international efforts, and how responsibilities should be shared among developed and developing economies.

6.1 Transparency versus Financial Privacy

Financial transparency has become one of the principal tools for combating illicit financial flows. Measures such as beneficial ownership registers, automatic exchange of financial information, and enhanced due diligence requirements improve governments' ability to detect suspicious financial activity.

However, these measures also raise important concerns regarding financial privacy, commercial confidentiality, cybersecurity, and the protection of personal data. Many States support greater transparency while emphasizing that disclosure mechanisms must remain proportionate, secure, and consistent with domestic legal frameworks.

The challenge therefore lies in strengthening transparency without unnecessarily compromising legitimate privacy rights or discouraging lawful international investment.

6.2 Tax Sovereignty and International Cooperation

Taxation remains one of the clearest expressions of State sovereignty. Every government retains the sovereign right to determine its own tax policies, establish tax rates, and administer its domestic revenue system.

At the same time, increasingly globalized markets have created opportunities for multinational enterprises and individuals to shift profits, exploit differences between national tax systems, and reduce taxable income across jurisdictions.

This has intensified discussions on international tax cooperation. While many countries support greater coordination, others remain cautious of international standards that may limit national policy autonomy or disproportionately affect developing economies.

6.3 Capacity Gaps Between States

The ability to combat illicit financial flows varies significantly across countries. Many developed economies possess sophisticated financial intelligence units, digital tax administration systems, customs technology, and specialized investigative agencies.

Many developing countries continue to face shortages of technical expertise, financial resources, institutional capacity, and digital infrastructure. As a result, implementation often becomes more challenging than policy design itself.

For this reason, capacity building, technical assistance, and technology transfer remain central priorities within United Nations discussions.

6.4 Digital Finance and Emerging Technologies

Financial systems are evolving rapidly. Digital payment platforms, virtual assets, decentralized finance, and artificial intelligence are transforming the movement of capital across borders.

These technologies create new opportunities for financial inclusion and economic growth. At the same time, they introduce new regulatory challenges, particularly where transactions occur across jurisdictions with differing legal frameworks.

The international community therefore faces the challenge of encouraging financial innovation while ensuring that emerging technologies do not create new avenues for illicit financial flows.

6.5 Who Should Lead Global Tax Governance?

Perhaps the most significant institutional debate concerns the future of international tax cooperation. Historically, many international tax standards have been developed through the Organisation for Economic Co operation and Development. While these initiatives have contributed significantly to global tax transparency, many developing countries have argued that international tax rule making should occur within a more universally representative forum.

This debate has gained increasing prominence within the United Nations, where Member States have begun discussions on a Framework Convention on International Tax Cooperation. Supporters argue that the United Nations provides universal representation and greater consideration of developing country perspectives, while others emphasize the technical expertise and existing standards developed through current institutions.

This institutional question is likely to remain one of the defining debates in international economic governance over the coming decade.

Delegate Insight

Most committee speeches should **not** focus on explaining what illicit financial flows are. Every delegate will already know that. The strongest speeches will address questions such as:

- How much financial transparency is appropriate?
- How should developing countries be supported?
- Should tax cooperation become more centralized under the United Nations?
- How can innovation be encouraged without creating regulatory loopholes?
- What responsibilities should developed financial centres assume?

7. Debate Activity for Delegates

7.1 Debate I — Who Should Shape International Tax Rules?

Few issues have reshaped international economic diplomacy as profoundly as international tax cooperation. As multinational enterprises increasingly operate across dozens of jurisdictions simultaneously, governments face a common challenge. Economic activity may occur in one country, profits may be declared in another, intellectual property may be registered elsewhere, and taxes may ultimately be paid in an entirely different jurisdiction.

The question is no longer whether countries should cooperate. It is who should design the rules that govern that cooperation.

For decades, the Organisation for Economic Co operation and Development has served as the principal forum for developing international tax standards. Initiatives such as the Base Erosion and Profit Shifting Project and the Global Minimum Tax have become benchmarks for international tax policy and have influenced legislation well beyond OECD membership.

Many developing countries acknowledge these achievements while questioning the institutional process that produced them. Their concern is one of representation rather than technical competence. Countries that experience some of the greatest losses from illicit financial flows often possess the least influence over the international rules intended to address them. This has strengthened calls for a greater United Nations role through negotiations on a Framework Convention on International Tax Cooperation, where every Member State participates on equal terms.

Those favouring the existing framework reach a different conclusion. International taxation is among the most technically demanding areas of international law, requiring highly specialized expertise, administrative coordination, and decades of institutional experience. Creating parallel negotiating forums, they argue, risks fragmenting existing standards, increasing legal uncertainty, and delaying implementation when governments should instead be focusing on improving compliance.

At its core, this debate is not a contest between institutions. It is a debate over what gives international rules their legitimacy. Should legitimacy arise primarily from universal representation, or from established technical expertise?

Perspective	**General Position**
Greater United Nations leadership	G77 and China, African Group, many developing economies, several Latin American States
Continued OECD leadership	OECD Members, European Union, United States, Japan, Canada, Australia

Case Study

A multinational pharmaceutical company develops its products in Germany, owns its patents through a subsidiary in Ireland, manufactures medicines in India, and sells them throughout Africa and Latin America. Most of its profits are ultimately reported in a jurisdiction with substantially lower corporate tax rates.

Every government involved can reasonably argue that it contributed to the company's success. The difficult question is not whether taxes should be paid. The question is which country has the strongest claim to collect them, and who should establish the rules for making that determination.

7.2 Debate II — How Much Transparency Is Too Much?

Financial transparency has become one of the most powerful tools available to governments seeking to combat illicit financial flows. Beneficial ownership registers, automatic exchange of financial information, enhanced due diligence requirements, and cross border reporting obligations have made it increasingly difficult to conceal assets behind anonymous corporate structures.

Yet transparency is rarely controversial until disclosure becomes mandatory.

Governments broadly support greater openness in principle, but often become more cautious when disclosure requirements affect domestic companies, financial institutions, investors, or commercially sensitive information. Financial centres, in particular, must constantly balance regulatory transparency with maintaining investor confidence and protecting legitimate commercial confidentiality.

Supporters of broader disclosure argue that secrecy remains one of the greatest enablers of corruption, money laundering, tax evasion, and organized crime. Anonymous ownership structures make it extraordinarily difficult for investigators to identify the individuals who ultimately control financial assets. Expanding public access to beneficial ownership information, they argue, increases accountability while reducing opportunities for abuse.

Others reach a different conclusion. Financial privacy, they contend, serves legitimate economic and legal purposes. Public disclosure may expose investors, entrepreneurs, journalists, or political dissidents to unnecessary personal or commercial risk. From this perspective, ownership information should remain accessible to competent authorities while avoiding unnecessary public exposure.

The disagreement therefore is not whether governments should possess access to financial information. It concerns who else should.

Perspective	General Position
Public beneficial ownership transparency	European Union, United Kingdom, many anti corruption coalitions
Government access with stronger privacy protections	Switzerland, Singapore, United Arab Emirates, several international financial centres

Case Study

A construction company receives several billion dollars in public infrastructure contracts. Investigators suspect that the company is secretly controlled by a senior government official through multiple offshore entities.

Should beneficial ownership records be publicly accessible so that journalists, civil society organizations, and financial institutions can independently verify ownership? Or should such information remain available only to designated regulatory and investigative authorities?

7.3 Debate III — Should the International Community Prioritize Prevention or Recovery?

Every year, governments devote substantial resources to recovering assets transferred abroad through corruption, organized crime, and financial crime. These efforts often require years of litigation involving multiple jurisdictions, differing legal systems, and extensive international cooperation.

This raises an important strategic question. Should governments invest primarily in recovering assets that have already left the country, or in preventing those transfers from occurring in the first place?

Supporters of prevention argue that financial intelligence, beneficial ownership transparency, digital customs administration, transaction monitoring, and stronger anti money laundering systems produce far greater long term returns than costly asset recovery proceedings. Once assets disappear into complex international financial networks, successful recovery becomes legally and politically challenging.

Others respond that prevention alone cannot deliver justice. Developing countries have already lost enormous public wealth through corruption and illicit financial flows. Returning stolen assets strengthens public confidence, restores national resources, and reinforces the principle that financial crime should never become permanently profitable.

The debate is therefore not simply financial. It concerns the purpose of international cooperation itself. Should it prioritize deterrence, or should it also seek restoration?

Perspective	General Position
Prevention first	FATF Members, OECD Members, many developed economies
Asset recovery alongside prevention	African Group, G77 and China, countries pursuing anti corruption reforms

Case Study

A former minister diverts hundreds of millions of dollars intended for public infrastructure into overseas financial institutions before leaving office. Fifteen years later, only a small portion of those assets has been recovered.

Should international resources continue pursuing recovery through lengthy legal proceedings? Or would those resources produce greater public benefit if invested in preventing similar transfers in the future?

7.4 Debate IV — Can Financial Innovation Be Regulated Without Restricting Innovation?

Financial technology is evolving more rapidly than regulation. Digital payment systems, decentralized finance, blockchain technologies, artificial intelligence, and virtual assets have transformed how capital moves across borders. Many of these innovations reduce transaction costs, expand financial inclusion, and increase access to international markets.

The same technologies also present new opportunities for regulatory arbitrage and illicit financial flows. The central challenge is therefore not whether digital finance should be regulated. It is whether regulation can evolve quickly enough to address emerging risks without discouraging technological innovation.

Supporters of stronger oversight argue that digital financial platforms should meet the same standards expected of traditional financial institutions, including Know

Your Customer requirements, customer due diligence, suspicious transaction reporting, and anti money laundering compliance.

Others caution against transplanting traditional regulatory models into rapidly evolving technologies. Excessive compliance obligations may discourage innovation, increase costs for emerging businesses, and reduce access to financial services, particularly in developing economies.

Financial regulation has historically followed innovation rather than preceded it. The difficulty for policymakers is determining how much regulation is necessary before innovation itself begins to slow.

Case Study

A financial technology company develops a blockchain based payment platform capable of completing international transactions within seconds at a fraction of traditional banking costs.

Should the platform be regulated identically to a commercial bank? Or should governments adopt an alternative regulatory framework that reflects the unique characteristics of emerging financial technologies?

7.5 Debate V — Should International Standards Reflect National Capacity?

International standards often assume that governments possess the institutions necessary to implement them. In practice, this assumption is not always accurate.

Many developing countries remain committed to combating illicit financial flows but continue to face shortages of trained personnel, digital infrastructure, customs technology, financial intelligence capacity, and regulatory resources.

Supporters of greater flexibility argue that implementation should reflect differing national capacities. Strengthening institutions requires time, technical expertise, and sustained investment. Expecting immediate compliance without corresponding capacity building risks producing legislation that exists on paper but cannot be effectively enforced.

Others maintain that international standards derive their effectiveness from consistency. Introducing variable obligations based upon institutional capacity may inadvertently create regulatory gaps that can be exploited by criminal networks operating across jurisdictions.

The debate therefore concerns whether fairness should be measured by identical obligations or by equitable opportunities to achieve them.

Case Study

Country X introduces comprehensive anti money laundering legislation consistent with international standards. However, its customs administration remains largely paper based, financial intelligence unit staffing is limited, and digital reporting infrastructure is still under development.

Should implementation timelines be adjusted to reflect institutional capacity? Or should all Member States remain subject to identical compliance expectations regardless of administrative capability?

7.6 Debate VI — Where Should International Cooperation End and National Sovereignty Begin?

Every proposal discussed within ECOFIN eventually returns to the same fundamental question. Financial systems operate globally. Governments remain sovereign. Reconciling these two realities has become one of the defining challenges of international economic governance.

Supporters of stronger international cooperation argue that illicit financial flows exploit differences between national legal systems. Financial transparency, information exchange, beneficial ownership disclosure, and coordinated supervision cannot succeed if countries act independently.

Others emphasize that taxation, fiscal policy, financial regulation, and economic governance remain core sovereign functions. International cooperation should strengthen domestic institutions rather than prescribe domestic policy choices or diminish national decision making.

This tension runs through almost every negotiation within ECOFIN. It influences discussions on tax cooperation, financial transparency, beneficial ownership, digital finance, asset recovery, and institutional reform. Delegates will encounter it repeatedly, regardless of the specific resolution under consideration.

Questions Delegates Should Consider

As you prepare your country's position, ask not only what your government supports, but why.

- Does your country prioritize financial transparency, financial competitiveness, or a balance between the two?
- Should international standards adapt to national capacity, or should implementation remain uniform across all Member States?
- Where should the boundary between national sovereignty and international oversight be drawn?
- How can innovation be encouraged without creating new channels for illicit financial flows?
- Should international efforts prioritize preventing future illicit financial flows, recovering assets already lost, or pursuing both simultaneously?
- Finally, as negotiations increasingly move toward questions of international tax governance, delegates should consider one broader question that underpins the entire agenda: in an interconnected global economy, how should the international community balance effectiveness, fairness, representation, and sovereignty when designing the rules that govern the movement of capital across borders?

8. Looking Ahead: The Future of International Financial Cooperation

One characteristic has defined illicit financial flows throughout history. As financial systems evolve, so do the methods used to exploit them. Every major innovation in international finance, whether electronic banking, digital payments, multinational corporate structures, or virtual assets, has created new opportunities for economic growth while simultaneously introducing new regulatory challenges. Policymakers therefore face a persistent dilemma. The international financial system must remain sufficiently open to facilitate investment, trade, and innovation, yet sufficiently resilient to prevent abuse.

This challenge is becoming increasingly complex as finance enters a new period of technological transformation. Artificial intelligence is improving fraud detection, customs risk analysis, and financial supervision, but it is also enabling increasingly sophisticated methods of cyber enabled financial crime. Blockchain technology offers unprecedented transparency in some contexts while simultaneously creating decentralized financial ecosystems that operate beyond many traditional regulatory structures. Digital payment platforms have expanded financial inclusion for millions of people, yet they have also accelerated the speed at which funds move across jurisdictions.

These developments suggest that future discussions on illicit financial flows will extend beyond traditional concerns such as corruption, money laundering, and tax evasion. Delegates should expect increasing attention to digital identity systems, beneficial ownership verification, artificial intelligence driven financial supervision, cross border data governance, virtual assets, and international standards for emerging financial technologies.

At the same time, many longstanding challenges remain unresolved. Significant disparities continue to exist between developed and developing countries in institutional capacity, technological infrastructure, and regulatory resources. While some governments possess advanced digital tax administrations capable of analysing millions of financial transactions in real time, others continue to rely upon paper based reporting systems with limited investigative capacity. Bridging these differences without creating additional regulatory burdens remains one of the central challenges facing international cooperation.

The success of future international efforts will therefore depend not only upon stronger legal frameworks, but also upon greater investment in institutional resilience. Financial integrity increasingly requires interoperable digital infrastructure, effective public institutions, trusted international partnerships, and sustained political commitment. As illicit financial flows become more sophisticated, cooperation must evolve with equal speed.

Ultimately, the agenda before ECOFIN is not simply about preventing financial crime. It concerns preserving the ability of governments to finance development, maintain public trust, and strengthen economic resilience within an increasingly interconnected global economy. Achieving this objective will require balancing transparency with privacy, sovereignty with cooperation, innovation with regulation, and efficiency with equity. Those balances will define the next generation of international financial governance.

9. Questions for Deliberation

The questions below are intended to guide your research and encourage critical analysis of the issues discussed throughout this Background Guide. They are not exhaustive, nor are they intended to limit the scope of committee discussions. Delegates are encouraged to examine these questions through the perspective of their assigned Member State, taking into account its economic priorities, institutional capacity, international commitments, and foreign policy objectives.

9.1 International Financial Cooperation

- How can Member States strengthen international cooperation against illicit financial flows while respecting the principles of sovereignty and non intervention?
- Should existing international mechanisms be expanded, or is there a need for new institutions capable of addressing emerging financial challenges?
- How can information sharing between governments be improved without compromising national security, commercial confidentiality, or individual privacy?

9.2 Domestic Resource Mobilization

- What reforms should governments prioritize to strengthen domestic resource mobilization without discouraging investment, innovation, or economic growth?
- How can tax administrations improve compliance while ensuring fairness, transparency, and administrative efficiency?
- What role should digital public infrastructure and emerging technologies play in strengthening domestic revenue systems?

9.3 Financial Transparency

- Should beneficial ownership information be publicly accessible, or should access remain restricted to competent authorities?
- How can governments improve financial transparency while protecting legitimate commercial confidentiality and data privacy?

- What balance should exist between financial transparency and maintaining internationally competitive financial centres?

9.4 International Tax Cooperation

- Should the United Nations assume a larger role in developing international tax standards, or should existing institutional frameworks continue to lead international tax cooperation?
- How should multinational enterprises be taxed when economic activity, production, intellectual property, and profits are distributed across multiple jurisdictions?
- How can developing countries participate more meaningfully in shaping international tax policy?

9.5 Capacity Building and Sustainable Development

- How can international organizations better support developing countries in strengthening financial governance and domestic institutions?
- Should international financial standards account for differences in institutional capacity, or should implementation expectations remain uniform across Member States?
- What mechanisms can improve asset recovery while simultaneously preventing future illicit financial flows?

9.6 Emerging Technologies

- How should governments regulate digital assets, decentralized finance, artificial intelligence, and financial technology without discouraging innovation?
- Can technological innovation become a tool for strengthening financial integrity rather than creating new opportunities for illicit financial flows?
- How should international regulatory cooperation evolve as financial transactions become increasingly digital and borderless?

10. Resolution Development

As you prepare your draft resolution, consider whether your proposed solutions:

- Strengthen international cooperation while respecting national sovereignty.
- Address both prevention and enforcement rather than relying exclusively upon one approach.
- Recognize differences in national capacity and economic development.
- Build upon existing international institutions instead of unnecessarily duplicating their mandates.
- Remain realistic, implementable, and financially sustainable.

The strongest resolutions rarely attempt to solve every challenge. They identify a limited number of practical priorities, strengthen existing international cooperation, and propose solutions capable of attracting broad international support.

11. References and Further Reading

This Background Guide introduces only the foundations of a highly complex subject. Delegates are strongly encouraged to supplement their preparation through independent research, particularly by consulting primary United Nations documents, international conventions, policy reports, and technical guidance issued by relevant international organizations.

11.1 United Nations Documents

- United Nations General Assembly Resolution 79/234, Promotion of International Cooperation to Combat Illicit Financial Flows and Strengthen Good Practices on Asset Return to Foster Sustainable Development.
- United Nations, Addis Ababa Action Agenda of the Third International Conference on Financing for Development.
- United Nations, Transforming Our World: The 2030 Agenda for Sustainable Development.
- United Nations Convention against Corruption.
- United Nations Convention against Transnational Organized Crime.

- High Level Meeting of the General Assembly on International Cooperation to Combat Illicit Financial Flows and Strengthen Good Practices on Asset Return.

11.2 International Organizations

- Financial Action Task Force
- International Monetary Fund
- World Bank Group
- United Nations Office on Drugs and Crime
- United Nations Conference on Trade and Development
- Organisation for Economic Co operation and Development
- United Nations Committee of Experts on International Cooperation in Tax Matters

11.3 Selected Reports

- The State of Tax Justice.
- Conceptual Framework for the Statistical Measurement of Illicit Financial Flows.
- Financial Integrity through Better Governance, Anti Money Laundering, and Counter Financing of Terrorism Frameworks.
- OECD Base Erosion and Profit Shifting Project.
- OECD Global Minimum Tax Implementation Framework.

11.4 Suggested Areas for Independent Research

Delegates seeking to strengthen their preparation may wish to explore the following themes in greater depth:

- Beneficial ownership and corporate transparency.
- Trade misinvoicing and customs valuation.
- Transfer pricing and multinational enterprises.
- Asset recovery under international law.

- Automatic exchange of financial information.
- Digital taxation.
- Virtual assets and decentralized finance.
- Artificial intelligence in financial supervision.
- Financial Intelligence Units.
- Cross border regulatory cooperation.
- Domestic tax administration reforms.
- Public financial management.

Closing Note

Economic diplomacy is often described as the art of balancing competing interests. Few agendas illustrate this more clearly than the one before this committee. Delegates will find that nearly every proposal involves difficult trade offs between transparency and privacy, sovereignty and cooperation, innovation and regulation, efficiency and equity.

Your responsibility throughout committee is not simply to identify these trade offs, but to navigate them. Effective diplomacy rarely produces perfect solutions. It produces practical ones that command broad international support while remaining grounded in the realities of implementation.

As you enter committee, remember that ECOFIN is not tasked with imagining an ideal financial system. It is tasked with improving the one that already exists. Your challenge is to determine how international cooperation can make that system more transparent, more resilient, and more equitable for all Member States.

We wish you every success in committee and look forward to witnessing your diplomacy in action.

The measure of a successful resolution is not the number of problems it identifies, but the number of solutions that Member States can realistically implement together.