



ECOSOC

United Nations Economic and Social Council

TAKING ACTION TO IMPROVE LIVES

**Launch of the Interim Report of the High-Level Panel
on
International Financial Accountability, Transparency
and Integrity for Achieving the 2030 Agenda**

High-Level Launch Event and Panel Discussion

Closing Remarks by H.E. Munir Akram, President of the
United Nations Economic and Social Council
24 September 2020

**Excellencies,
Ladies and Gentlemen**

Today, Member States face three simultaneous global challenges: the COVID-19 pandemic and its consequences; the realization of the 2030 Agenda and the Sustainable Development Goals; and finally the existential threat of climate catastrophe.

Adequate financing is key to addressing each one of these challenges. This will be the first priority for ECOSOC during the Pakistan's presidency. Such financing will have to be mobilized at both the national and international levels.

The ability of developing countries to mobilize domestic finance is obviously constrained. This capacity has further diminished due to the grave impact of the COVID crisis.

In its interim Report, the FACTI Panel has identified the monumental resources which the developing countries lose annually due to illicit financial flows as a result of corruption, bribery, crimes and tax evasion. They could not afford to lose these resources in the best of times. They certainly cannot afford it in the aftermath of the COVID crisis which has triggered major economic contractions in most developing countries. To allow illicit flows to

continue, at this time, would be nothing short of criminal.

I, therefore, welcomed the initiative by my predecessor, Ambassador Mona Juul, and the previous President of the General Assembly, Ambassador Tijani Muhammad Bande, to set up the FACTI Panel.

Excellencies,

Ladies and Gentlemen

Illicit Financial Flows stifle opportunities, deny vulnerable people access to basic infrastructure and services, and condemn them to a life of inequality and poverty.

These flows are a key contributory factor for the economic under-performance of developing countries and a major obstacle to poverty eradication.

The estimates of illicit financial flows suggested in the interim report of the Panel are appalling and signify the urgency and scale of the challenge that must be addressed to halt and reverse such flows.

Financial accountability, transparency, and integrity is a global problem and requires global solutions.

I agree with the gaps and challenges identified by the Panel suggest consideration the following as well:

First, the report mentions that the volume of assets returned to countries of origin constitute only a tiny fraction of the proceeds of illicit finances. There are several deficiencies in the existing mechanisms under chapter V of the UNCAC. Therefore, I feel the Panel should identify actionable proposals to strengthen the frameworks for the return of stolen assets.

Second, At present, the countries which are most impacted by illicit financial flows are not part of such discussions. They must be included. But as equal members not as associate of the existing organizations.

Third, we need to develop more coherent and equitable rules on tax collection and eliminate tax havens. A minimum global corporate tax could resolve this problem.

Fourth, the digital economy presents several simultaneous opportunities and also challenges. There is need to ensure that all companies, including multinationals, pay taxes where economic activity occurs and value is created.

Fifth, the Panel may also wish to review the role of certain bilateral investment treaties and establish more equitable structures of international financial

adjudication. Some of the recent punitive awards against developing countries have been depicted by learned professors as “mugging” them.

Excellencies,

Ladies and Gentlemen

I am confident that the final report of the Panel would suggest ways to address the gaps, challenges, and shortcomings in the current legal and institutional framework to promote financial accountability transparency and integrity.

It is my intention to bring the findings of the Panel into the work of Economic and Social Council, especially through Forum on Financing for Development.

I thank you

