



Statement of the FACTI Panel Co-chair, Dr. Ibrahim Mayaki, at the ECOSOC Forum on Financing for Development

Thursday, April 15, 2021

The past year has been an extraordinary year for Financing for Sustainable Development. The COVID-19 crisis is a “perfect storm” for development finance, in which many sources of development finance have dried up simultaneously. It is a big challenge for every country, as we enter the Decade of Action to accelerate the implementation of 2030 Agenda to achieve the Sustainable Development Goals. The international community needs extraordinary efforts towards a coordinated and effective response, leaving no one behind.

The negative effects of the pandemic force us to re-evaluate our development paradigm. We must re-examine the effectiveness and deficiencies of our policies and frameworks. This relates not just to our health care and other infrastructure, but also to our financing policies. In this context, I had the privilege to co-chair the FACTI Panel. With great foresight the Presidents of United Nations General Assembly and ECOSOC convened the Panel to review global co-operation on financial accountability, transparency and integrity, and to recommend further actions by the international community as a contribution to financing the 2030 Agenda. The COVID-19 crisis has made our initiative even more urgent and relevant. The pandemic has made it harder to reach the Sustainable Development Goals, and made raising more resources even more important. Combating illicit financial flows has been central to global discussions on financing for sustainable development. It is vital to stop the drain of resources that diverts vast amounts of funding from where it is needed most.

In February this year, we published our [report](#) that provides a blueprint for a better financial system that works for all. I welcome Member States’ recognition of this report in the draft outcome document of this Forum. However, more than recognition of our report, the FACTI Panel members want action to create a better world.

The Panel calls this better system ‘financial integrity for sustainable development’. Going beyond a diagnosis of the problem, the FACTI Panel has called for global action – for a Global Pact for financial integrity for sustainable development. The report makes the case that a systemic approach is needed; with tax issues, corruption challenges, and money-laundering being considered together, rather than in separate policy siloes.

In that regard, the report contains 14 recommendations for reforming, redesigning, and revitalizing the global architecture, so it can effectively foster financial integrity for sustainable development. Here are key

recommendations that I believe are essential for supporting a durable recovery from the pandemic and investment in sustainable development:

- The Report proposes that stronger values, policies and institutions are needed.
- The Report calls for greater transparency around company ownership and public spending.
- Bolstering transparency and exchanging data will be crucial in tackling the enablers and vested interests that benefit from criminal and abusive practices.
- A stronger approach is needed to compensating victims of bribery, and the report proposes the creation of a mediation mechanism to speed asset recovery processes.
- Stopping wrongdoing by bankers, accountants and lawyers are further steps in transforming the global economy for the universal good.
- It also time to seriously question the role and the very existence of tax havens. The Report proposes that the world needs an overhaul in international tax norms and institutions. We call for an international minimum corporate tax and the taxing of digital giants. But these new tax norms must be designed with the needs of developing countries in mind.
- And the report says these norms must be decided in an inclusive setting, so that developing countries, indeed all countries, have their voices heard. Thus, there is a need for a UN Tax Convention to address the many shortcomings of the international tax system.
- Finally, the Panel recommends more international cooperation and more coordination for the various parts of the international system.

The FACTI Panel was careful not to try to reinvent the wheel. In all places the Panel sought not to create new or duplicative institutions, but instead to build on the many existing institutions and frameworks. But the Panel believe that a number of them are not living up to their potential because of numerous vulnerabilities and the lack of inclusivity, coordination, and implementation. Now is not the time for a lowest common denominator approach to adjusting the international system. Rather, it is time for governments to be ambitious and thus unlock the large resources currently being drained aggressively from public finances.

We are encouraged by some recent developments, especially in relation to the global minimum corporate tax proposals, which are one of the key recommendations in the FACTI Panel's report. We believe domestic structures, laws, and enforcement mechanisms can be reformed, and transparency can be increased at the national level. Action can also happen regionally as well.

But, of course, for the biggest effects the financial integrity challenge needs to be tackled at global level. That will take longer. It will be more difficult. But it is also necessary. We must create a comprehensive, robust, and effective global system that brings financial integrity for sustainable development. I look forward to the support and action of Member States as we pursue this vital work.