

**Enhancing global cooperation on countering the financing of terrorism:  
International Monetary Fund joins the United Nations Global Counter-  
Terrorism Coordination Compact and launches a new book on countering  
the financing of terrorism**

*New York, 23 May 2023 (virtual format)*

**Welcoming remarks of**

**Ms. Natalia Gherman**  
**Assistant Secretary-General**  
**Executive Director, CTED**  
*(pre-recorded video statement)*

*Excellencies, distinguished participants,*

**It gives me great pleasure to welcome the International Monetary Fund as a new member of the United Nations Global Counter-Terrorism Coordination Compact, and in particular of its working group on Criminal Justice, Legal Responses and Countering the Financing of Terrorism, for which CTED serves as one of the Vice-Chairs.**

**The financing of terrorism is a global phenomenon that not only threatens Member States' security but can also undermine economic development and stability.**

**As highlighted by the latest reports of Secretary-General as well as in the analysis of the Financial Action Task Force, terrorist groups associated with Da'esh and Al-Qaida still hold millions of dollars in reserves. Other terrorist groups motivated by xenophobia, racism and other forms of intolerance are becoming increasingly involved in cross-border financial activity.**

**Sources of revenue for various terrorist groups include abuse of legitimate businesses, exploitation of natural resources, abuse of non-profit organizations,**

**donations, and proceeds of criminal activity, including extortion, kidnapping for ransom, illicit trade and trafficking in cultural property, trafficking in persons, drug trafficking and illicit trade of arms and weapons. Those diverse sources of income have helped them to adapt and sustain themselves in varied conditions and regions.**

**Monitoring implementation of Member States' obligations with respect to countering the financing of terrorism (CFT) pursuant to Security Council resolutions has been a central element of CTED's mandate since its very inception. A lot has been accomplished in these past two decades, yet more work remains.**

**As highlighted in the annual thematic gaps assessment prepared by CTED on key CFT requirements of Security Council resolutions, States continue to face shortfalls in understanding the multifaceted risks relating to the financing of terrorism, including the risk that terrorists may benefit from the proceeds of organized crime.**

**Investigating and prosecuting the financing of terrorism remains challenging on many levels, from technical expertise and capacity, to international and inter-agency cooperation.**

**States underutilize their national asset-freezing mechanisms and many have not made any designations or frozen funds in recent years.**

**States continue to face significant challenges with respect to the institutionalization of public-private partnerships, the integration of human rights obligations and gender considerations into their CFT measures, and cooperation with civil society actors in developing policies to ensure risk-based supervision of the non-profit organization sector.**

**Progress in assessing and addressing terrorism-financing risks related to new and emerging payment and fundraising technologies remains alarmingly slow despite consistent calls for action from the Security Council, the Counter-Terrorism Committee, and the Financial Action Task Force.**

**On this topic, let me recall that the members of the Counter-Terrorism Committee unanimously adopted the Delhi Declaration on Countering the Use of New and Emerging Technologies for Terrorist Purposes in October last year. CTED is currently working with the Committee to develop a set of non-binding guiding principles to assist Member States to counter the relevant threats, focusing on a compilation of good practices that include opportunities offered by the same set of technologies to address terrorist threats.**

**CTED remains committed to monitoring the terrorist financing threat Member States face and to facilitating timely technical assistance through its partners to address this threat effectively.**

**In this regard, close cooperation and coordination between our various entities is crucial, and the Global Compact provides a unique platform for us all.**

**The IMF is one of the key providers of technical assistance and training to Governments, including in the area of CFT, and is an important partner when it comes to policy development and risk analysis.**

**Once again, a warm welcome to the IMF to the Global Compact, I am certain this would further enhance our partnerships.**

*Thank you.*