



THE PRESIDENT  
OF THE  
GENERAL ASSEMBLY



THE PRESIDENT  
OF THE  
ECONOMIC AND SOCIAL COUNCIL

20 April 2020

Excellency,

We have the honor to transmit to you an invitation from the co-chairs of the High-level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel), inviting you to a virtual consultation.

The interactive discussion will take place on 24 April 2020 at 11 a.m. via an online platform. We encourage all delegations to engage with members of the FACTI Panel and inform the Panel members about your country's key priorities and challenges related to financial accountability, transparency and integrity and how the Panel can advance work in those areas.

Please accept, Excellency, the assurances of our highest regards.

Tijjani Muhammad-Bande

Mona Juul

All Permanent Representatives and  
Permanent Observers to the United Nations  
New York



17 April 2020

Excellency,

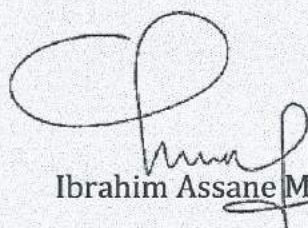
We are writing in our capacity as the co-chairs of the High-Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel), launched by the President of the General Assembly and the President of the Economic and Social Council.

In pursuance of the discussion during the official launch of the Panel on 2 March 2020, and as mandated in the Terms of Reference, we would like to invite you to a virtual consultation on 24 April 2020, from 11:00 a.m. to 12:15 p.m. (EDT). Please find attached a concept note, an issues note, summary of the first meeting of the panel and a participant guide on how to join the virtual consultation via Microsoft Teams.

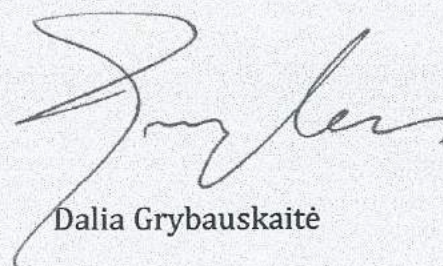
An agenda for the consultations is also attached. Our primary objective is to learn about your country's key priorities and challenges related to financial accountability, transparency and integrity and how the panel can advance work in those areas. We would like the session to be as interactive as possible.

We reaffirm our commitment to an open, inclusive and transparent process, and count on your continuing participation and engagement in the work of the High-Level Panel.

Please accept, Excellency, the assurances of our highest regards.



Ibrahim Assane Mayaki



Dalia Grybauskaitė

All Permanent Representatives and  
Permanent Observers to the United Nations  
New York



# Concept Note

Virtual Consultation with United Nations Member States

24 April 2020 11:00 a.m. – 12:15 p.m. (EDT)

via Microsoft Teams, registration is required \*

## Background

The Addis Ababa Action Agenda on Financing for Development emphasizes the importance of mobilizing sufficient financing, both at the domestic and international level, for implementing the 2030 Agenda for Sustainable Development. Insufficient financial accountability, transparency and integrity is eroding the ability of States to generate resources and directly undermines the efforts of the global community to successfully achieve the Sustainable Development Goals. The challenge will also be exacerbated by the economic downturn and financial turmoil due to the COVID-19 pandemic.

Ensuring effective implementation of the Addis Agenda to realize the transformative nature of the 2030 Agenda and the sustainable development goals requires global cooperation on financial accountability, transparency and integrity. The High-Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel) was therefore convened by the President of the General Assembly and the President of the Economic and Social Council. The Panel includes 17 high-level people from policy making, academia, civil society and the private sector. The Panel is mandated to explore further actions that may be needed by the international community in the following areas: financial and beneficial ownership transparency, tax matters, bribery and corruption, money laundering, confiscation and disposal of the proceeds of crime and the recovery and return of stolen assets.

The Panel will hold a number of consultations, which will be held virtually due to COVID-19, to solicit comments and suggestions from interested stakeholders. Together, these deliberations and inputs will feed into an interim report of findings to be presented in September 2020 and the final report expected in February 2021. In this session, the FACTI Panel welcomes all suggestions and comments from member States. To guide the discussion, the first background paper prepared by the FACTI Secretariat, as well as a short issues note provide an initial review of some challenges and trends related to financial accountability, transparency and integrity. In their first meeting held on 31 March 2020, Panel members agreed to organize their work plan around three main areas, which will be discussed during the consultations: cooperation in tax matters; transparency, public reporting and anti-corruption measures; and cooperation and settling disputes.

At this meeting, the Panel would like to hear from member States what they view as the priority actions for promoting financial accountability, transparency and integrity for achieving the 2030 Agenda. The Panel would also like to solicit ideas on which areas the Panel can help in generating sufficient political support to tackle the challenges the world is facing in relation to financial accountability, transparency and integrity.



## Objectives

The specific objectives of this virtual consultations are:

1. Apprise Member States of the main areas of focus that were discussed in the FACTI Panel's first virtual meeting and the Panel's draft work plan;
2. Solicit inputs and get feedback from Member States on the key priority issues and challenges proposed by the Panel in the area of financial accountability, transparency and integrity; and
3. Solicit ideas from Member States on generating political momentum for advancing actions in these areas.

## Format/Programme

The virtual consultation will be structured as an interactive dialogue.

Opening remarks (15 min)

- *FACTI Panel Co-chairs*
- *FACTI Panel work cluster coordinators*

Interactive discussion with Member States (55 min)

- *Representatives from Permanent Missions to the United Nations*
- *Responses by FACTI Panel members*

Closing remarks (5 min)

\* Invitations to join a Microsoft Teams Meeting will be sent to delegates included in the email distribution lists of the Secretariat. IN ORDER TO RECEIVE THE INVITATION CONTAINING THE LINK, PLEASE PROVIDE THE CORRECT EMAIL ADDRESS TO [aguirres@un.org](mailto:aguirres@un.org).

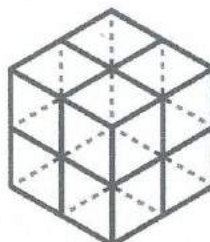


# OVERVIEW OF EXISTING FRAMEWORKS AND UNDERSTANDING PRIORITIES

16 APRIL 2020

FACTI ISSUES NOTE

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# INTRODUCTION

Mobilizing sufficient financing for implementing the 2030 Agenda for Sustainable Development remains a major challenge. This challenge will be exacerbated by the expected economic downturn and financial turmoil due to the COVID-19 pandemic. This helps stress the importance of strong, resilient domestic financial systems, which are stable, facilitate inclusive economies, and provide for public goods such as universal health systems. Effective public resource generation is of critical importance to financing the kind of systems that are better able to weather COVID-19 and similar shocks.

The 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda contain many pledges of Member States related to financial accountability, transparency and integrity. However, insufficient progress has been made on these commitments, eroding the ability of States to raise resources and undermining efforts to successfully achieve the SDGs. Hidden, secret, fraudulent and misleading transactions prevent States from enforcing the law, collecting their fair share of taxes, and ensuring equity and inclusiveness in our economies.

Against this background, the FACTI Panel is exploring what further action is needed by governments and financial institutions. A [background paper](#) provided an initial review of some relevant institutions, frameworks, challenges, trends, and proposals. Aside from reviews of policy areas identified in the Panel's terms of reference, the paper expounds on 11 cross-cutting challenges, as described below. In its first video conference, held on 31 March 2020, the Panel Members [agreed](#) to split up further work into three clusters: (1) improving cooperation in tax matters; (2) accountability, public reporting and anti-corruption measures, and; (3) cooperation and settling disputes. The Panel also agreed to meet with stakeholders, and this document sets out key questions for those meetings.

## CROSS-CUTTING ISSUES

Across different financial-integrity-related topics and institutions, there are recurring

themes. The initial background paper identified these important thematic issues which may guide the Panel's future work:

### Measurement issues

Measuring and tracking illicit flows is a challenging endeavour, though there are ongoing processes as part of the SDG indicator development.

### Secrecy vs. transparency

The tension between the right to privacy and the public right to information is an area of constant negotiation, including disclosure for politically exposed persons. Moving from secrecy to transparency can improve accountability, but different countries and societies have different accepted transparency norms.

### Information exchange requirements

In the context of cross-border activity, exchanging or sharing of information is crucial to effective enforcement of laws, rules, and regulations of all types. This requires government and technical capacity and appropriate legal structures.

### Strengthening peer review

Peer reviews are often effective mutual accountability frameworks and can help assess gaps and vulnerabilities and thus prioritize interventions and help allocate resources efficiently. Peer review frameworks are challenged by capacity/frequency and consistency.

### Role of external stakeholders

There are many questions about the role of civil society organizations and the private sector related to financial transparency, accountability and integrity, including their role in international discussions, national enforcement and peer review frameworks.

### Non-compliance by States

Mechanisms to address non-compliance with international norms typically extend from inducement or encouragements (positive reinforcement) for better compliance, to sanctions and penalties for non-compliance (negative reinforcement). Non-compliance or non-implementation can also be selective, but rarely are their mechanisms for recourse.



### **Bilateral vs. multilateral enforcement**

States can cooperate internationally through direct government-to-government approaches, or through multilateral approaches and international institutions. Multilateral instruments may require countries to cede sovereignty.

### **Inter-agency cooperation**

Inter-agency cooperation at national level can bolster effectiveness of integrity frameworks, however, policy coherence among authorities with different priorities remains weak in many countries. Particularly important are joined up approaches with regulators of non-financial businesses and professions. Coherent collaboration could also be strengthened through regional interagency collaboration, which is currently underdeveloped.

### **Implementation capacity building**

Political will shapes the structural determinants of implementation capacity at the national level. Yet, in low-income countries, capacity can be limited by the scarcity of resources, across areas like money-laundering, tax administration, and large scale corruption investigation. Lack of necessary knowledge and skills is a major impediment and there is a need for technical assistance.

### **Impact of digitalization**

New technologies are altering the landscape, with potential positive and negative implications. The growth of crypto-assets and digital business models can disrupt different fiscal systems and enable anonymous transactions. But, technology can also enable better enforcement.

### **Provision of data and statistics**

Collecting and publishing data on aspects of the agenda will be important to taking forward policymaking and ensuring faithful implementation of international commitments. However, there are significant unresolved issues in measurement that may hinder data collection.

## **FUTURE WORK**

The FACTI Panel members agreed to consolidate their work in three clusters:

### **Improve cooperation in tax matters:**

fostering universal participation in international legal instruments on tax matters; further work on tax avoidance and evasion; preparing consistent and reliable global data on taxation.

### **Accountability, public reporting and anti-corruption measures:**

promoting accountability in contexts where it is currently lacking such as beneficial ownership; anti-corruption measures; improving tracking of asset ownership and use of this information including through the establishment of a global asset registry.

### **Cooperation and settling disputes:**

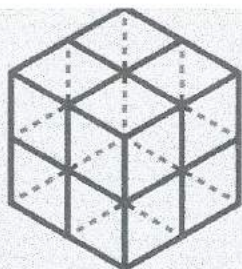
improving cooperation and standardization on bribery investigation and prosecution; examining options to strengthen peer review processes; exploring options to improve capacity; improving international cooperation on asset recovery and return.

The Panel will hold several consultations, which will be held virtually due to COVID-19, to solicit comments and suggestions from interested stakeholders. Together, these deliberations and inputs will feed into an interim report of findings to be presented in September 2020.

The Panel would like to hear from all stakeholders what they view as the priority actions for promoting financial accountability, transparency and integrity for achieving the 2030 Agenda. It would also like to hear about the political will and ambition of the international community in the three clusters mentioned above. The Panel will also engage directly with international institutions and is open to meeting directly with Member States and stakeholders.

Further details on the consultations can be found on the Panel website:  
[WWW.FACTIPANEL.ORG](http://WWW.FACTIPANEL.ORG).





## FINANCIAL ACCOUNTABILITY TRANSPARENCY & INTEGRITY

### How to be invited to a Microsoft Teams Meeting

Invitations to join a Microsoft Teams Meeting will be sent to delegates included in the email distribution lists of the Secretariat. PLEASE PROVIDE THE EMAIL ADDRESS TO [aguirres@un.org](mailto:aguirres@un.org) IN ORDER TO RECEIVE THE INVITATION CONTAINING THE LINK.

**Important:** Should you not be included in a relevant email distribution list, please contact the Secretariat as soon as possible.

The Secretariat will send an email to participants which will contain all necessary details. **For security and confidentiality reasons, please do not share this email with anyone!**

### What to do after clicking on the link to the meeting?

For participants using mobile devices that do not have a Microsoft teams account, click **Join as guest**. Participants will then be required to enter their name. Please use the following format: **First Name Last Name (Delegation)**, then click **Join Meeting**. **It is important that you include this information, particularly the name of the DELEGATION, including the name of your delegation in order to be granted access.**

For participants using a computer that does not have a Microsoft teams account, click on **Join on the Web** instead then click **allow use of microphone and camera**. Participants will then be required to enter their name. Please use the following format: **First Name Last Name (Delegation)** then click **Join**. **It is important that you include this information including the name of your delegation in order to be granted access.**

For participants that have a Microsoft teams account, click on **Sign in and join**.

#### Note

Participants will be placed in a virtual lobby of the meeting room pending verification and acceptance from the organizer prior to entering the room.

### Tips for the conduct of meetings

**Speakers List:** If you would like to take the floor, please indicate so in the chat room of the meeting (for example "Singapore would like to speak").

**Mind the mute button:** Your microphone should always be muted unless you are speaking. This is to cut out any instances of errant breathing, slight movements, or other noises that could cause distraction or interruption.

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**Do not multitask:** If you use a computer, close all other apps and browser tabs. When using a cellphone, do not send text messages or make phone calls at the same time.

**Ensure the camera is at an ideal distance from you:** The camera should be far enough from you that your upper body can be seen (hand gestures) and there's a bit of space around your head.

**Check your audio and video settings before joining the videoconference:** Get familiar with audio/video equipment to determine the best placement and learn how to operate it successfully.

**Cut out the background distractions:** If you are conducting your video conference from home, consider using a space where you are alone. Turn off televisions, radios and any other audiovisual distractions.

**Upon joining the videoconference, listen first before speaking.**

## Troubleshooting

If you lose sound of video, try refreshing the browser window or try to log out and reconnect to the meeting via link sent by the coordinator.

## System requirements

A computer (PC or Mac) or mobile device (iOS or Android):

- equipped with a camera and microphone
- video and audio communication ready and connected to a high-speed internet connection (a minimum 25 Mbps)

Get **Microsoft Teams** on your device\*. Desktop apps for Windows, MacOs, as well as mobile apps for iOS and Android, are available in the links below:

DESKTOP
<a href="#">Windows 64-bit / Windows 32-bit</a>
<a href="#">Mac</a>

MOBILE
<a href="#">Apple iOS</a>
<a href="#">Android</a>

\* For firewall issues, participants should contact their mission technical focal points to allow downloading of Microsoft Teams.



# Summary of first video conference of the High-Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda

## 31 March 2020

The High-level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel), met for the first time on 31 March 2020. The meeting, held virtually due to COVID-19 related restrictions around the world, allowed the Panel members to meet each other, and to take initial steps in organizing their work.

The agenda of the meeting was: review of a background paper drafted by the FACTI Secretariat, organization of work of the panel, and next steps to plan for future work.

### Opening session

**The meeting was co-chaired by H.E. Dr. Ibrahim Mayaki**, former prime minister of Niger, Chief Executive Officer of the New Partnership for Africa's Development (NEPAD) Agency, **and H.E Dr. Dalia Grybauskaitė**, former President of Lithuania.

In his opening remarks, Dr. Ibrahim Mayaki, highlighted the challenging context due to the COVID-19 pandemic which threatens both the global economy and millions of lives. He stated that the work of this Panel is even more critical in light of this crisis which shows the absolute necessity of international cooperation and the further need for collective efforts to end poverty, increase prosperity and achieve Sustainable Development Goals (SDGs).

Dr. Mayaki presented the key objectives of the meeting and commended the high level of expertise of the Panel members that will prove vital to achieve the final outcomes. He welcomed the appointment of the co-chair, Dr. Dalia Grybauskaitė, who then took the floor to thank all Panel members for joining the meeting in this difficult time.

A *tour de table* of Panel members was then initiated during which they introduced themselves and indicated what they think is the most important achievement of this Panel. Main points included: strengthening implementation and enforcement of existing international norms and standards and improving their impact measurement by enhancing **compliance, transparency and information sharing**; developing **international standards** in key areas (including settlement of cross-border corruption, asset recovery and return); strengthening the **fight against tax avoidance & evasion** and ensuring **universal participation in tax matters** including rule-setting so that developing countries can benefit from the existing norms and standards ; addressing the **causes of corruption** such as weak governance and institutions; enhancing **accountability**, global governance, political economy of reforms and raising the **voices of citizens that have been left behind** ; improving **capacity building** at both national and global levels to finance the SDGs . The Panel members stressed the importance of developing concrete proposals to drive the Panel's work .

### Review of background paper and substantive areas

The Secretariat made a short presentation highlighting the main objective of the paper, which is to review existing international institutional and legal frameworks related to financial accountability, transparency and integrity, with a view to start identifying gaps, challenges and vulnerabilities both in their design and implementation, including with regard to their comprehensiveness, effectiveness and universality. The Secretariat then proposed nine topics for further analysis through deep dive papers, which the panel could choose from (see background paper for details of the nine proposed topics).



The Secretariat highlighted that the primary objective of this initiative is to enable countries to finance the SDGs and that illicit financial flows are one big barrier.

Given the wide scope of the nine areas, the Secretariat proposed the following three criteria to narrow down the selection of the topics:

- (1) Topics which have direct bearing on releasing resources for financing the Sustainable Development Goals;
- (2) The technical feasibility of proposed policies;
- (3) Political viability of proposals to advance action on these topics.

In light of the above criteria, the Panel members engaged in a discussion on narrowing down the nine proposed topics. Some additional topics were also discussed.

### **Key points emerging from the discussion**

- Panel members highlighted the importance of building on existing initiatives and efforts including the FATF process, the Mbeki report and preparations for the upcoming UNGASS, to avoid duplicating work.
- Panel members emphasized the need for concrete proposals and in this context, the establishment of a global asset registry was raised by several Panel members.
- Several Panel members discussed gaps in the international architecture pertaining to tax matters (tax avoidance and evasion, financial secrecy, base erosion and profit shifting issues). The need for a multilateral instrument to enhance global cooperation in tax matters was highlighted.
- The importance of strengthening international cooperation, accountability, transparency, public reporting and information sharing was emphasized by several Panel Members.
- The role of corruption as a structural impediment to sustainable development was highlighted. This could be included through: a. giving due attention to capacity for combating corruption both at the national level as well as improving the effectiveness of international legal instruments; b. highlighting the cross-cutting nature of corruption as a basis for future work.
- Panel members raised the issue of enforcement and the lack of robust compliance mechanisms as a key barrier to the implementation of various initiatives.
- Panel members further stressed the need to improve capacity building and to develop mechanisms so that developing countries can benefit from them. They also noted that many developing countries have built capacities but are affected by issues such as resources and rules that do not reflect their priorities or interests.
- The issue of global governance was raised by several Panel members and some stated that the Panel should strive to ensure that all countries have a 'say' at the global table but also that the system should be accessible to citizens. More generally, several Panel members raised the issue of citizen participation and the need to think about how to enhance citizens engagement in holding governments accountable.

Additional topics/areas of work not included in the background paper were proposed by panel members. It was highlighted that further work is needed to examine why smuggling remains a persistent challenge for many countries despite the various efforts to combat it. Also, some Panel members proposed that the work on taxation should include further analysis on the disruptive impact of digital business models on indirect taxation.

### **Clustering and organization of work**

The Panel members agreed to narrow down the nine proposals highlighted in the background paper based on the three criteria stated above. The following three clusters were proposed:



**a. Improve cooperation in tax matters:** fostering universal participation in international legal instruments on tax matters; further work on tax avoidance and evasion; preparing consistent and reliable global data on taxation;

**b. Accountability, public reporting and anti-corruption measures:** promoting accountability in contexts where it is currently lacking such as beneficial ownership; anti-corruption measures; improving tracking of asset ownership and use of this information including through the establishment of a global asset registry;

**c. Cooperation and settling disputes:** improving cooperation and standardization on bribery investigation and prosecution; examining options to strengthen peer review processes; exploring options to improve capacity; improving international cooperation on asset recovery and return;

Panel members recognized that global governance and issues related to the political economy of reforms are critical; and, Therefore, that they should be mainstreamed in all three clusters.

The session then moved to the allocation of clusters among panel members; it was agreed that clusters are not mutually exclusive as panel members may opt to work on more than one cluster. However, it would be more efficient and effective if some members took a lead on some of the topics depending on their interest and area of expertise.

The clusters and topics for which Panel members expressed preference or interest are as follows:

Cluster	Panel members	Proposed papers
Improve cooperation in tax matters	Jose Antonio Ocampo; Annet Oguttu; Karim Daher; Heidemarie Wiczorek-Zeul; Shahid Hafiz Kardar; Benedicte Schilbred Fasmer; Irene Ovonji-Odida; Magdalena Sepúlveda.	Fostering universal participation in international legal instruments on tax matters;  Preparing consistent and reliable global data on taxation.
Accountability, public reporting and anti-corruption measures	Thomas Stelzer; Yury Fedotov; Manorma Soeknandan; Susan Rose-Ackerman; Benedicte Schilbred Fasmer; Jose Antonio Ocampo; Shahid Hafiz Kardar; Tarisa Watanagase; Bolaji Owasanoye; Magdalena Sepúlveda; Annet Oguttu.	Improving accountability, public reporting and information sharing;  Tackling structural impediments to fighting corruption.
Cooperation and settling disputes	Thomas Stelzer; Yury Fedotov; Irene Ovonji-Odida; Yu Yongding; Bolaji Owasanoye.	Exploring options to improve capacity;  Rule setting & political economy of reform;  Improving cooperation and standardization on bribery investigation and prosecution;  Examining options to strengthen peer review processes.



## Closing segment

During the closing session, follow-up actions were discussed. It was agreed that the Panel will engage with stakeholders (finance ministers/experts; civil society and member states) during April through virtual meetings (including a global town hall with civil society organizations).

The Secretariat will produce guidelines to assist Panel members in their communication efforts, finalize and publish the background paper, produce a two-pager policy note as input to the engagement with stakeholders, publish the report of this meeting and issue a note to the press.

Panel members also discussed logistical issues including the impact of the COVID-19 on the unfolding of the work of the panel. In that respect, the Secretariat indicated that, due to the crisis, the interim report is now expected to be completed by September. The final might still be issued by February 2021.

The secretariat encouraged Panel members to think about how this crisis can impact the work of the Panel and how to make sure that the reports to be published be in touch with the reality that the world will be facing in three to four months. Dr. Dalia Grybauskaitė further emphasized the importance of taking into account this situation in the panel's work.

The co-chairs thanked all for the successful meeting which achieved all its objectives.