

Summary of the regional consultation in Europe Hosted by the High-level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda via WebEx Event 9 November 2020

On 9 November 2020, the High-level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel) held a European consultation bringing together high-level representatives from Member States and the European Commission, along with leaders from the private sector, academia and civil society in the region. The consultation, held virtually due to COVID-19 related restrictions around the world, has offered an opportunity for the FACTI Panel to hear from leaders in Europe on their preferred means to address the shortcomings in the existing frameworks that were identified in the interim report released in September. It was the first consultation of a series that will take place throughout November and will include the regions of Asia-Pacific, Africa and Latin-America and Caribbean. Nearly 70 people participated in this European consultation, and 14 made statements.

Opening

The meeting was chaired by **H.E Dr. Dalia Grybauskaitė**, former President of Lithuania and co-chair of the FACTI Panel. In her opening remarks, Dr. Grybauskaitė provided the participants with highlights of the Panel's interim report, stressing that there are still gaps in the implementation of existing instruments, important loopholes in the international architecture and inadequacies in the global economic governance. She further reminded participants about the critical importance of political engagement and political will, both at the national and international levels. Such engagement will help find a shared understanding of the challenges and the best ways to resolve them. She also emphasized the need for all stakeholders (including civil society and the private sector) from all countries to engage, with a view to addressing the problems that the Panel has identified in its report. Dr. Grybauskaitė then urged all participants to bring creative ideas and open minds.

Keynote speakers

H. E. Mr. Dag Inge Ulstein, Minister of International Development of Norway, insisted on the importance of this inclusive dialogue, stressing that collective measures and new thinking are urgently needed due to the COVID 19. He stated that illicit financial flows have severe and detrimental effects especially in developing countries and highlighted the need to implement but also to strengthen existing frameworks such as the UN Convention Against Corruption. The Minister further noted that action is also needed at both national and regional levels to ensure the independence of the judiciary, to enhance transparency and to protect journalists and whistleblowers. He commended the work of the FACTI Panel and indicated that he looked forward to the final report.

H. E. Mr. Jari Partanen, State Secretary, Ministry of Finance of Finland, insisted on the need to build systems based on strong shared values and the social contract, an economy of well-being to the benefit of citizens. He emphasized that taxation is key to that end and stressed the need to end aggressive and harmful tax practices and planning and to establish fair rules, highlighting that Finland will play an active role in this respect.

Dr. Grybauskaitė then passed the floor to **Mr. Thomas Stelzer** and **Ms. Heidemarie Wieczorek-Zeul**, FACTI Panel Members, who provided brief remarks. After all these initial interventions, Dr. Grybauskaitė then opened the floor to all other registered speakers.

Open discussion

In total, 12 European leaders – including representatives from the European Commission, Member states, civil society and the private sector – were able to speak. Most participants emphasized the vital importance of the Panel’s work in light of the current economic and financial turmoil due to the COVID 19 and welcomed the inclusive approach of the Panel. The interventions were substantive in nature, focusing on areas/issues where the Panel could make recommendations.

Some speakers insisted on the need to focus on the implementation of current standards by addressing adequately the lack of technical capacity and by enhancing peer review mechanisms (including through timelier reviews and the development of strong incentives such as “naming and shaming” countries which do not comply with the rules).

Many other speakers called for bold and new collective measures to address the problems including an ambitious strategy on how to effectively address current deadlocks and move forward on illicit financial flows. Most of the inputs in that regard dealt with tax matters and involved the following concrete proposals:

- The establishment of a UN tax policy forum as a fully intergovernmental and inclusive body to set global tax standards (one speaker suggested the Panel to develop Terms of Reference for such a UN Tax body);
- The development of a UN Tax convention to enhance international cooperation in tax matters;
- The creation of a UN Centre for monitoring taxing rights.

One speaker insisted on the need to enhance transparency and accountability on asset return, including on the ultimate use of returned funds, and on the importance to develop appropriate oversight. The speaker further highlighted the importance to promote non-conviction-based confiscation as an effective route to recover assets.

One speaker raised a concern about double tax treaties and bilateral investment treaties, saying they are an unfair way to resolve disputes on tax allocation; the speaker highlighted the need for a human-rights-based approach in this respect.

Increased data standardization was also mentioned taking into account the need to improve data privacy. Two further frequently raised topics were the need to: (1) enhance access to information (including: automatic exchange of information (AEOI), beneficial ownership information, and country by country reporting), and; (2) do more about enablers and money laundering.

Closing

Dr. Grybauskaitė thanked all participants for their valuable inputs and invited Mr. Stelzer and Ms. Wieczorek-Zeul to make some concluding observations. Dr. Grybauskaitė concluded the meeting by recalling how critical it is to be ambitious to ultimately enable the global economic and financial systems to work better for everyone. She welcomed all participants to continue to engage in the Panel's future activities reminding them that the Panel is accepting written submissions from all stakeholders until the end of November.