

Peer review

5 NOVEMBER 2020
FACTI ISSUES NOTE

The FACTI Panel published its [interim report](#) on 24 September 2020.

The FACTI Panel will hold a series of high-level virtual regional consultations with global stakeholders from 9 to 23 November 2020. The consultations aim to discuss possible means to address the shortcomings identified in the interim report. To orient the consultations a series of short issues papers are being presented along with guiding questions for the consultations.

INTRODUCTION

Peer review is a well-established mechanism to promote compliance with norms and standards. They hold considerable potential to strengthen accountability, prevent disputes between countries and enhance trust. However, there are gaps and weaknesses in the current review and follow-up mechanisms that are relevant to financial integrity issues.

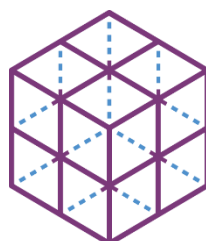
Comprehensiveness of peer review is essential to detect and expose “mock compliance” where states formally adhere to international norms or standards but behave inconsistently. Such a comprehensive approach can be found in the FATF review mechanism but also in the OECD’s Working Group on Bribery in International Business which examines not only legal implementation of the anti-bribery convention but also whether states open investigations into suspected bribery cases and prosecute offenders.

While the inclusion of civil society and other stakeholders is standard practice for most peer reviews including the FATF, the OECD Working Group on Bribery in International Business and the Follow-up Mechanism for the Implementation of the Inter-American Convention against Corruption, the

implementation review mechanism of the UN Convention Against Corruption has no requirement for involving stakeholders, leaving it to the discretion of the reviewed state.

All states under review should be treated impartially and equally. Reviews should be immune from political bias and power imbalances. Discussion of country reports by the collective peer review body can help ensure impartiality across reviews by giving countries a chance to object to lenient treatment of another country. While most peer reviews provide for plenary discussions, the UNCAC is a notable exception.

Both the review process and its outcomes should be transparent and accessible to the public. In fact, anyone should have access to information pertaining to the review process, and to the country review report. While most peer review mechanisms make review reports available to the broader public, the UNCAC reviews are an exception. States can decide whether to allow the full reports to be made public, as only a short executive summary needs to be published.



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Regular and systematic follow-up monitoring is crucial to ensure that recommendations are being addressed. The UNCAC review mechanism does not have a formalized system for monitoring action to address identified shortcomings in implementation, opening the possibility that gaps and vulnerabilities will persist.

Financial integrity peer review systems also need to overcome systemic challenges such as lack of adequate funding, slowness of the review process, and the multiplicity of different and distinct peer review mechanisms.

Given that it was the first peer review mechanism introduced at the United Nations and the intense negotiations necessary to reach global consensus, the UNCAC review mechanism is an important achievement; however, the mechanism is not yet robust enough to ensure comprehensive and effective implementation of UNCAC provisions by States parties. Furthermore, it departs significantly from practices among other peer review mechanisms.

Further details on the high-level regional consultations can be found on the FACTI Panel website: <http://www.factipanel.org/events>.

LOOKING FORWARD

The Panel finds five components critical for effective peer review – comprehensiveness, inclusiveness, impartiality, transparency and monitoring – and would like to examine ideas for the international community to strengthen international mechanisms that involve financial integrity issues and especially the implementation review mechanism of the UNCAC.

Guiding question for the consultations:

- **How do you think the world should strengthen peer review within UNCAC to make it more comprehensive, fair, inclusive, transparent and effective?**
- **What can be done to address systemic challenges to efficient peer reviews such as the lack of funding, slowness of the review process, as well as the “monitoring fatigue” caused by the multiplicity of different and distinct peer review mechanisms?**

