

# Non-state actors

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FACTI ISSUES NOTE

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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

Non-state actors – including the private sector, civil society organisations (CSOs), the media, and whistle-blowers – are vital to promoting financial accountability, transparency and integrity.

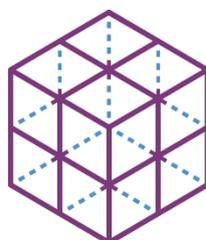
Working in concert, non-state actors can challenge the vested interests that benefit from the existing gaps in financial integrity. As momentum is built by stable national social forces, it will fortify the political will which is vital to establish and maintain financial integrity. This applies equally in all countries, including havens where illicit proceeds are hidden, or which allow taxpayers to escape taxation. This is also true internationally, as vested interests such as banks and other enablers may wield disproportionate influence in international settings, while the small-businesses and local civil society organisations do not have as much capacity to sway international norm setting processes.

The role of the private sector is critical, both as initiators of opaque transactions and as stakeholders who stand to benefit from global financial accountability, transparency and integrity. In the Panel's consultation with a wide spectrum of private sector

stakeholders, the vast majority said they would welcome stronger financial accountability, transparency and integrity regulations if all businesses were held to the same standards.

Major instances of corruption and other financial crimes are commonly brought to light by investigative journalists, whistle-blowers and CSOs rather than by regulators and law enforcement agencies despite the latter's massive information-gathering apparatus. In fact, they have done essential work in exposing egregious abuses that would have otherwise probably gone unpunished. Investigative journalists and other media played a role in widely known cases of alleged crimes, such as through the Panama Papers, as well as many less internationally-known cases of corruption and financial crime.

The importance of civil society in addressing those global challenges should not be neglected either. CSOs in both developing and developed countries monitor states' compliance with international norms and standards. They can also raise public awareness, keeping up the momentum and generating or strengthening political will to



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change the rules of the game and ultimately create financial integrity. Civil society actors need support and protection for their rights in all jurisdictions.

Global CSO networks such as the UNCAC Coalition or the Global Alliance for Tax Justice have been powerful advocates for comprehensive and robust international frameworks; the Publish What You Pay campaign was instrumental to the launch of the Extractive Industries Transparency Initiative (EITI).

Despite the technical nature of some aspects of financial accountability, transparency and integrity, a growing number of CSOs show a high level of expertise and make an important contribution to analysis and research in these areas. And yet, despite all their valuable contribution, often CSOs are not included in decision-making processes or some review mechanisms such as the implementation reviews conducted for the UN Convention Against Corruption (UNCAC).

Additionally, many countries still do not have comprehensive whistle-blower

protection laws and UNCAC provisions in this respect are not mandatory.

## LOOKING FORWARD

Arriving at financial accountability, transparency and equity will be difficult without the effective participation of non-state actors - which entails protection for their rights. Given this, the Panel would like to examine ideas for the international community to enhance it.

Guiding question for the consultations:

- **What can be done at the international level to foster a culture of integrity in the private sector?**
- **How do you envision better incorporating civil society and the media in the fight against tax abuse, money-laundering and corruption?**
- **Would international-level standards or guidelines on whistle-blower protection strengthen the fight against corruption and other financial crimes?**

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

