

Advancing and sustaining multi-stakeholder
dialogue and collaboration:

The Global NPO Coalition on FATF



Second Expert meeting GCTF–GCCT initiative on CFT and safeguarding civic space: Remedies and challenges

January 27, 2021



Engagement with the FATF

Why: to ensure that FATF AML/CFT standards are implemented in a proportionate and risk-based way, and without hindering the operations of legitimate NPOs

1. History and structure
2. Process and practice
3. Achievements
4. Lessons learnt for sustained engagement
5. Challenges

History and Structure

A bit of history

- 2012 Study on the impact of R8 on NPOs based on analysis of Mutual Country Evaluations till 2011
- 2013 Meeting hosted by the FATF Prez/Secretariat in collaboration with HSC to discuss study
- 2015 Start of Global NPO Coalition on the FATF - 300 organizations and networks

Structure of Global NPO Coalition

- Diverse and across the globe
 - Human Rights | Humanitarian | Development | Faith based | Peace Building | NPO law experts | Foundations
- Coregroup – strategy development and sets agenda for conversations with the FATF
 - Official communications from Global Coalition to Secretariat via co-chairs (HSC and C&SN) or core group member
- Expert Hub – capacity building and advocacy nationally and regionally with FSRBs
- Outreach to and Communication with stakeholders:
 - www.fatfplatform.org | bi-monthly newsletters | webinars
- Outreach to UN Special Rapporteurs | UN CT entities | World Bank | Think-tanks Universities

Process and practice

Awareness raising and outreach

Engagement and Advocacy

Capacity building and Training

- Civil Society | FATF and FSRBs | FIUs | Regulators | Governments | Multilaterals: UN, EU, World Bank, the G20/the GPMI | AFI

Content driven

- FATF AML/CFT framework and Recommendations | Mutual Country Reviews | Rules and Regulations | Effectiveness: Risk Based Approach | Effects: Overregulation and Financial Access restrictions

Surveys and Studies – for evidence based advocacy

Lessons learnt shared through newsletter webinars www.fatfplatform.org discussions with FATF and FSRBs

Achievements

Constructive partnership with the FATF

- Personal relationships – sustained over the years
 - Single contact point at the FATF Secretariat for Global NPO Coalition
- Institutionalization through the structure of the Global NPO Coalition
- Working sessions with the Secretariat
- Participation FATF Executive Secretary and senior Policy Officers in events (co)organized (with) by Global NPO Coalition members: at PSCF | G/C20 | regional expert meetings

Change of Recommendation 8 in 2016

- Input to the revised R8 Best Practices Paper in 2014 – 2015
- Input to Typology Paper R8 in 2014
- Substantive input during process leading to revision of R8

Seats for the Coalition at the Private Sector Consultative Forum

Representing Development | Humanitarian | NPO Laws and policy experts | Foundations

Ongoing Policy input to the FATF

- TF Risk Guidance (NPO chapter) in 2019
- Beneficial Ownership R24 revision
- Internal Strategic Review of the effectiveness of the MER methodology of the FATF

Achievements

Engagement with FSRBs: GIABA, ESAAMLG, GAFILAT, MONEYVAL

Ongoing dialogue on RBA and Financial Exclusion and Inclusion

- Studies, surveys
- **Stakeholder Round Tables:** national, regional, international – solutions focused
 - International RT on financial access co-convened by World Bank, Dutch MinFin and HSC
 - Dutch RT on financial access co-convened by HSC MinFin in partnership with MOFA and Dutch Banking Association

Working in partnership with FATF supports NPOs in sensitive and critical contexts

- Opening up of engagement between NPOs and governments, other stakeholders

Explore ways together with the FATF Secretariat of addressing the misuse/abuse of FATF Standards - a shared concern

Very helpful recent statement of FATF Prez – abuse of AML/CFT standards to oppress Human Rights under pretext of CT in contravention of risk based approach. Country will be assessed negatively for not implementing a risk based approach

Serbia case on power of local NPOs in their understanding of FATF AML/CFT standards and recommendations, the mechanisms of UN SRs and readiness of FATF to remedy NPO abuse.

Helping improve transparency of the FATF and its processes

Info on website on MER process and input from NPOs

Lessons learnt for sustained dialogue

2013 – 2021 From awareness raising to understanding to consultation to dialogue to concrete action

Trust building through sustained engagement

- Trusted conveners of Global NPO Coalition and Round Tables
- Single point of contact at the FATF
- Transparency and Accountability of the Global NPO Coalition

Combined approach: awareness raising, outreach/capacity building, research, dialogue, advocacy leading to actions

Communication through various outlets about practices, solutions/achievements, challenges

Support of donors for resources – long-term commitment requires long-term investments

Support of governments: MoFA: Development, Security, Humanitarian, MinFin, MinJustice, FIUs, bank regulators

Role of the FATF president vital for gaining traction for advocacy objectives

Challenges

Transparency of CFT and broader CT decision-making that impacts NPOs

Implementation of CFT at the national level

Policy incoherence – CFT and CT measures continue to undermine humanitarian aid, human rights, SDGs, civic and civil society space

- Financial exclusion
- CFT Donor clauses resulting in the downstreaming of risk to NPOs at frontlines of conflicts and crises
 - Beneficiary vetting
- CFT and CT measures counter-productive if civic and civil society space restricted

Alignment of UN SCR 2462 and the FATF standards

Multi-stakeholder dialogue on broader CTM impact on civic space at international and regional levels

FATF – Global NPO Coalition engagement as example

Alignment of ongoing dialogues/Round Tables at national, regional, global levels

Who convenes Who participates Who provides resources



Thank you
www.fatfplatform.org

