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20TH OSCE ECONOMIC AND ENVIRONMENTAL FORUM
CONCLUDING MEETING
Prague, 12-14 September 2012
Opening Session
Mr. Marin Mrcela, Council of Europe/Group of States against Corruption

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“Promoting Security and Stability through Good Governance”

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Address by Mr Marin MRČELA , President of the Group of States against Corruption
– GRECO

Excellencies, distinguished delegates, ladies and gentlemen,

It is a great honour for me to take the floor at this important event. I am grateful to the Irish OSCE Chairmanship and Mr Goran Svilanović, Co-ordinator of OSCE Economic and Environmental Activities, for giving me this opportunity to share with you a few thoughts revolving around our common interest in fighting corruption more effectively, and joining forces to this effect. I would also like to thank our hosts for holding this event in this beautiful historic venue.

Joining forces is all the more important, as all 49 member states of the Group of States against Corruption (GRECO) and 29 of the 30 states, which are subject to evaluation by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), are also members of the OSCE. It is perhaps noteworthy to mention in this context, that membership in GRECO and MONEYVAL is, under certain conditions, also open to states that are not members of the Council of Europe.

Regarding the overall purpose of this concluding meeting, I would like to place particular emphasis on the issue of good governance.

For democracy and the rule of law to operate properly, citizens must be able to trust their politicians, judges, police officers and others exercising authority. Trust – along with the fairness of competition – is also the basis of a well functioning economy. Corruption and other types of malfeasance in office and the laundering of corruption proceeds undermine this trust.

Widely known corruption indices, including those produced by the World Bank and Transparency International, as well as the evidence gathered in the context of our own work, clearly indicate that corruption is a continuing, and even growing concern. This is all the more true as the persistent economic and financial crisis with its harmful repercussions on economic prosperity, social welfare and employment, is also bound to make the life of all those who wish to play by the rules all the more difficult.

Also, laundering of corruption proceeds remains a “moving target,” as launderers keep inventing new techniques and penetrating new sectors and markets, notably those unaffected by the crisis.

As corruption is a global problem, international networking is vitally important. Sustained efforts must be made to further solidify cooperation among international stakeholders.

This is one of the reasons why the 20th Economic and Environmental Forum is such an important gathering. I am confident that sharing our experiences in this framework will continue to produce useful synergies for the fight against corruption.

Let me emphasise another general but fundamental issue.

We must always be aware of the values we defend when fighting corruption. This will steer our acts and place them in the right context. From a GRECO and Council of Europe perspective there are three imperative reasons to make anti-corruption a priority:

Firstly, corruption threatens human rights whose protection and upholding is of fundamental importance in the work of the Council of Europe. Therefore, fighting corruption and safeguarding the fundamental civil and political rights as enshrined in the European Convention on Human Rights, are two sides of the same coin.

Secondly, corruption in particular at the highest level, is a serious threat to the functioning of democratic institutions. It is disconcerting to see that in numerous member states of GRECO, citizens perceive politicians and political parties as dishonest and corrupt. There is a clear danger that such perceptions lead to decreasing turnouts in elections, and an increase in the emergence of radical political movements and parties with the potential of putting parliamentary democracy at risk.

Thirdly, fighting corruption is also essential to ensure fair competition among enterprises. Investors all over the world place particular importance on how easy and safe it is to do business in any given country.

Another fundamental matter concerns the interplay between prevention and law enforcement, a matter which is skilfully addressed in the Policy Paper which is on the Forum’s agenda.

GRECO’s long-standing monitoring experience clearly vindicates the view that prevention of corruption and law enforcement are complements and not alternatives. Preventive efforts will be in vain if they are not backed up with determined actions to counter impunity for corruption and other types of abuse of official position.

A sound track record of investigations and convictions, including in the area of high-level corruption, is especially important in countries where a significant number of citizens face corruption in their daily lives. Fighting impunity is essential for the legitimacy of the political system, and so is a determined preventive approach.

The “long-term strategic, comprehensive and co-ordinated approach to prevent corruption” as outlined in the Policy Paper contains virtually no component which has not been thoroughly addressed or is being thoroughly explored by GRECO in the context of its country-specific monitoring.

Let me refer to **three** areas which are no doubt of common concern.

Firstly, disguised and corrupt political financing is an obvious threat to democratic principles and the solidity of parliamentary democracy. As evidenced by the pioneering work which GRECO has carried out in this area since 2007, much more needs to be done in this field.

Frequent shortcomings which have been identified, concern weak or ineffectual transparency requirements regarding the books and accounts of political parties and candidates, the absence of a truly independent monitoring body (or bodies), and an insufficient pursuit of violations of political finance rules.

Not all our member states have made credible efforts to address these deficiencies. Several of them, including from the northern part of Europe, which is widely and rightly considered to be relatively unaffected by large-scale corrupt practices, are currently subject to a compliance enhancing procedure, which places them under closer surveillance by GRECO.

It is clear that this area is largely beyond direct governmental control and under the reign of the political parties and parliaments themselves; it can only be hoped that parties and parliaments will generate the indispensable political will to address this matter vigorously. After all, there is increasing evidence in Europe and beyond that public pressure for the enhanced transparency and accountability of the legislatures in particular will increase even more.

I am convinced that the venture of looking into political financing by GRECO has proved to be a most valuable and unique initiative. Circumventing this matter at the domestic level is no longer possible.

My **second** point is very much related to GRECO’s new evaluation round which is devoted to “Corruption Prevention in respect of Members of Parliament, Judges and Prosecutors”.

By choosing this topic GRECO is breaking new ground and underlining the multidisciplinary nature of its remit. At the same time this theme has clear links with GRECO’s previous work, notably its First Evaluation Round which placed strong emphasis on the independence of the judiciary, the Second Evaluation Round which examined in particular the executive branch of public administration and the Third Evaluation Round which focused on corruption prevention in the context of political financing, as already indicated.

The priority issues of the fourth round are:

- ethical principles, rules of conduct and conflicts of interest;
- prohibition or restriction of certain activities;
- declaration of assets, income, liabilities and interests;
- supervision and enforcement of the applicable rules;
- advice, training and awareness.

All of these priority issues are also addressed in the Policy Paper.

GRECO's fourth round topic is clearly at the heart of citizens' concerns regarding their trust in political and governance systems as well as in the judiciary.

I am confident that this work will generate a great deal of synergy with the OSCE's ongoing and future work.

The **third** point I would like to make relates to a general concern of both international and domestic stakeholders in the fight against corruption.

It is a widely shared conviction, that implementation support and technical assistance are necessary in a number of countries for achieving sustainable results in countering corruption and ensuring integrity. Such support must be further developed in order to help translate international commitments, the results of monitoring and other fact-finding exercises as well as the ensuing recommendations, into practical achievements.

However, one must have realistic expectations as regards the ultimate product technical assistance will be able to deliver. It cannot make up for a lack of political will. It goes without saying that national authorities have the ultimate responsibility for taking the requisite action, including by following up on the results of GRECO and other monitoring.

It is also imperative to mobilise all domestic actors to contribute to the practical implementation of relevant standards and recommendations. National parliaments, NGOs and the media should make more vigorous efforts to generate the requisite political will, on which any real progress in this field ultimately depends on.

Let me conclude - in a noticeable number of GRECO's, and consequently the OSCE's member States, corruption is still a significant issue and often part of citizens' daily life. It is striking that according to the Eurobarometer survey published by the European Commission in February, an average of 8% of EU-country nationals responding to an opinion poll claimed that they had been personally confronted with bribery in the last twelve months. On average, nearly three quarters of respondents considered corruption to be a major problem in their country; and almost half thought that the level of corruption had risen over the past three years.

The continuing financial crisis only exacerbates this problem. It is quite obvious that in the context of stagnating or even slumping economic growth, competition to obtain public or private contracts is increasing. This creates additional temptations for foul play.

I am confident that we will be able to rely not only on the governments of our member States, but also on members of parliament, the judiciary and the bodies that make up civil society, including the business community and the media, to counter these threats.

Ever closer cooperation of international players, such as the OSCE, the OECD, the United Nations, the European Union and the Council of Europe is becoming increasingly important. We must all work towards keeping anti-corruption not only on the international agenda but also to making it a political priority at domestic level.

Vaclav Havel once said: "Vision is not enough, it must be combined with venture. It is not enough to stare up the steps, we must step up the stairs."

The 20th Economic and Environmental Forum should not only help us shape a common vision on how to effectively combat corruption but also reinvigorate partnerships at local, national and international level.

I wish us all every success and look forward very much to the deliberations before us.

Thank you for your attention.