



Organization for Security and Co-operation in Europe

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20th OSCE ECONOMIC AND ENVIRONMENTAL FORUM

“Promoting Security and Stability through Good Governance”

SECOND PREPARATORY MEETING

“Promoting good governance and combating corruption

in support of socio-economic development”

Dublin, 23-24 April 2012

Closing Statement

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Minister Shatter,
Excellencies,
Ladies and Gentlemen,

Allow me to start my intervention by expressing my great appreciation to all of you – Government representatives of the OSCE participating States and Partners for Co-operation, International Organizations, NGOs, private sector representatives, OSCE field operations - for your active participation and support during these two days. Due to your engagement in the discussions, and due to the contributions you all have made, this second preparatory meeting of the 20th Economic and Environmental Forum has been, in my view, a real success. We have made together important steps towards identifying relevant recommendations for the OSCE in the field of combating corruption and enhancing good governance and transparency.

Special words of thanks go to the Irish Chairmanship – Minister Shatter and Minister of State Perry representing the Chairperson in Office, Ambassador O’Leary and Ambassador Cogan and their teams in Vienna and Dublin - and the Irish Government for their warm hospitality, for the high level participation and for their commitment to the work of the OSCE in the economic and environmental dimension.

At the same time I want to thank all the speakers, panellists, moderators, rapporteurs, for the excellent contributions to our discussions. The interpreters and the technical staff of the conference also deserve our gratitude.

Distinguished participants,

The starting point of our discussion was a comprehensive overview of the existing international legal framework, of the key international and regional anti-corruption instruments and initiatives, of the most recent developments and priorities in this field. Notably, we heard informative presentations on the work of UNODC, on the UNCAC review, on the work of the OECD and the Council of Europe/GRECO, as well as on recent

developments at the EU level. The OSCE has supported and should continue to support and facilitate the effective implementation of such legal instruments and we should strengthen our co-operation with these organizations, as we can indeed complement their work.

Let me take this opportunity and summarize some of the key points and recommendations discussed throughout this Forum meeting and also provide you with information on related actions and activities my Office is planning or could be considering.

First, I would like to emphasize that developing a **culture based on integrity, transparency and accountability**, free from corruption and money laundering, is key to sustainable economic growth, development and stability, nationally as well as internationally.

Ethical conduct on the highest political, administrative and judicial levels is of utmost importance in gaining and maintaining the trust of the public at large in how their country and economy are managed. Integrity is a prerequisite to fair and reliable public services and needs to be reflected in institutional accountability, procedural reforms and transparency as well as in corruption control measures. This also includes effective management of conflict of interest systems and the creation and enforcement of effective asset disclosure systems for the prevention of misuse of position and/or embezzlement of public funds as well as in detecting and prosecuting the offenders.

The OSCE and its field operations will continue to promote a **comprehensive approach to good governance** and assist the participating States in developing codes of conducts, training programmes and guidelines for different groups - civil servants, Members of Parliament, Ministers, Mayors, judges as well as in the business sector. The work of our colleagues in ODIHR to assist interested countries in introducing *Professional and Ethical Standards for Parliamentarians* is definitely worth mentioning and we look forward to the launch of the study on these issues.

The OSCE can also be helpful in facilitating the exchange of experience and best practice on how to develop and implement effective **asset declaration** systems as one way to introduce more transparency and counter corrupt practices. In this connection, I am pleased to mention the upcoming OSCE-OECD-UNODC *Expert Seminar on "Asset Declarations for Public Officials: a Tool to fight Corruption in Central Asia"* to be held in Bishkek on 14-15 May.

While asset declaration is an important prevention measure and necessary component of an effective anti-corruption approach, it is the successful **recovery and/or repatriation of stolen assets** that is perhaps the most visible indicator that anti-corruption efforts are bearing fruit. Over the past several years, a number of the OSCE participating States and Partners for Co-operation have successfully worked together to identify stolen assets and return them to their country of origin. The OSCE has been active in supporting its participating States in ratifying and implementing the UN Convention against Corruption, which provides several important tools for asset recovery. We should continue to support such efforts.

We must bear in mind, however, that in the vast majority of asset repatriation cases, the identification of stolen assets occurred only after they were moved into foreign jurisdictions. Preventing stolen assets and proceeds of corruption from moving through cross border transactions will require further implementation of national asset declaration regimes and more due diligence by financial institutions to ascertain the origin of funds before accepting them. The OSCE should leverage the political will of its participating States and Partners for Co-operation and to work with its partner organizations to provide assistance in adopting and

implementing legislation and best practices aimed at preventing the undetected movement of proceeds of crime.

Another central message of our meeting is that **civil society should be an important partner in the fight against corruption**. The civil society should become more closely involved in the formulation, implementation, monitoring and evaluation of anti-corruption strategies and action plans. At their turn, Governments need to show a stronger political will in that regard and develop the kind of legal, regulatory, policy and institutional frameworks that enable civil society to gainfully and responsibly participate. The civil society needs access to information, education and training, as well as the freedom to voice opinions about weaknesses and malpractices without fear of negative repercussions.

Another aspect emphasized during the meeting is the importance of **transparency in economic matters**. Specific examples of transparency initiatives in the public procurement sector or in the management of publicly owned companies were provided. Indeed, without coherent and cohesive regulation the desired policy outcomes cannot be reached, value for money cannot be ensured and public resources and assets will not receive the protection they deserve. In this field, the main focus of the OSCE should be to support the use of existing instruments such as the UN Convention against Corruption, the WTO's Agreement on Government Procurement or the 2011 UNCITRAL Model Law on Procurement. In this regard, my Office already provides support to an EBRD - UNCITRAL launched initiative aimed at enhancing public procurement regulation in the CIS countries and Mongolia. While the first countries to engage in the initiative were Armenia and Moldova we intend to further promote and support this endeavour also in other countries in the OSCE region. I also see a strong role for our field operations in such activities.

We were informed about the Armenian Government's recently launched "Guillotine programme" supported by the colleagues of the OSCE Office in Yerevan. Simplifying a country's legal framework, making legislation, rules and regulation more accessible and transparent is in the benefit of all. Not only does this mean a boost for companies and businesses and the national economy at large, it also reduces corruption risks and strengthens the trust of citizen's in their Government. Equally important is to put in place mechanisms for a genuine and structured public-private dialogue at all levels, as highlighted in the presentation of project from Tajikistan, supported, *inter alia*, by the OSCE mission there. The OSCE involvement is in particular relevant as it supports activities in the Rasht Valley, a region vulnerable to economic and political security challenges, which has enjoyed limited development and donor support so far.

Another key message is the importance, for the economic development of a country, but not only, of **women's economic empowerment** and full participation in the economic sphere. This is a key element of sustainable economic development. The need for gender sensitive public policies as an essential component of good governance was also emphasized. My Office is committed towards promoting equal participation and opportunities for women in the economic sphere and we are encouraged by the adoption last year in Vilnius of the Ministerial Council Decision on these issues.

We also learned about the important benefits that can be achieved by promoting more **transparency in the energy sector**. More transparency ultimately leads to better management. It helps countries to attract direct foreign investment, to improve their credit ratings, and to build trust amongst communities. Good governance thus helps to enhance

energy security, because investments into energy projects are made over the long-term, and long-term investment is greatly helped by the presence of a sound business climate.

We heard about the efforts of Azerbaijan to implement the provisions of the Extractive Industries Transparency Initiative (EITI). The OSCE will continue co-operation with the EITI and other organizations which promote transparency in the field of energy. We should also keep in mind that the notion of "transparency" in energy could also be applied to technical matters. We could explore ways by which we can facilitate the dissemination of best practices and engage in co-operation with relevant organizations in this field.

Let me now turn to the area of **environmental governance**. We will continue our close co-operation with the UNECE in promoting the implementation of the Aarhus Convention, both through our continued support to the Aarhus Centres which now form a network of 37 Centres in 10 countries in the OSCE region and also through capacity building and training activities targeting key stakeholders, particularly judiciary.

I would also like to touch upon the preparatory process for the UN Conference on Sustainable Development that will take place in Rio de Janeiro in June, referred to as Rio+20. As you know, the Maastricht Strategy made a specific reference to 1992 Rio Conference and its major outcomes, namely Rio Declaration and Agenda 21. I am pleased to underline that the OSCE through its Aarhus Centers Network and partnership within the ENVSEC Initiative has contributed significantly to the implementation of relevant principles of the Rio Declaration. As you may know, the second informal-informal negotiations for the Outcome Document of the Rio+20 Conference started yesterday in New York and will continue until 4th of May. Further to my appeal to all participating States during the first thematic Economic and Environment Committee Meeting of this year on Environmental Good Governance on 14 March, I would request you once again to consider supporting the inclusion of a reference to linkages between environment, sustainable development and security within the Draft Outcome Document for Rio+20.

Ladies and Gentlemen,

The next steps for us will be to carefully assess the contributions and recommendations made at this 2nd preparatory meeting of the 20th Economic and Environmental Forum. A substantial discussion will also take place in the framework of the Economic and Environmental Committee in Vienna.

We will next prepare the agenda for the Prague Forum to be held on 12-14 September, and I take this opportunity to invite all of you to join us in Prague.

Before concluding I would like to recall what several speakers have already highlighted in their interventions. Discussing how to combat corruption and promote integrity is in fact a discussion about the fundamental values our countries and societies are based upon. Upholding and reaffirming such shared values and codifying them through mutually agreed norms and standards of behaviour, transposing them not only into documents but also in practice, in order to improve the functioning of our states for the benefit of all, is, in my view, extremely relevant for an organization like the OSCE. And this could be also one of the key outcomes of this year's Forum deliberations.

Thank you for your attention.