

**Statement**  
**by the Head of the Delegation of the Russian Federation**  
**Deputy Minister of Foreign Affairs Andrey Denisov**  
**concerning the Issue of Combating Trafficking**  
**at the Eleventh Meeting of the Economic Forum**  
**(Prague, 20 May 2003)**

The Russian Federation underscores that it will continue to support all-European economic co-operation on an equitable and mutually beneficial basis within the framework of an all-embracing and comprehensive approach to the issues of security and stability in Europe. Our contribution to the development of a new Strategy document on the OSCE economic and environmental dimension, in particular, is evidence to that. We proceed from the understanding that this document should be a working one with a practical aspect rather than a mere declaration.

The theme of the current meeting of the Economic Forum is naturally important to all OSCE participating States as well as the entire OSCE region as it is focused on real threats to each individual country and the OSCE region as a whole.

We share the concerns of the OSCE participating States about the **unlimited and illicit spread in the world of small arms and light weapons (SALW)**, and stand ready for close interaction in resolving this problem.

Presently, the main priority, in our view, is the implementation of the Action Plan which was adopted at the UN Conference on SALW in July 2001, and the 2000 OSCE Document on Small Arms and Light Weapons. Russia is accurately fulfilling its commitments on these documents.

While recognizing the key role of the United Nations in the search for ways of effective combating trafficking in SALW, we believe that feasible measures that could be implemented in this field can be elaborated primarily within the framework of regional organizations. Historical record shows that such organizations are best suited for agreeing the approaches to this problem.

I would like to take this opportunity to state that we are seriously concerned about the continuing unlicensed production, as well as re-export of Russian (Soviet) made SALW from the territory of a number of European states without the permission of the original exporter of those arms.

**Trafficking in human beings** is about the only flourishing sector of the world economy fraught with depressions and crises. Annually millions of people, mainly women and children, through cheating, sale, force or other form of abuse fall victim to primarily sexual exploitation with slim chances of liberation. They become a global commodity bringing billions of dollars in profit to strongly organized criminal groupings acting with a free hand. The OSCE should have declared war on this shameful phenomenon a long time ago.

Trafficking in human beings is a phenomenon that affects all the regions and the majority of countries in the world. Although the channels of this new slave trading constantly change, the underlying factors remain the same. Therefore it is essential to eliminate the underlying causes of trafficking in human beings - a stable demand in the "live stock" in the consumer countries, feminization of poverty and female unemployment in the countries of origin, as well as differences in the level of economic development and standards of living between the countries of origin and destination.

The Russian Federation is simultaneously a country of origin, transit and destination of the victims of trafficking in human beings. We are concerned about the growing scale of this criminal activity and intend to actively co-operate in the cause of combating and eliminating trafficking in human beings.

International co-operation in this field should focus specifically on the projects to create new jobs for women, training of women in new competitive professions, as well as development of women's businesses. Therefore, we proceed from the understanding that the better the status of women in the labor market, the rarer the cases of employment in the sphere of sexual services will be.

We support the efforts of the OSCE on combating trafficking in human beings, as well as the development of the OSCE Action plan in this area in accordance with the Porto OSCE Ministerial Decision. We hope that it will contain a most complete list of recommendations on fulfilling commitments previously adopted by the participating States in the field of combating trafficking in human beings, assistance to the victims of trafficking and punishment of those responsible for organizing and perpetrating such crimes, as well as appropriate recommendations to OSCE institutions, which are called to provide assistance to the participating States in combating this type of organized crime.

It is worth to note that the draft Action Plan is based on two fundamental principles which are reflected in one way or another in the commitments of the participating States in this area - a profoundly humane approach to the victims of trafficking in human beings on one hand, and the inevitability of punishment for this crime, on the other.

In this connection we deem it essential to underscore the need of fulfilling by all OSCE participating States the commitments contained in the 1991 Moscow OSCE Document on combating prostitution and limiting the activities of those sectors of national economies which are oriented towards sexual exploitation.

We would like to recall the decisions of the 2002 Berlin OSCE Conference “Europe Against Trafficking in Human Beings” which places equal responsibility for lack of effective actions on preventing this phenomenon on countries of origin of the “live stock” as well as the countries of destination.

**The drug threat** is one of the most dangerous new challenges. Documents of the specialized UN agencies point to the negative economic consequences of the illegal drug trafficking. For example, the 2002 report of the International Committee on Drug Control notes that the countries producing illicit drugs witness a decline in the rates of economic growth. Businesses that are financed by drug trafficking eliminate market competitors, and corruption penetrates governmental structures. A vicious circle is formed. Drug dealers channel the proceeds from drug trafficking to

the most lucrative sectors of the economy, such as the real estate commerce, the entertainment industry, as well as other non-production sectors. These processes in the long run lead to a reduction of the purchasing power of the population, serious social differentiation, and an acute rise of crime. Corrupt authorities are incapable of resolving these problems and ensuring stable social and economic development of the country.

Presently, the flow of drugs from Afghanistan raises our serious concern. According to the UN Drug and Crime Control Agency, the proceeds from the sale of Afghan opium poppy in 2002 in Afghanistan itself comprised 1.2 bn US dollars alone. These figures are comparable with the volume of assistance of the world community to Afghanistan in 2002 (1.3 bn USD). The proceeds from international drug trafficking are comparable with the budgets of individual states.

Despite the efforts of the world community to combat the Afghan drug threat, these efforts do not yield the expected results. In this connection the Russian Federation considers it necessary to develop under the auspices of the United Nations an international Strategy on comprehensive combating of drugs of Afghan origin. Such a Strategy should provide for a system of effective international measures aimed at combating the production and illegal trafficking of Afghan drugs, as well as provide for the transfer of the “drug addicted” economy of Afghanistan to a sane foundation.

The importance of such Strategy is stipulated in the concluding statement of the Ministerial segment of the 46<sup>th</sup> Session of the UN Commission on Drugs (Vienna, 16-17 April 2003), which, in particular, recommends providing appropriate assistance to Afghanistan to support the efforts of the interim administration of Afghanistan on routing out illegal growth of opium poppy. Such measures should facilitate alternative sources of income for a substantial part of rural population of that country, who have to grow opium poppy due to a number of reasons.

In recent times the ties between drug dealers and criminal circles, as well as their merging have been more apparent. Such phenomena inevitably lead to

corruption and money laundering of illicit proceeds, which endangers economic stability, as well as, in a broader sense, security of the society of individual States.

The lack of a comprehensive international legal base, in particular, hampers the establishment of broad and effective co-operation on combating the legalization of criminal proceeds. In this connection it is necessary to do the utmost in order to develop internationally comprehensive regimes of combating laundering of illegal proceeds, including the development of a Convention on combating money laundering.

Russian efforts to combat money laundering have been duly appreciated by the Financial Action Task Force (FATF). Russia has acquired the observer status in that organization. Presently, Russia is working on the accession to the FATF as full member.

The Economic Forum preparatory seminars held in Sofia, Ioannina, and Tashkent have revealed serious problems with combating trafficking in a number of OSCE regions. The solution of many problems will require substantial costs, which often exceed the ability of individual states and are feasible only in interaction with the neighboring States and with international assistance.

Russia stands ready to consider carefully together with its OSCE partners all proposals voiced during the preparatory seminars, and to develop specific recommendations on that basis. This will increase the effectiveness of OSCE efforts in the economic dimension. Whereas it is important to ensure a comprehensive approach of the OSCE to combating all manifestations of trafficking.

We would like to use this opportunity to reconfirm that the Russian Federation attaches great importance to a well balanced development of all mayor directions of the OSCE activities and in this context stands ready to continue an active work together with other participating States on reforming the economic dimension of the Organization.

We believe that now the most topical problems on this track are elaboration of the new “Bonn Document” and improvement of the review of the OSCE economic

dimension commitments. We are well prepared to take part in discussions on these problems at special sessions of the Forum.

In this context we would like to reiterate the Russian proposal on moving to the multi-theme mode of the Forum taking into account a great number of topical economic and environmental problems which should be discussed, and the necessity to reflect relevant priorities of the highest possible number of interested countries. The Russian side recommends as a main theme of the next meeting of the Economic Forum issues of **the development of integration processes in the OSCE region**. These processes are essential for the interests of all OSCE participating States. A joint search for ways of their harmonization is very topical. It is of utmost importance to avoid raising of new division lines in the OSCE area.

We expect a lot from the Conference on globalization which will take place in Vienna in July and hope on fruitful discussions in the Permanent Council on integration issues in the OSCE area.

We note with satisfaction the functioning of the Economic and Environmental Sub-Committee of the Permanent Council. The Sub-Committee becomes step by step a permanently functioning and quite efficient mechanism of the dialogue of the OSCE participating States. However, it is in our view necessary and possible to enhance further efficiency of its work, in particular as far as the assessment of results of preparatory seminars, their using for preparation for the Forum, elaboration, based on its discussions, of the recommendations to the Permanent Council are concerned.

Mr. Chairman, we request to incorporate the Russian point of view in the concluding recommendations of the Eleventh Economic Forum.