



**Address by Minister of State, Brian Hayes, T.D.
OSCE Economic & Environmental Forum
Prague, Wednesday 12 September 2012**

*Your Excellencies,
Distinguished Guests,*

I am delighted to participate again in this year's Economic and Environmental Forum and to open the Concluding Meeting. I would like to convey a warm welcome to all participants both personally, and on behalf of my good colleague, Deputy Prime Minister Eamon Gilmore, the OSCE Chairperson-in-Office. I wish also to express my gratitude to the Ministry of Foreign Affairs of the Czech Republic for once again hosting us here in this wonderful setting.

This meeting marks an important milestone for the OSCE Economic and Environmental Forum – it is 20 years since the participating States of the then Conference on Security and Cooperation in Europe agreed to establish the Forum. Each year since, the Forum has gathered together policymakers, national experts, international organisations and representatives from civil society and the private sector to discuss economic and environmental issues that impact on our collective security. Under the organisation of the Office of the Co-ordinator of Economic and Environmental Activities, this meeting has established itself as an important forum for dialogue and exchange of experiences. I want to thank Mr Svilanovic, the current Coordinator, for the continued effort and dedication shown by him and his team towards making each Forum so successful.

Distinguished Guests,

The Forum was conceived to provide political stimulus to issues pertinent to strengthening free-market economies and building democracy. Good governance, the theme of this year's Forum under the Irish OSCE Chairmanship, is a concept that contributes precisely to these objectives. When governance is transparent, inclusive and accountable, economies are more efficient, democracy is stronger and ultimately states are more secure.

Good governance is multifaceted and to promote and strengthen it, both nationally and in a region such as our own, requires the development of comprehensive and efficient strategic approaches involving co-operation at several levels. States have rightly recognised that working together and developing common standards yields better results.

Organisations such as the Council of Europe, the Organisation for Economic Cooperation and Development (OECD), the United Nations Office on Drugs and Crime (UNODC) and the Financial Action Task Force (FATF) have all undertaken important work in different areas. Each is an important partner for Ireland and also for the OSCE. I am delighted that they have all been involved in the Forum this year. I am particularly pleased to be joined this morning by Mr. Richard Boucher, Deputy Secretary General of the OECD and Mr. Marin Mrčela, President of the Council of Europe Group of States against Corruption (GRECO).

In the field of combating corruption, there has rightly been much focus in recent years on the ratification and implementation of the United Nations Convention against Corruption. I am pleased that a solid partnership has been developed between the OSCE and the UNODC in that regard. At the same time, the OSCE has been active in co-operation with other organisations. The OSCE supports their implementation review mechanisms, including the OECD Anti-Corruption Network for Eastern Europe and Central Asia. I

hope we will see a further strengthening of such joint efforts as a result of this Forum process.

Likewise, challenges such as money laundering and terrorism financing represent global security threats and effective solutions can only be achieved through the commitment and active involvement of all countries. Ireland is a member of the Financial Action Task Force and is committed to applying the revision of the FATF recommendations agreed in February this year. However, the capacity to cope with these threats through the international AML/CFT system is only as strong as its weakest link. It is in the mutual interest of all participating States that we take the same rigorous approach to combating money laundering and terrorist financing. Ireland is, therefore, involved in discussions at EU level for the revision of the EU's 3rd Money Laundering Directive to take account of the new FATF recommendations.

We also believe the OSCE should advocate the full implementation of the new FATF Recommendation and support such efforts.

However, there are severe limitations to the effectiveness of such international frameworks if legislation is not enacted by a state to translate these commitments into policy. Ireland recognises this and is committed to putting into place strong legislation to tackle corruption, money laundering and terrorist financing. We wish also to promote a society where corruption will simply not be tolerated.

The objective of the General Scheme of the Criminal Justice (Corruption) Bill 2012, which has been approved by the Irish Government for drafting, is to clarify and strengthen the law on corruption in Ireland. While there is already substantial anti-corruption legislation in place, it is intended that the Bill will make the relevant law more accessible. It is also intended to replace and update existing offences concerning giving or receiving bribes. The General Scheme contains provision for stiff penalties of up to 10 years imprisonment and unlimited fines for persons convicted of offences under this measure. It also provides for the Courts to be given new powers to remove public

officials from office, following conviction, and to exclude them from holding office for up to 10 years.

The Scheme of the Bill was published to enable a Parliamentary Committee, and any other interested parties, to provide observations on it prior to the commencement of drafting. Development of the Bill allows for reflection on Ireland's experience in recent years as party to a number of international agreements on tackling corruption.

Along with the key active and passive corruption offences, and provision for significant extra-territorial jurisdiction, the scheme also provides for whistleblower protection for relevant offences. In this regard, I should like to clarify that the scheme of the Bill will address offences committed by persons in both the private and public sector.

After drafting of this measure is finalised, the Bill will then be submitted to Government for approval before its formal publication and introduction to the Irish Parliament.

Ireland also introduced new legislation in 2010 which strengthened Irish law against money laundering and terrorist financing, and brought it in to line with the EU's 3rd Money Laundering Directive and the latest FATF recommendations. This legislation incorporates the Directive and FATF requirements regarding the adoption of a risk-based approach. This allows the effected financial and other bodies to concentrate their resources where the risks of money laundering and terrorist financing are greatest.

Effective implementation of anti-money laundering legislation is critical. For that reason the 2010 Irish legislation assigns specific responsibility to the Central Bank of Ireland and to other competent authorities to monitor compliance and to take measures to secure compliance with the provisions of the legislation. In the context of money laundering, the Central Bank of Ireland clearly recognises the importance of better and more robust regulation.

The 2010 legislation also established an Anti-Money Laundering Compliance Unit within the Department of Justice with responsibility for areas which had previously been

unregulated for money laundering purposes including trust and company service providers, gaming clubs and dealers in high value goods.

The enactment of Ireland's money laundering legislation represents a significant element in the new and stronger regulatory regime for the financial services sector. It represents a commitment on the part of the State to have a legislative regime in respect of money laundering and terrorist financing that will be equal to the best in the international arena.

Distinguished Guests,

One cannot talk about promoting good governance without reference to the role of the private sector, a free media and civil society organisations. They are critical partners in national and international efforts to promote good governance. Their participation goes hand in hand with development of sound national policies. Civil society can also play a crucial role in encouraging accountability and monitoring the implementation of commitments.

Again the OSCE plays an important role in facilitating dialogue between civil society and governments, particularly through the work of its field operations but also at meetings such as this. I am delighted that representatives from the private sector, the media and civil society organisations across our region have been so actively involved in the Forum. I look forward to your contributions over the coming days.

Ultimately though, good governance relies upon political will. And building up political will is both a key purpose of the Forum and an area where the OSCE can add value on good governance issues.

As you will be aware, Ireland has been working over the course of its OSCE Chairmanship to build consensus on increasing our commitments within the OSCE on good governance. We will continue to work on this in earnest in the coming months and hope progress will be secured at the Ministerial Council in Dublin. Ireland views this meeting in Prague as a crucial point in that process. We have, over the next three days,

the opportunity to draw together the discussions which took place during the two preparatory meetings in Vienna and Dublin and consider how we might advance the recommendations that came from these meetings.

Ireland has already put forward a number of proposals in this regard, which are contained in a food-for-thought paper circulated to delegations in July. We believe that it is timely for OSCE participating States to reinforce their commitment in this area. We think it is, therefore, important for this year's Ministerial Council to make a strong and clear statement on the critical importance of good governance for participating States.

A new OSCE commitment might also:

- stress the important role that civil society and the private sector, including a free media, play in promoting good governance;
- promote increased international, regional and national co-operation to counter corruption, money laundering and the financing of terrorism;
- acknowledge existing international initiatives aimed at addressing these issues;
- encourage continued cooperation by the OSCE with key international actors and agree concrete steps to facilitate this; and
- reaffirm the mandate of the OSCE to work on activities related to good governance, such as tackling corruption, money laundering and terrorist financing and where possible strengthen this mandate.

We value the feedback we have already received from delegations on our proposals and we look forward to further comments. We will also listen closely to the views and recommendations that emerge from the deliberations which take place here in Prague. I would encourage you all to engage actively in the discussions by sharing your expertise and recommendations. I am confident the Forum will succeed in meeting its objective, and will generate renewed momentum to progress our commitment to good governance.

Thank you.