

Economic and Environmental Dimension
Economic and Environmental Forum Second Preparatory Meeting
Opening Remarks

ENGLISH only

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and U.S. Helsinki Commissioner

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Minister Perry, Distinguished Colleagues, Ladies and Gentlemen:

On behalf of the United States, I would like to thank the Irish Chairman-in-Office, Secretary General Zannier, Coordinator for Economic and Environmental Activities Svilanović, and our Irish hosts for convening this Economic and Environmental Forum Second Preparatory Meeting, and for welcoming us so graciously to Dublin. It is an honor to be here today in this beautiful historic venue, as a guest of the Irish chairmanship, and as part of the U.S. delegation to the OSCE, representing the U.S. Government in my capacity as Assistant Secretary of Commerce and as a Commissioner to the U.S. Helsinki Commission.

Good Governance as a Core Element in Promoting Economic Development

The United States welcomes the opportunity to discuss the critical concept of how promoting good governance and combating corruption support socio-economic development, and thereby contribute to security. This is a top priority for the Obama Administration and the U.S. Department of Commerce, and one in which I am keenly interested as Assistant Secretary of Commerce. This is also my second time participating in the OSCE's economic and environmental dimension events, having led the U.S. delegation to the first-ever EEDIM last year, and I am pleased to be joined today by colleagues from the U.S. Department of State and the U.S. Helsinki Commission. Colleagues, by the time we conclude our meetings tomorrow afternoon, it is my sincere hope that we will have charted a clear path forward in advancing the OSCE's work and our collective efforts to strengthen governance and transparency across the region.

Human rights, the rule of law, and transparent government are interconnected. As President Obama observed early in his Presidency during a major address to students in Cairo, Egypt: “[C]onfidence in the rule of law and the equal administration of justice; government that is transparent and doesn't steal from people; the freedom to live as you choose. These are not just American ideas; they are human rights...Governments that protect these rights are ultimately more stable, successful and secure...”

This notion that every individual should be able to exercise his or her rights, free from government corruption, and that every individual should be free to conduct free enterprise, to innovate, and to prosper – is one that is understood and embraced by the OSCE.

As the OSCE's Maastricht Strategy document states: “Peace, good international relations, the security of the State and the security and safety of the individual within the State, based on the rule of law and respect for human rights, are crucial for the creation of the climate of confidence which is essential to ensure positive economic and social development.”

But let me be clear: good governance is not just essential for the exercise of personal freedom or the stability of the State. It is an essential requirement for economic growth, innovation and prosperity. And the OSCE can and should embrace transparency and good governance principles as essential to the advancement of our work in the Second Dimension. To build new factories, make new products, develop new technologies and innovate, companies need governments to create an “enabling environment.” They seek predictable laws and regulations that are enforced fairly and transparently. Policies, procedures and contracts must be honored and governments, the private sector, and civil society must interact effectively. The United States has some of the most innovative companies in the world, and they are constantly looking for new markets in which to invest. When deciding where to make new investments, good governance and anti-corruption policies implemented by the prospective host countries play a key role. Indeed, these factors give the host country a competitive advantage to attract foreign direct investment, which will in turn create new wealth and jobs.

The OSCE's Role in Promoting Good Governance and Transparency OSCE

The OSCE, with its comprehensive approach to security, is in a unique position to nurture and strengthen the connection between human rights, accountable and responsive government, and economic prosperity. We are all aware of the important work the OSCE conducts in this area. Through the Office of the Coordinator for Economic and Environmental Activities (OCEEA), and the OSCE's field operations, the OSCE has helped to raise public awareness of the accountability of government officials and to promote best practices for the private sector. The OSCE's capacity-building work – its needs assessments, trainings and workshops – enables participating States to fulfil the good governance and transparency commitments they have undertaken in other international fora. As a consultative body built on dialogue and a commitment to universal values and principles, the OSCE helps us aspire to, and achieve, higher standards. Here are just a few concrete ways in which the OSCE can assist participating States in achieving higher standards of good governance, transparency and accountability in the year ahead:

- First, the OSCE must continue its work to help countries ratify and implement the United Nations Convention Against Corruption (UNCAC). The United States, which was recently evaluated through the UNCAC, believes that the process should be open, the results public and should involve civil society as much as possible. The OSCE can play a role by, among other things, providing more effective technical assistance to countries where possible.
- Second, the OSCE should establish good governance and transparency as a priority for the work of the field missions, and participating States should welcome and encourage this work with their jurisdictions. The OSCE should continue to prioritize the work it is doing to improve trade and transport connections, notably at border crossings, and to build capacity in participating States by promoting best practices on border and customs procedures. An example of how the OSCE improves peoples' lives takes place every day at trade resource centers along the Tajik-Afghan border, where trade volumes have increased and cross-border traders' lives have improved as a result of OSCE-supported transparency initiatives on customs clearance. At this time, I would also like to congratulate the twenty-four students from Central Asia and Afghanistan who became the first to enrol in the Master's program in Economic

Governance and Development at the OSCE Academy in Bishkek. Mr. Coordinator, I know it was a special honor for you to address these students during your visit to open the course. The United States is pleased to have been among the States who made this program possible through extra-budgetary support.

- Third, the OSCE should direct the field mission to support technical assistance and capacity building for open and transparent public procurement.
- And, lastly, after much debate, it is time for the OSCE to endorse the Extractive Industries Transparency Initiative (EITI). The EITI stands for the principle that a country's natural resources should be developed for the benefit of all public and private stakeholders. Its value and importance is already recognized on the world stage: the United Nations and the Organization for Economic Cooperation and Development (OECD) have already endorsed the EITI. In 2011, leaders of the G8 and G20 reconfirmed their support for the EITI and several OSCE participating States have announced their intention to implement the EITI. But more than that, the EITI represents an innovation in the way decisions about public administration are made, that of the multi-stakeholder initiative. The OSCE has, since its foundation, been a kind of multi-stakeholder initiative, and as we reaffirm our collective commitment to good governance through this year's Forum process, it makes sense that we should act this year, too. I am proud to report that last year the U.S. formally announced it will implement EITI domestically. We urge other countries to join us in strengthening transparency in these and other areas.

Department of Commerce Experience in Promoting Good Governance and Transparency

This forum offers a useful opportunity to exchange views, experiences and best practices. Thus, I wanted to share briefly some key elements of the work that my agency, the Department of Commerce, is pursuing in support good governance and transparency initiatives aimed at stimulating economic growth in the U.S. and throughout the OSCE region. Over the course of the meeting, I look forward to learning more from participants about the ways in which you and your governments and, or organizations, are pursuing these goals.

- The Department's Commercial Law Development Program (CLDP) has provided valuable training: developing government and business ethics and transparency programs in many countries in the OSCE region; assisting countries in Central and Eastern Europe and the former Soviet Union with the drafting and adoption of the commercial law reforms; and providing WTO technical assistance to six of the first eight ex-Communist states to join the WTO. By helping to develop the legal infrastructure to support domestic and international businesses alike, CLDP's programs have helped grow overseas markets and developed transparent legal systems and fair regulations.
- In my office of Market Access and Compliance, we promote good governance practices by spearheading a variety of trade policy initiatives. We engage with multiple stakeholders – including the private sector, other countries on a bilateral basis, and multilateral organizations – in these initiatives.

- On the multilateral front, we were active in the creation of the G20 Anticorruption Working Group and the comprehensive action plan they developed to combat corruption. In fact, I have just returned this week from the meeting of the B20/G20 high level dialog in Mexico. We also participate in the OECD Working Group on Bribery. In this regard, let me congratulate our Russian colleagues for ratifying the OECD Anti-Bribery Convention. We look forward to working with you as partners in this important international process.
- On the bilateral front, my office raises issues of transparency directly with and through commercial diplomacy with our trading partners. We also fund good governance and transparency programs to help train and build capacity in areas like customs clearance and government procurement, among others.
- We are also pursuing specific policy initiatives to ensure that our commitment to fight corruption is reflected in our efforts globally and regionally. Specifically, we are including robust transparency provisions in our Free Trade Agreements, anti-corruption language in Model Trade and Investment Framework Agreements, and new anti-corruption sections in our U.S. and Foreign Commercial Service Country Commercial Guides.

I cite these issues and activities as examples of how the United States is working with other governments and multilateral institutions to achieve real economic progress in different regions and markets. *We stand ready to work with and through the OSCE in a similar fashion.* At the same time, we will continue to engage the private sector and civil society on these issues. To make progress, an effective partnership among governments, business, and civil society is indispensable.

Distinguished Colleagues,

The next two days offer an opportunity to hear from real experts in the area of good governance and anti-corruption. In the view of the United States, good governance and transparency are the very essence of the Economic and Environmental Dimension. This year's Forum gives us an opportunity to ensure that our work in the second dimension is fully integrated into all aspects of the OSCE's efforts to strengthen our mutual security. Let's work together to make real progress in this area at the Dublin Ministerial.