

24th ECONOMIC AND ENVIRONMENTAL FORUM

”Strengthening stability and security through
co-operation on good governance”

SECOND PREPARATORY MEETING

Berlin, 19-20 May 2016

CONSOLIDATED SUMMARY

Conference documents can be retrieved from the Website: http://www.osce.org/event/24th_eef_prep2

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EXECUTIVE SUMMARY

The Second Preparatory Meeting of the 24th OSCE Economic and Environmental Forum (EEF) on „Strengthening stability and security through co-operation on good governance“ took place in Berlin on 19-20 May 2016. During this two-day-meeting, the following six thematic areas were addressed:

- The impact of good governance on economic development and on the creation of a positive investment climate
- Trade facilitation measures as an important factor to strengthen good governance, foster economic development and stimulate business interaction
- Good governance as a basis for the fight against corruption, money laundering and the financing of terrorism
- Good governance in logistics and supply chains as a means to strengthen economic development, stability and security
- Good migration governance and its contribution to economic growth, stability and security
- The contribution of migrant workers to economic development, stability and security through circular and return migration

More than 200 participants, including official representatives of OSCE participating States, field operations, institutions and Partners for Co-operation as well as experts from international, regional and non-governmental organizations, the business community and academia attended the Forum and engaged in the discussions about various aspects of good economic governance and good migration governance.

The discussions showed that good economic governance, e.g. trade facilitation measures, is a key element for enhancing co-operation and economic growth and contributes to strengthening stability and security in the OSCE area. In that regard, harmonization and standardization of customs and border crossing procedures can foster economic partnership and improve favorable investment climate. Predictable and clear regulatory frameworks are among key elements of good governance. Involvement of all actors and ensuring co-operation between government, private sector and civil society with the engagement of the international community was stressed as crucial for promoting good governance: this was an area where participants suggested that the OSCE could make a significant contribution.

The meeting also elaborated on logistics and supply chain management as well as the fight against corruption and money laundering. Good governance in global supply chains is equally important to governments and companies as it creates planning security and ensures environmental, labour and social standards. It was stressed that private companies are important partners in achieving good governance. From a business perspective, pressure from international organizations and civil society, as well as the use of new technologies (e-government, digitalization, etc.) could contribute to more transparency and therefore help fighting corruption. Compliance systems in private companies are also an effective tool for combating corruption. Several participants highlighted the need to further enhance the co-operation and activities between the OSCE and the private sector.

It was pointed out that the main challenge in strengthening Euro-Asian transport links was rather the improvement of “soft infrastructure” that include customs administration,

harmonizing standards and procedures than the construction of additional roads, railways or harbours.

Finally, participants discussed about labour migration and how migration governance should be considered a key factor to economic growth and a benefit for countries of origin and destination. International co-ordination of employment and migration policies is needed to make migration an orderly and secure process. Co-operation among countries at cross-dimensional level is considered essential to address challenges and reap the benefits of migration for countries of origin and destination, for local and host communities, economies, the private sector and the migrants themselves. Up-to-date and reliable statistical data, coordination of employment and migration policies, transparent and easy accessible systems of migrants' skills recognition, and migration costs reduction were identified among the most pressing challenges of the current migration governance. Private sector's involvement was mentioned as crucial in assessing the needs of labour markets while the role of civil society was highlighted as relevant in ensuring adequate employment standards for national and foreign labour force when implementing State's migration policies

REPORTS OF THE RAPPORTEURS

Opening Session

Welcoming Remarks

- **Ambassador Eberhard Pohl**, Chairperson of the OSCE Permanent Council, Permanent Representative of Germany to the OSCE, 2016 OSCE German Chairmanship
- **Dr. Halil Yurdakul Yiğitgüden**, Co-ordinator of OSCE Economic and Environmental Activities

Keynote speeches

- **Dr. Gernot Erler**, Special Representative of the Federal Government of Germany for the 2016 OSCE Chairmanship, Member of the German Bundestag
- **Prof. Peter Eigen**, Chairman of the Advisory Council, Transparency International
- **Mr. Denis Simonneau**, Director of European and International Relations of ENGIE (former GDF Suez) and Chair of the ICC Commission on Corporate Responsibility and Anti-corruption, France

Moderator: **Ambassador Eberhard Pohl**, Chairperson of the OSCE Permanent Council, Permanent Representative of Germany to the OSCE, 2016 German OSCE Chairmanship

Rapporteur: **Ms. Brigitte Krech**, Economic and Environmental Affairs Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Ambassador Pohl, Chairperson of the OSCE Permanent Council, Permanent Representative of Germany to the OSCE, 2016 German OSCE Chairmanship, welcomed all participants of the Second Preparatory Meeting of the 24th OSCE Economic and Environmental Forum. He stressed that good governance had an important impact on business climate and economic development, which was reflected in the high interest of the private sector in the Conference ‘Connectivity for Commerce and Investment’ organized by the Chairmanship and preceding the EEF.

Dr. Halil Yurdakul Yiğitgüden, Co-ordinator of OSCE Economic and Environmental Activities (CoEEA), expressed his gratitude to more than 200 participants for attending the Forum. He congratulated the German Chairmanship for organizing the Conference ‘Connectivity for Commerce and Investment’. This showed the interest that participating States attached to a good business climate for the promotion of economic co-operation and good governance. The CoEEA stressed that in 2016 the OCEEA has given high priority to the concept of ‘Connectivity’, with its links to economic development and governance, including migration governance. He pointed-out that a positive investment climate is not possible without good governance and that also through an attractive business climate security and stability can be enhanced. He mentioned that the OCEEA has placed anti-corruption as a key priority to its work and public-private partnerships are needed to make progress on governance-related issues. He referred also to the contribution of migrant workers to economic development, stability and security through circular and return migration. He

finally concluded by stressing the need to further enhance co-operation among participating States and other international actors in the field of good economic governance.

Dr. Gernot Erler, Special Representative of the Federal Government of Germany for the 2016 OSCE Chairmanship, Member of the German Bundestag, welcomed the audience on behalf of the German OSCE Chairmanship. He recalled that ‘Renewing dialogue, rebuilding trust, restoring security’ were the priorities of the 2016 Chairmanship and that the 24th OSCE Economic and Environmental Forum on ‘Stability and security through co-operation on good governance’ reflected the direct contribution of the Economic and Environmental Dimension to these goals. He further elaborated on the OSCE’s support in building trust through good governance. The work of the OSCE’s field operations in promoting Good Governance was in that regard highlighted. Furthermore, Dr. Erler referred to the Chairmanship’s conference on ‘Connectivity for Commerce and Investment’. The participants of this event expressed the willingness to contribute in overcoming remaining barriers and avoiding dividing lines, in connecting markets and people, which enhances peace and stability. He gave the example that for businesses in global value chains, reducing existing barriers to trade and investment in the OSCE region is a key condition for stimulating economic growth and promoting sustainable development. This relies on a solid foundation of politics, laws and regulation, which needs predictability and impartiality, an area where the OSCE could play a significant role. Dr. Erler underlined that good governance is important as it improves economic relations, which could contribute to the prevention of conflicts between and within participating States and to security in the OSCE region. He also mentioned that the Economic and Environmental Dimension of the OSCE could be further strengthened by involving the private sector more closely.

Prof. Peter Eigen, Chairman of the Advisory Council, Transparency International, mentioned that the OSCE was among the first international inter-governmental organizations to efficiently work on combating corruption. He referred to the Helsinki Final Act and to the OSCE comprehensive approach to security. He stressed that there was a clear need to find new ways how to approach good governance, especially at national level. Indeed, failed governance at national level has led to ‘failed governance’ in the global economy, thus leading to even more global poverty. Prof. Eigen indicated that good governance at national level has to face three asymmetries. The first asymmetry is the geographical limitations of national governments. Even powerful nations have limited capacities to reach beyond their borders. The second asymmetry is the time horizon of national governments that lasts usually until the next elections. The third asymmetry refers to the fact that national governments have to take into account a huge diversity of constituencies. In that regard, he highlighted the importance of civil society in fighting corruption and promoting good governance at national and global level. New systems of co-operation between governments, civil society and the private sector – the “magic” triangle of cooperation - can be foreseen in order to address the problems within joint work programmes aimed at implementing and monitoring reforms. He reported that good results were achieved especially in the extractive industry. He mentioned the approach of Transparency International that brought together companies, investment funds, governments and NGOs in order to develop certain standards as building blocks of good governance.

Mr. Simonneau, Director of European and International Relations of ENGIE (former GDF Suez) and Chair of the ICC Commission on Corporate Responsibility and Anti-corruption, France, stressed that Europe is confronted by several geopolitical crises. The OSCE could help to settle these crises. He discussed the importance of co-operation between governments, international organizations, civil society, and companies, particularly private companies. He

referred to the fact that companies tend to make their investment choices in those countries that have a low level of corruption. Moreover, he mentioned that the co-operation between the ICC (International Chambers of Commerce) and the OSCE could be enhanced. The ICC has adopted an anti-corruption policy, which applies to multinational companies and SMEs. Mr. Simonneau further referred to the positive results achieved by the UNFCCC COP21 meeting in Paris in November 2015 and commended the approach by the UN and by the countries in involving civil society and businesses into the whole decision making-process. This positive example could inspire the work in the field of combatting corruption since similar results could be achieved. He, further, referred to his work at ENGIE. The company has an integrity guidebook used by all managers as well as training measures in the field of anti-corruption. Investment decisions are determined by all aspects of good governance ('corporate social responsibility'). In conclusion, he stressed that both – private and public sector – had a joint responsibility in fighting corruption. Good governance is indeed becoming a key factor in investment decision-making for companies and countries, which are considering investments. Combined efforts are therefore needed to promote good governance as an essential element for stability and security.

The floor was opened for discussion.

*The Netherlands, on behalf of the European Union*¹, expressed its support to the theme of the EEF. Good governance entails ensuring that governments are transparent, accountable, efficient, and responsive to the present and future need of their societies. Advancing good governance was indicated as a high priority for the EU, both within the European Union and internationally. Good governance is, indeed, at the core of the political dialogue and a central component of the European Union's development assistance, including to countries in the OSCE area.

A representative of the US underlined that strengthening security in the OSCE region through enhanced economic connectivity and good governance were important priorities in the Economic and Environmental Dimension as well as involving the private sector and business community more closely in the OSCE's Second Dimension work. Foreign investment would have economic benefits and could create jobs as well as stimulate growth, innovation and creativity. Participating States were encouraged to engage in issues e.g. related to legal systems, dispute resolution, corruption, and transparency. An open, non-discriminatory investment policy could improve the investment climate and increase the economic security. In addition, efforts to increase economic ties among OSCE participating States, particularly those in the Caucasus and Central Asia, could have a long-lasting positive impact on security and stability across the OSCE. Regional efforts designed to improve economic connections in the Caucasus and Central Asia, such as the New Silk Road initiative and the Central Asia Regional Economic Cooperation Programme, could be enhanced by OSCE activities in the region. Finally, USA welcomed the formation of an OSCE informal working group by the countries of Azerbaijan, Georgia, Kazakhstan, Turkey, and Turkmenistan to explore how the Organization could further support regional co-operation.

A representative of Armenia underlined that, while assessing the framework of good governance, particular attention should be paid to areas, where the OSCE can contribute an added value. In an era of increasing interdependencies and connectivity, good governance

¹ The Candidate Countries MONTENEGRO and SERBIA and the Country of the Stabilisation and Association Process and Potential Candidate BOSNIA and HERZEGOVINA, and the EFTA country LIECHTENSTEIN as well as UKRAINE, GEORGIA, ANDORRA and SAN MARINO align themselves with this statement.

requires inclusive international and regional co-operation. Further OSCE involvement should be well-grounded in the OSCE commitments, expertise and comparative advantages. In that regard, the OSCE's expertise in the conflict cycle can be used in assisting good governance projects in conflict areas, thus contributing towards confidence building.

A representative of the Russian Federation recalled that in Bonn, 26 years ago, OSCE participating States adopted a document, which formed the groundwork for the OSCE Second Dimension. Globalization of economic activity was resulting in interdependent production processes at a global level. Particular attention should be paid to strengthening trade and economic co-operation in order to create a good climate for business investments. International trade is an opportunity for every country to efficiently meet its needs. Strengthening economic ties must be seen in the context of regional integrational projects. At the same time, the representative of the RF mentioned that competition and economic fragmentation could lead to the emergence of new dividing lines. Thus, there is a need to build bridges and create synergies between these integration projects in the OSCE region. Moreover, the Russian Federation highlighted the importance of activities against corruption and money-laundering, recalling that discussions in this field should continue while avoiding duplication of work with other international organizations and international formats. Finally, RF said that the OSCE could be an excellent platform to discuss aspects of labour migration.

A representative of Georgia commended the active involvement of the private sector in the Forum-discussion and informed about the steps undertaken to facilitate economic development, the creation of a positive investment climate, harmonizing and simplifying border crossing procedures, and fighting corruption in Georgia.

A representative of Switzerland underlined that good governance was key to enhance transparency and accountability in all OSCE participating States in order to promote economic exchange and to re-build trust in a post-conflict situations. Connectivity could, thus, be understood as a tool to address both. The OSCE would, in this respect, be well equipped to facilitate the connectivity between states and actors in order to promote good governance by building partnerships between governments, civil society, and the business sector.

Session I (Panel debate): The impact of good governance on economic development and on the creation of a positive investment climate

Moderator: Dr. Eric Frey, Managing Editor, Der Standard, Austria

Rapporteur: Mr. Mato Meyer, Programme Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- **Mr. Nikoloz Gagua**, Deputy Minister of Economy and Sustainable Development, Georgia
- **Mr. Gazmend Turdiu**, Deputy Secretary General, Regional Cooperation Council
- **Dr. Valentin Alfaya**, Health & Safety, Environment and Quality Director, Ferrovial, President of the Spanish Green Growth Group, Spain
- **Prof. Peter Eigen**, Chairman of the Advisory Council, Transparency International

The moderator, Dr. Eric Frey, Managing Editor, Der Standard, Austria, introduced the topic of good governance as a prerequisite for sustainable economic growth and stability. He gave examples of how transparency, accountability and good governance could positively impact the investment climate, and how the private sector could be an indispensable partner in strengthening good governance. Dr. Frey opened the discussion by asking what matters most in achieving the goal of good governance.

Mr. Gazmend Turdiu, Deputy Secretary General, Regional Cooperation Council (RCC), briefed on the situation in the Western Balkans. The RCC developed the Balkans Barometer, which is a statistical study that enquires businesses about their opinion about corruption, business environment, legal and institutional difficulties, and policy frameworks. Through this tool businesses criticized the legal uncertainty throughout the region since the key prerequisite for private sector investment is the predictability of laws and regulations. The private sector also felt that governments tend not to be responsive to the needs of the business community. A lack of this predictability fuels corruption, and corruption is found where discretionary powers are vast. Mr. Turdiu emphasized that capacity building was the main tool to combat corruption and key to create a predictable and stable legal and regulatory framework. Moreover, he mentioned that the RCC has conducted Corruption Risk Assessments in Southeast Europe. One of the results of this assessment was a need for greater transparency and public awareness. The RCC has also conducted an assessment of legislation of protection of whistleblowers. The RCC works in partnership with civil society organizations and with the Council of Europe (CoE).

Prof. Peter Eigen, Chairman of the Advisory Council, Transparency International spoke about how to approach and promote good governance. Transparency International works under the premise that there are three primary tasks to fight corruption. Firstly, it is important to mobilize people against corruption because corruption undermines growth, democracy, and human rights. In that regard, Transparency International mobilizes civil society through creating national chapters. The rationale behind was to find local voices in the fight against corruption. The second task is to provide a holistic approach to the prevention and fight

against corruption. The efforts should not be just focused on punishment and criminal sanctions, but also access to information, establishing procurement systems, and conflict of interest provisions. The third task is a cooperative approach among governments, civil society, and the private sector, in the framework of what Mr. Eigen called “magic triangle”. Nevertheless, he remarked on existing lack of trust among governments, private sector and civil society and underlined the need for more engaged, string and independent civil society organizations. Prof. Peter Eigen finally referred to the United Nations Convention Against Corruption (UNCAC) and other tools of the World Bank as key instruments for preventing and fighting corruption at national level

Mr. Nikoloz Gagua, Deputy Minister of Economy and Sustainable Development, Georgia, spoke about the experience of Georgia and the development of an effective system of good governance. He stated that corruption was widely spread in Georgia until 10 years ago. Since then, the country has achieved important results due to political will and the support of the people to create transparent systems, government accountability and punishment of perpetrators. The first results were very successful, and there has been a notable improvement in governmental services. He mentioned, nevertheless, that there would still be much to do, and Georgia would not rest at this stage with early successes. Mr. Gagua emphasized that Georgia was now looking at the next five years and how the country could even further improve. He stressed that this was not only an aim but rather task for the government. The society needs to support these efforts. Mr. Gagua underlined that Georgia is undertaking a good governance reform that focuses on efficiency of the public sector and combating corruption. Upon a question of whether Georgia needed the international community, *Mr. Gagua* stated that in young democracies the OSCE and other international organizations were more important than in more developed democracies. He also stressed that civil society organizations should play a critical role in combating corruption.

Dr. Valentin Alfaya, Health & Safety, Environment and Quality Director, Ferrovial, President of the Spanish Green Growth Group, Spain talked about his role as Director at Ferrovial. and as President of the Spanish Green Growth Group in Spain. He explained that Spanish Green Growth Group is a consortium that brings together 30 companies with a common understanding of striving for a greener and more sustainable economy, and to secure the environment for long-term investments. He emphasized that private-public partnerships are one of the main tools to accelerate development and highlighted that large corporations had a specific role to play in fighting corruption since the private sector has shared responsibility to deal with business risks. In that regard Dr. Alfaya referred to good transparent governance within businesses as of utmost importance since it aims at providing and implementing internal mechanisms to eliminate and respond to situations of possible corruption. Furthermore, Dr. Alfaya reminded that it was also necessary to ensure that standards were applied globally, no matter in what country and within which legal framework companies operate businesses. Finally, he recognized that corporations could do more in the promotion of good governance and fighting corruption as the partnership between governments and private sector could generate benefits in a long term.

The floor was opened for discussion.

A representative of Germany asked Mr. Alfaya to elaborate on what had changed in the last 20 years in terms of compliance. Mr. Alafaya responded that the necessity of implementing compliance rules was based on the Anglo-Saxon legal system.. He stressed again the need for simplified regulations and noted that in Spain almost 100,000 regulations for businesses were

still in place. Smart, precise regulations related to corruption and bribery had radically changed the corporate environment.

Prof. Eigen added that companies used long-term returns as an argument not to engage in bribery. But, he stated that in the sectors of oil, gas, minerals, bribes are used to ensure investment security.

A representative of Spain asked Mr. Alfaya to elaborate how good governance of the green economy could help to create and foster business opportunities. He responded that one of the corner stones was the long-term stability and certainty of the economy. Most of the challenges, such as climate change, needed long term solutions, technological solutions, providing long term perspectives. He, finally, encouraged governments to make the legal framework and rules simpler, more transparent, clear, and stable in the long term.

A representative of the U.S. asked what could be done if there was no political will to strengthen good governance. Prof. Eigen responded that an entry point needs to be identified. He provided some examples of the countries where different private companies, international organizations (e.g. World Bank Group), or civil society representatives (such as journalists) acted as a driving force for combating corruption.

The OSCE Mission to Serbia commented that it was difficult to provide incentives to national companies to have anti-corruption programmes due to the fact that there was no enforcement of anti-bribery laws in many countries and no economic incentives are offered unless a company operates internationally.

A representative of Armenia stated that new technologies could overcome human vices. E-governance and e-procurement are new ideas that could help. He asked if there was a correlation between digitalization and corruption.

Mr. Gagua stated that the main issues for the promotion of good governance for Georgia were long term reforms and having a coordinated approach with international organizations, civil society and companies.

Prof. Eigen stated that information technology made it much easier to promote integrity and for TI to do its work, though also corruption has become more sophisticated.

Mr. Turdiu concurred that that digital technology was very important and helped to increase transparency. In this regard he referred to the work of RCC on replicating e-services throughout South and Eastern Europe.

Mr. Alfaya concluded that the magic word was “certainty”. Certainty was necessary for long term investment and legal certainty implied simpler, smart and clearer regulations.

Session II: Trade facilitation measures as an important factor to strengthen good governance, foster economic development and stimulate business interaction

Moderator: Mr. Walter Kemp, Vice President and Chief Operations Officer, International Peace Institute

Rapporteur: Ms. Zuhra Bektepova, Economic Affairs Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- Mr. Robert Teh, Senior Research Economist, World Trade Organization
- Ms. Celine Kauffmann, Deputy Head, Division for the Regulatory Policy Division, OECD
- Ms. Ivonne Julitta Bollow, Head of Eastern Europe and International Affairs Corporate Public Policy, METRO Group, Germany
- Ms. Yulia Minaeva, Senior Economic and Environmental Officer, OSCE Centre in Bishkek
- Mr. Mika Poutiainen, Project Manager, Enforcement Department, International Affairs, Finnish Customs, Finland

Mr. Walter Kemp, Vice President and Chief Operations Officer, International Peace Institute, highlighted the importance of trade facilitation measures in strengthening good governance and fostering economic development between the OSCE's participating States. He noted four main types of connectivity: Europe and Asia; the relationship between Euro Atlantic and Eurasian Hubs of the OSCE area (EU and the Custom's Union); regional and cross-border co-operation; and extraterritorial digital connectivity. Mr. Kemp underlined that the trend of connectivity has been increased in recent years and it should be used as a moving power for economic development within the OSCE area.

Mr. Robert Teh, Senior Research Economist of the World Trade Organization, focused his presentation on the development implications of the WTO Trade Facilitation Agreement (TFA), which was the first multilateral agreement that the members States of WTO have been able to agree on since the WTO was established in 1995. The presentation was referred to the potential economic benefits of Trade Facilitation. The speaker underlined that an increase of countries' integration into global markets enhanced the development prospects and would foster economic partnership and expand regional supply chains. Mr. Teh underlined the role of the OSCE as a comprehensive platform for dialogue and proposed what OSCE's participating States could undertake in order to foster economic development: to ratify the TFA; to contribute financing and/or expertise to the Trade Facilitation Agreement facility; to tailor implementation of the TFA to their circumstances.

Ms. Celine Kauffmann, Deputy Head, Division for the Regulatory Policy Division, OECD, briefed how OECD supported good governance and economic development through international regulatory co-operation. She underlined that co-operation in any area caused more complex regulatory frameworks and that every country would need assistance to improve its regulatory mechanisms. She noted that the sources of regulation and standards were multiplying, involving both state and non-state actors. Addressing the 'stock' of regulations was equally important to anticipating new regulatory measures. The speaker

emphasized such important areas of co-operation as regulatory harmonization through supra-national institutions, specific negotiated agreements and regulatory co-operation partnerships, recognition of international and foreign regulation and standards, adoption of good regulatory practice and exchange of information. She stated that the OSCE played a unique role in adopting common approaches related to economic co-operation and development and should continue its work in this area.

Ms. Ivonne Julitta Bollow, Head of Eastern Europe and International Affairs Corporate Public Policy, METRO Group, emphasized the role of trade facilitation for private companies such as METRO. She noted that standardization and harmonization of trade rules on boards were of vital importance for those who deal with the delivery of goods. Every challenge in trade procedures would find its reflection at the price, delivery time, quality and safety of goods, and will affect the product variety. She explained that METRO also had contracts with several leading hotels in Asia, and was responsible for goods delivery for these hotels. In this regard trade facilitation and good governance is one of the crucial issues for successful business. The speaker emphasized such challenges as knowledge deficit, problematic custom infrastructure, bureaucracy and lack of connection with local authorities. All these issues obstruct trade and economic relations.

Ms. Yulia Minaeva, Senior Economic and Environmental Officer, OSCE Centre in Bishkek, presented the experience of the OSCE field operation in strengthening regulatory governance in Kyrgyzstan. She noted that these reforms were aimed at improving economic competitiveness of the country and enhancing business environment through reducing corruption areas by using effective methods of regulation, and reducing government regulation of business. Ms. Minaeva mentioned three main pillars of the reform: building a regulatory management system; improving the quality of existing regulations; and improving the quality of new regulations. She emphasized that the reform had an inclusive approach, which meant that business representatives, national authorities including the Regulatory Reform Council were involved in the discussion process. The speaker underlined that this reform would reduce regulatory compliance costs on businesses, improve regulatory framework for strategic sectors and attracting FDIs, foster cost-savings to the government through simplified administration, strengthen the rule of law and improving transparency, access to laws, and accountability across all ministries.

Mr. Mika Poutiainen, Project Manager, Enforcement Department, International Affairs, Finnish Customs, presented the experience of Finland in harmonizing and simplifying customs and border crossing procedures in order to strengthen good governance and stimulate business interaction. He mentioned the effectiveness of synergy between police, customs and boarder guard services, which promoted smooth trade of goods and ensured its correctness, collected taxes on goods, offered customer-oriented service and protected society, the environment, and citizens. He underlined that the main specific point of co-operation between these three national authorities was substitution, which meant that officers could share its functions if appropriate at the concrete border crossing point.

The floor was opened for discussion.

The delegation of Georgia stated that good governance in trade facilitation and in the regulatory sphere contributed to secure and stable societies. The representative briefly informed about the Georgian experience in trade facilitation, strengthening of customs regulations and improving relevant infrastructure. He noted the co-operation with Turkey in this area, which helped to avoid duplication in the work of customs service in both countries.

The delegation of the Netherlands on behalf of the European Union inquired about ways to improve trade facilitation to provide security and how to implement the Finnish experience in regions with increased risks.

A representative of Switzerland inquired about the OSCE's role in strengthening the implementation of the WTO Trade Facilitation Agreement. He also inquired about OSCE's participation in organizing relevant trainings for customs and business staff.

In response to the questions from the delegation of Netherlands, on behalf of the European Union, *Mr. Poutiainen* noted that the key aspect in trade facilitation and co-ordinated border management was confidence, based on political will and developed infrastructure.

Mr. Teh underlined that the OSCE could provide the platform for sharing best practices and urge participating States to ratify the TFA.

Ms. Bollow stated that the OSCE with its field operations in many countries could help the private sector to start a dialogue with local authorities and help to find solutions in in the area of trade facilitation and standardization. The OSCE organizes many relevant trainings and seminars, which international companies could attend, and share its international experience and views, and rise main sensitive topics faced by the companies.

Session III: Good governance as a basis for the fight against corruption, money laundering and the financing of terrorism

Moderator: Dr. Frank Evers, Deputy Head, Centre for OSCE Research (CORE), University of Hamburg, Germany

Rapporteur: Mr. Mato Meyer, Programme Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- **Dr. Elina Sidorenko**, Member of the Expert Council of the Presidential Administration on Combating Corruption, Russian Federation
- **Mr. Roderick Macauley**, Criminal Law Advisor, International and Corporate Criminal Law, Ministry of Justice, United Kingdom
- **Ms. Laura Sherman**, Anti-corruption Adviser, OSCE Mission to Serbia
- **Mr. Francois Vincke**, Vice Chairman, Commission on Corporate Responsibility and Anti-Corruption, International Chamber of Commerce

Dr. Frank Evers, Deputy Head, Centre for OSCE Research (CORE), University of Hamburg, Germany noted that while the OSCE was neither a donor, nor a development organization, it has served as a platform for setting politically binding decisions such as the 2012 Dublin Declaration on Good Governance and the 2014 Basel Ministerial Council Decision on the Prevention of Corruption..

Dr. Elina Sidorenko, Member of the Expert Council of the Presidential Administration on Combating Corruption, Russian Federation, stated that anti-money laundering and countering terrorism financing was an international issue. In her opinion, the FATF risk based approach has been effective. Moreover, international standards provided by the UN, FATF (Financial Action Task Force), OECD, OSCE, the Egmont Group, the Basel Institute, and the CoE remain of high importance in addressing anti-money laundering. However, these standards, she argued, lead to a duplication and contradictions. She claimed that there was a need to come up with a single policy in order to compliment what these bodies do. She addressed the main risks and threats for the Russian Federation. She, also, stated that there were financial crime risks, money laundering risks, financing of terrorism risks and the rise of terrorist ‘hot spots’ in Russia. When it came to procurement and government spending, Russian military industry, construction of roads and forestry were economic sectors most vulnerable to corruption. Dr. Sidorenko argued that anti-money laundering and counter terrorist financing should be split. They are two different phenomena and should be handled differently. Academic studies conducted on trends and forecasts have shown that risks are highest in the banking sector and government funded institutions. Risks were fairly low when it came to gambling and electronic payments. Currently these industries were, nevertheless, not very developed in Russia. Since 2001, both the number of sponsors and average of donations for terrorism financing have increased. She argued that there was a need to come up with a single mechanism for co-operation with the OSCE, EAG (the Eurasian Group on Combating Money Laundering and Financing of Terrorism), BRICs (Brazil, Russia, India, and China), and others. There was also a need, she stressed, for the involvement of the private sector to detect new criminal schemes, and monitoring new hi-tech challenges and a coordinated approach to regulate crypto currencies. This, she claimed, should be at the top of

the OSCE's agenda since this was a major risk and the OSCE needed to spearhead this efforts in order to deal with security and stability.

Mr. Roderick Macauley, Criminal Law Advisor, International and Corporate Criminal Law, Ministry of Justice, United Kingdom, noted that private sector corruption was perceived in many different ways. Many did not consider deals done between actors of the private sector as corruption or as a crime. However, more private sector companies do public sector work. In some countries the private sector was viewed as a victim of the public sector, and in others the perpetrator or supplier of corruption. Good governance was related to connectivity between the public and private sector. One could not hope to succeed if the private sector, he argued, was not harnessed since. The IMF put out a report that 1.5 trillion USD are paid in bribes per year. He presented the incentive theory's basic idea that gains to be made from bribery do not exceed the impact of costs (sanctions) plus the positive measures put in place for businesses to work according to ethical procedures. Lucrative publically funded projects were tempting for bribery. Counter-balancing measures that ensured very large fines were crucial. Sanctions would only be persuasive if the laws were in place. Robust enforcement was necessary for good governance to work. For this, political will and resources are needed. Without a likelihood of prosecution there won't be any progress. Co-operation among governments was also necessary. At the recent UK Prime Minister's international conference on anti-corruption in London there was a proposal to create anti-corruption centres, which could be a good starting point. He also noted that legal measures should be both criminal and administrative. Corporate liability, even criminal liability, had to be in place. The best legal provision for this was a failure to prevent bribery by a corporate entity. This entailed the culpability of the company to prevent bribery from taking place. The U.S. and UK anti-bribery laws have been very successful. If a company investigated itself and presented a dossier to the authorities it could negotiate further steps. The U.S. has started with deferred prosecution, and the UK has adopted this but made it more transparent than the U.S. through open judicial hearings in order to overcome the perception of corporate lawyers striking deals behind closed doors. Individual liability was also very important. Supply side mechanisms and demand side impacts were the right approach. Any company subject to the FCPA and UK anti-bribery act wanted to work with companies that would not be a criminal liability to them. This could have economic effects in the countries they worked in. He noted the important impact of these mechanisms. The OSCE could see the potential of the application of corporate liability in some of the countries in which it worked.

Mr. Francois Vincke, Vice Chairman, Commission on Corporate Responsibility and Anti-Corruption, International Chamber of Commerce, stated that good corporate governance was the basis for fighting corruption. Companies needed to first look into what they needed to do inside. Corporate governance was often just the structure, such as the board of directors, presidents, and accountability mechanisms. OECD and the G20 have produced a guideline that stated the duty of the board to act in good faith with due diligence and care, and should apply high ethical standards. Good corporate governance is not only the structure of the company but implied the behavior and standards the board should use. The board should review risk policy and risk profile. Boards should place an ethics and compliance function within the corporation. This entails an ethics and compliance code and program. In this way, the Board set the tone from the top. In South Korea there were legal provisions for ethics and compliance officers. This could be replicated in the OSCE area, he stated. Due diligence, "know your customer" in anti-money laundering were also good models. Due diligence should also be considered for SMEs. All companies should take their own proportionate measures. He informed that the ICC has created an Anti-corruption Guide for SMEs on due diligence. He posed the question whether the public sector bidders for public procurement

could be tested on ethics, compliance, and due diligence. He argued that a company could be excluded if they did not have a compliance programme in place. In the OSCE's Handbook on Combating Corruption, conflicts of interest were further elaborated. The ICC dealt with conflicts of interest in the private sector. This was an example of the ICC and the OSCE were working together hand in hand.

Ms. Laura Sherman, Anti-corruption Adviser, OSCE Mission to Serbia, talked about reducing the opportunities for bribes in Serbia. She noted that within Economic and Environmental Dimension in the OSCE Mission to Serbia, the Office dealt with public procurement, transparency and accountability, amending the criminal code and law enforcement. She underlined that the TI Corruption Perception Indicator has shown that Serbia has been stagnant for a number of years in regard to the perception of the level of corruption. She gave the example of a best practice in the new law on inspectors, which focused on discretion and transparency. Upon adoption, 2,000 inspectors would be trained through "train the trainer" programmes. The increase in transparency requires publically available information. The checklist was publically available. The law also introduced consent by silence to eliminate the room for corruption.

The floor was opened for discussion.

A representative of Ukraine stated that the Government of Ukraine tried to make its economy attractive in order to mitigate the impact of the recession on citizens. All branches of government were committed to reforms, the anti-corruption and development strategy. Monitoring of reforms is being undertaken by the government. Facilitating trade policies and enhancing economic policies was also a priority. Keys to economic growth were to address existing and potential threats.

The OSCE Office in Tajikistan (OiT) stated that in a politically sensitive country the mission worked with various government stakeholders and could also help NGOs and businesses. She presented an initiative promoted by the OSCE OiT aimed at assessing anti-corruption through the screening and analyzing of laws.

A representative of the U.S. asked Ms. Sherman if she could talk about how political will was created to pass the legislation she mentioned in her presentation. The delegate also asked Mr. Vincke about the importance of whistleblowers, the difficulty in protecting them and a question of rewards.

Ms. Sherman underlined the importance of pressure by the private sector. It was clear to everyone that inspectors were a serious problem for corruption. USAID offered to help Serbia to deal with it. This reform was also in line with the National Anti-corruption strategy.

Mr. Vincke replied that whistleblowing legislation was very difficult to adopt. This had the least traction of any of ICC's work, he admitted. A number of EU Member States had no protection measures, he noted. The ICC believed that whistleblowing was essential to good governance and anti-corruption.

Mr. Macauley said that the UK has considered the US approach towards rewarding whistleblowers. The UK had whistleblower protection mechanisms. They have found the difficulty with whistleblowers in the role as a witness and, at the same time, a potential defendant, which made it difficult to work with.

Dr. Sidorenko advised that compensation for whistleblowers should be 10 percent of what the government received through the investigation. The issue remained whether this was decided when the case was initiated or filed or after the judge issued a decision. Anti-corruption strategies in developed countries were monitoring what the private sector was doing, while in subsidized countries the focus was set on bribery.

A representative of Armenia asked *Mr. Vincke* with reference to conflict of interest in the Middle East in corporate governance, whether nepotism was the worst case of corruption. Though it is not very efficient for corporate governance, there were cases where nepotism formed good structures and successful businesses.

Mr. Vincke replied that this was precisely what the ICC would like to analyze. What was going to be interesting was formulating best practices in a worldwide context in this area.

Session IV: Good governance in logistics and supply chains as a means to strengthen economic development, stability and security

Moderator: Dr. Eric Frey, Managing Editor, Der Standard, Austria

Rapporteur: Mr. Roel Janssens, Economic Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- **Mr. Helmut Fischer**, Head of Division for Sustainable Standards, Federal Ministry for Economic Cooperation and Development, Germany
- **Dr. Vytautas Naudužas**, Ambassador of the Republic of Lithuania to the Republic of Kazakhstan, Kyrgyz Republic and the Republic of Tajikistan, Lithuania
- **Ms. Alejandra Cruz Ross**, Technical Officer, Transport Sector, Sectoral Activities Department, International Labour Organisation
- **Mr. Steven Pope**, Head, European Customs and Regulatory Affairs, DHL Express
- **Dr. Christoph Feldmann**, Chief Executive Officer, Association for Supply Chain Management, Purchasing and Logistics (BME), Germany
- **Ms. Eva Molnar**, Director, Sustainable Transport Division, UNECE

Mr. Helmut Fischer, Head of Division for Sustainable Standards, Federal Ministry for Economic Cooperation and Development, addressed the question of economic sustainable development along global supply chains by providing detailed information on global supply chains and their political relevance. Mr. Fischer noted that today more than 453 million people were involved in global supply chains. Intermediate products made up approx. 70% of goods traded worldwide. He underlined that promotion of the use of sustainability standards and multi-stakeholder initiatives would positively impact the transformation of the global value chain, and a combination of common efforts could increase supply and demand. Good governance would also promote economic growth, labour rights, trade unions rights along global supply chains. He also identified a number of global supply challenges such as non-existing or non-enforced labour and environmental laws, the use of hazardous chemicals and other inputs, destruction of natural habitats and biodiversity, unsafe working conditions, forced labour, child labour, insufficient wages, and corruption.

Dr. Vytautas Naudužas, Ambassador of the Republic of Lithuania to the Republic of Kazakhstan, Kyrgyz Republic and the Republic of Tajikistan, stressed the importance of transport development for economic stability and security. He underlined the significance of implementing relevant international agreements and conventions and maintaining a balance between the creation of conducive legal and regulatory environment and adopting new technologies and infrastructure developments. Around 60 transport related agreements and conventions were regulating different types of transport activities. The speaker noted that well-coordinated transport systems and harmonized border crossing procedures, based on international legislation and standards, would foster economic growth and regional integration, which would be important for landlocked developing countries. The Ambassador

stated that the New Silk Road in Central Asia faced many challenges but did provide an alternative trade route from and to China also in the interest of countries in Central Asia. Ambassador Naudužas emphasized that the New Silk Road would provide increased economic connectivity between China, Central Asia and Europe.

Ms. Alejandra Cruz Ross, Technical Officer, Transport Sector, Sectoral Activities Department of the International Labour Organisation (ILO), focused her presentation on road haulage, working conditions of road and rail workers, existing challenges and initiatives. She briefed the audience on the ILO and its modus operandi. She underlined that truck drivers were very important factors in improving security and safety of transport operations. Ms. Ross informed about the current working conditions and challenges in the international road haulage sector including segmentation, fragmentation and increased supply chain pressures. She emphasized that a change of industry composition and increased fragmentation resulted in higher numbers of transport owners, operators and small enterprises. This has led workers to become the final (weakest) link in a long chain of sub-contracting which implied they were exposed to a disproportionate number of risks and costs such as for instance vehicle ownership, vehicle operation costs, and maintenance. When not managed properly, this development could impact on road safety and security.

Mr. Steven Pope, Head of the European Customs and Regulatory Affairs Unit at DHL Express, spoke about the role of the private sector in strengthening good governance in logistics and supply chains. He noted that his company, which operated in many countries across the globe, directly depended on good governance in transport and logistics, at border crossings, and in customs. Good governance reduces risk to the supply chain, increases certainty, helps support a risk based approach to regulatory controls, speeds processes up, reduces costs, and generates economic growth. Mr. Pope highlighted the responsibility of the private sector having robust compliance processes in place in line with Global Standard Operating Procedures. He mentioned that in the case of DHL, these standards apply to subcontractors/suppliers as well and that risk categories, selectivity and profiling are based on information received from Customs. He pointed out that public-private sector co-operation in global supply chain management was always a ‘win-win’ scenario. Moreover Mr. Pope informed about DHL’s achievements in piloting trade facilitation processes at the border; co-operating with international bodies on research projects; and in-house measuring of border performance and compliance performance. He concluded by stressing the need for both compliance programmes and facilitation.

Ms. Eva Molnar, Director of the UNECE Sustainable Transport Division, informed participants about the latest initiatives on infrastructure development and border crossing facilitation between Europe and Asia, and highlighted examples of successful co-operation with the OSCE. She underlined that trade co-operation between Europe and Asia was growing fast and that it was thus important to have good transport and logistics connections between these two regions. In this regard Ms. Molnar mentioned main UNECE initiatives in the transport field such as Phase III of the on-going Euro-Asian Transport Links (EATL) Project where the OSCE is fully engaged. The speaker underlined that the various Euro-Asian transport corridors and initiatives such as TRACECA, ADB CAREC, and NELTI etc. were not duplicative but complement each other and add to the overall transport connectivity of the region. Ms. Molnar noted that border crossing facilitation could not work well if the basic regulatory framework was missing. She underlined the importance of a global unified system for contractual relations between shippers and transport operators and made reference to the unified railway law and the TIR Convention which both were instruments that help to reduce

costs and uncertainties and save time. She concluded by emphasising the need for increased political will.

Dr. Christoph Feldmann, Chief Executive Officer, Association for Supply Chain Management, Purchasing and Logistics (BME), spoke about supply partnerships as a powerful tool to connect companies, countries and regions. He noted that the external share of value creation was continuously increasing. He underlined that co-operation in the framework of supply chains helped to improve and foster economic co-operation, especially in high-tech industry, where the value creation is particularly high and the innovation period very short. Dr. Feldman underlined that procurement promoted economic collaboration and that supply chains helped to expand trade markets on the trans-regional level. Here he also mentioned the role of trade agreements, harmonized border controls, aspects related to digitalization (including IT and electronic solutions) and the need to continuously invest in education and qualification.

The floor was opened for discussion.

Mr. Roderick Macauley raised the issue of threats posed by corruption to supply chains and wondered who was enforcing agreed standards and introducing codes of conduct among supply chain participants. He also asked the panellists how they envisaged regulatory schemes to develop in the future and how it could be prevented that larger companies impose high standards on SMEs that did not have the resources to meet them in the first place. Finally Mr. Macauley asked the panellists to clarify which approach would be best in order to regulate transport and logistics systems, under a criminal law or an administrative law approach.

A representative of Germany asked the panel to elaborate on how to best create a balance between profitability of companies and compliance with social standards and also asked about the OSCE's role in supporting the implementation such standards.

The OSCE Mission to Serbia enquired more details about DHL's anti-corruption compliance programme and wanted to know how it applied to sub-contractors.

A representative of Italy highlighted the international character of transport and the important role of good governance, particularly in the areas of transport inter-operability, inter-modality, infrastructure development, safety and security standards, border crossing facilitation and co-operation among countries. She highlighted that transport infrastructure should be constructed in line with environmental and safety standards as well as transparent public procurement standards. Harmonization of border crossing procedures and transparency attract investment and promote connectivity among all stakeholders. It was noted that new funding resources would need to be identified. At the same time it was recognized that investing in soft measures did not necessarily require lots of funding. The OSCE could contribute by providing expertise. The representative also mentioned that four out of nine major European transport corridors passed through Italy and announced a multi-stakeholder initiative that had recently been launched entitled "FORUM 2030". This initiative plans to implement a number of projects in the Western Balkans aimed at identifying key remaining barriers and measures that could help to overcome them. The initiative would not only consist of countries from the EU but also from the Western Balkans and the Mediterranean region and would be aimed at boosting regional economic development.

A representative of Bosnia and Herzegovina asked how geographically small countries could be more closely involved in existing transport and supply chain systems.

A representative of the United States of America recognized the positive role of DHL and other freight forwarding companies in facilitating trade and in driving innovations in particular in the customs field. The delegate asked how trade facilitation in Central Asia could be further promoted and what could be the role of governments in this regard.

In response to the questions raised, *Mr. Pope* mentioned that DHL had special compulsory training programmes in place for all employees, which included references to customs clearance processes, codes of customs conduct, security, and facilitation of payments. He emphasised the importance of capacity building and of introducing electronic payment systems and computerization, reducing the human intervention and thus ultimately limiting the opportunities for corruption. He concluded by encouraging the audience to consider joining or contributing to the “Global Alliance for Trade Facilitation”, an initiative supported by the US, Canada, Germany, the UK, and Australia.

Mr. Fischer emphasized the need to differentiate between various types of standards and stressed that companies should be able to trust the standards. Thus, a verification process should be put in place. He explained that transparency and communication were key and that standards should not become barriers to trade.

Ms. Cruz Ross explained that ILO always used a tri-partite approach (involving governments, workers, and companies) and thereby tried to maintain a balance among the various interests at stake, including those related to compliance and profitability. She mentioned a forthcoming International Labour Conference on global supply chains and concluded by emphasizing that standards always need to be feasible and manageable.

Mr. Feldmann mentioned that any sustainable, modern company had a robust compliance system in place. He explained that national regulations may no longer work and should, - because of the transnational character of supply chains - become increasingly global. He stated that internal compliance standards and requirements should always be tailored according to the size of the companies.

Ms. Molnar referred to the AETR² as one of the most enforced conventions globally, partially because it was entirely digitally implemented (measuring truck drivers’ driving times through a digital tacograph). She also referred to the ATP³ agreement related to transport of foodstuffs and perishables, which had a lot of potential, particularly in Central Asia. It was also stressed that efficiency, profitability, environmental and social sustainability were part of one package and that the level of transport competitiveness of countries were a determining factor for their capacity to integrate in the global supply chain. She encouraged governments to accelerate negotiations in the UN related to building a new, robust regulatory and institutional regime and to expand the UNECE’s Inland Transport Committee outreach to ECOSOC enabling these standards to become visible beyond the current ECE contracting parties. Finally, governments were invited to consider funding UN projects in this field.

² European Agreement Concerning the Work of Crews of Vehicles Engaged in International Road Transport (Accord Européen sur les Transports Routiers, AETR)

³ Agreement on the International Carriage of Perishable Foodstuffs, ATP

Session V: (Panel debate): Good migration governance and its contribution to economic growth, stability and security

Moderator: Dr. Ursula Weidenfeld, Freelance Journalist, former Deputy Editor-In-Chief at “Der Tagesspiegel”

Rapporteur: Ms. Daniela Ortner, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- **Dr. Demetrios Papademetriou**, President of Migration Policy Institute (MPI) Europe, President Emeritus of MPI, USA
- **Ms. Natalia Popova**, Senior Labour Economist, International Labour Organization
- **Dr. Volker Treier**, Deputy Chief Executive Office, Association of German Chambers of Commerce and Industry (DIHK), Germany

Dr. Ursula Weidenfeld, Freelance Journalist, former Deputy Editor-In-Chief at “Der Tagesspiegel”, introduced the topic of this Session and welcomed the speakers. She asked if there were positive stories on labor migration in the context of growing restrictive migration policies and hesitant attitudes towards labor migrants.

Ms. Natalia Popova, Senior Labour Economist, International Labour Organization, remarked that a positive story depended on bilateral and multilateral collaboration on labour migration. This collaboration should be based on international norms and conventions related to the protection of migrants’ rights. She focused on the context of labor migration, mentioning the recent ILO global estimates on migrant workers. Ms. Popova highlighted that one of the challenges faced by policy makers were the need for up-to-date and reliable statistical data on labor migration. ILO accounts 150 million of migrant workers worldwide, of which 46% are men and 44% women, who migrated in search for decent employment. Moreover, 112 million of migrant workers (75% of the total number of estimated migrants), work in high income countries and in specific economic sectors: 71% of migrant workers are employed in the services sector, 11% work in agriculture and 18% in industry. Ms. Popova emphasized that information, such as the profile of migrants, their level of qualification, and the direction of migration flows, was paramount for good labour migration governance. Another policy challenge, mentioned by Ms. Popova, was the lack of coherence between employment and migration policies. She noted that labour migration policies systematically ignored short term and long term labour market needed at all skills levels. Further, in the context of policy challenges, Ms. Popova underlined the necessity for transparent and easy accessible systems that recognize migrants’ skills. Moreover, she referred to the cost of labour migration, as another key policy challenge that should be tackled. Evidence suggested that in the process of migration, labour migrants bear high costs related to recruitment fees, unpaid wages, costs of underpayment, or even lack of compensation for work related injuries or sickness. According to ILO research, low skilled workers hope to earn 5 to 10 times more than they used to earn in their home country. However, a third of their income cover labour migration costs. As a result, migrants save and send fewer remittances, contributing less to the development of their home country; they also have less disposable income to spend in the country of destination.

Dr. Ursula Weidenfeld mentioned the research on low skilled migration, carried out by Dr. Demetrios Papademetriou, and asked to describe the most important conditions that need to be met in order to make migration a success for countries of origin and destination.

Dr. Demetrios Papademetriou, President of Migration Policy Institute (MPI) Europe, President Emeritus of MPI, USA, emphasized that migration was a key ingredient to human progress. He underlined that the best ways for spreading new ideas and creating opportunities, that became engine of growth, involved migration elements. He added that currently everybody ‘played’ in the migration ‘game’, as the international migration system of the 21st century was a global system. The total number of people who are migrants, including internal migrants, is between 1.1 and 1.2 billion, which is approximate 18% of the global population. About 240 million are international migrants and fit the restrictive definition of the UN, meaning they are outside of their country of birth and residing abroad, at least, for a year. He then noted that a lot of temporary migrants, seasonal workers, as well as people outside the legal frameworks were not counted. These people should be of concern for policy makers. He further mentioned that the issue of good governance was critical and in order to have real measurable advantages for all actors involved, six conditions had to be met: (1) migration has to be orderly; (2) migration has to respond to labour market circumstances on the ground; (3) migration has to be safe, when travelling from one country to another; (4) migration has to respect human rights; (5) migration has to be humane regardless of the legal status of migrants; (6) protection of refugees and IDPs should become a priority for all governments and civil society around the world.

Dr. Ursula Weidenfeld asked to what extent the enumerated conditions were met at the moment.

Dr. Demetrios Papademetriou pointed out that most of migration occurred outside of legal channels, thus putting people in danger. Principles on human rights were not fully implemented and that the working conditions of migrants were inhumane in some sectors. Referring to the protection of refugees and IDPs, Dr. Demetrios Papademetriou remarked that the situation in reality was better than often described.

Dr. Ursula Weidenfeld inquired how the industry in developed countries, especially in Germany, attracted migrant workers, referring to training them and offering legal employment.

Dr. Volker Treier, Deputy Chief Executive Office, Association of German Chambers of Commerce and Industry (DIHK), replied that companies in Germany, but also German companies abroad, were active investors. Therefore, they need skilled workers, as well as an established framework to qualify these workers in their home country. He underlined that the German Chambers of Commerce and Industry promoted good governance in the area of migration policies in Germany, and in Europe.

Dr. Ursula Weidenfeld asked if there was a market of vocational training that could be exported from Central Europe to other countries and if this was also in the interest of the industry.

Dr. Volker Treier noted immense demand for qualified workers. There was a significant interest for creating companies, such as start-ups and 4.0 industry ventures, in Germany and abroad. A recent survey of the German Chambers of Commerce and Industry revealed that one of the major obstacles for current business was the lack of skilled workers. He added that

the German Chambers of Commerce and Industry established in some countries a framework for vocational education, in order to replicate German practices and structures to other countries.

Dr. Ursula Weidenfeld mentioned the costs of migration and asked Ms. Popova if destination countries maintained these costs to discourage migration.

Ms. Natalia Popova replied that the issue of migration costs should be addressed in order to have 'win-win' scenarios for origin and destination countries. Because of these costs, migrants contribute less to the development of the country of origin and have fewer resources for integration in the country of destination. ILO estimated that each year, due to migration costs, 2.5 to 5 billion US dollars were lost. She concluded that co-operation among governments, employers and workers' organizations was essential for efficiently tackling this problem.

Dr. Ursula Weidenfeld reiterated the importance of key stakeholders in addressing migration issues and inquired if they all had the same understanding of and interests regarding migration.

Dr. Demetrios Papademetriou noted that governments, employers and workers' organizations had different views on migration; however, they agreed on certain issues, such as legality, proper working conditions and the lack of exploitation. He further mentioned that in comparison to these actors, civil society was the most influential and would remain so in the future, forcing governments to act efficiently, balancing the differences among workers' organizations from various states and pressuring the employers to operate correctly. He underlined that migration was of enormous benefit, when stakeholders abide to agreed rules, so that negative consequences were reduced and more value was created.

Dr. Ursula Weidenfeld asked if successful migration meant integration.

Dr. Demetrios Papademetriou stressed the importance of the question and declared that governments tried to understand what they needed to offer, but their offer depended on how migration flows were viewed. If governments saw migration as permanent immigration, then successful integration would become an essential element of the migration system. He added that temporary, circular and contract based migration patterns were predominant, therefore governments needed to adapt their integration efforts and policies to offer vocational training instead of civic education.

Dr. Ursula Weidenfeld noted that in developed countries, the first generation of migrants, usually employed in low skilled jobs that local population does not want to consider was a generation of sacrifice. Only the second generation obtained better education and work. She inquired if a distinction should be made between integration and education policies for the first and second generation of migrants.

Ms. Natalia Popova stressed that the situation was more complex. She reiterated the importance of policy objectives in the area of labour migration and added that protection of migrants' rights was important regardless of the duration of stay. Labour migration policies did not exist in a vacuum, therefore migrants' integration depended on the functioning of labour markets, as well as on employment, fiscal, and social policies. She concluded that successful integration depended not only on migration policies, but on the entire spectrum of policies.

Dr. Volker Treier referred to the distinction between education and integration policies and mentioned that integration was a precondition for qualification. He added that migrants needed to be integrated, so that companies would be motivated to invest in their qualifications. He stressed that vocational training was an investment for companies, therefore collaboration with home countries and circulation should be encouraged.

Dr. Ursula Weidenfeld asked the speakers to describe the most urgent issues to be addressed in order to have good migration governance.

Dr. Demetrios Papademetriou reiterated that the most urgent issue was orderliness, underlining that migrants need to be employed legally in jobs that existed and were properly remunerated. He stressed that migrants should not compete unfairly with local workers through various types of remittances, such as financial, social, and political remittances, which were essential for achieving migration gains.

Dr. Ursula Weidenfeld inquired if orderliness could be applied when states were not able to control those who entered the country.

Dr. Demetrios Papademetriou replied that if a country could not control the flows, it fueled certain tendencies, such as xenophobia, competition, and wage depression. When referring to control, *Dr. Demetrios Papademetriou* underlined that the government, workers' organizations and employers should recognize that there would always be mismatches and gaps in the labour market, even when unemployment stood at 4%. There were two types of gaps: (1) jobs that local population would not accept, because they are associated with foreign work, low paid and of low standards; (2) most European countries have labour market shortages, meaning that fewer people were coming through the legal channels than before. He concluded that these gaps should be filled with smart migration policies.

Ms. Natalia Popova stressed the need for bilateral and multilateral collaboration on creating labour migration schemes that protected migrants. These schemes should be based on labour market needs and skills at all levels. She, then, added that migration was a result of economic hardships, therefore assisting the countries of origins in their development process was important. The creation of decent employment in the country of origin was essential, because migration should be a choice and not a forced decision.

Dr. Volker Treier stated there should be a common understanding about migration benefits for both countries of origin and destination. He insisted that the fulfilment of ILO standards was paramount.

The floor was opened for discussion.

A representative of Switzerland informed about the forthcoming thematic meeting of the OSCE informal working group on migration and refugee flows. He added that the working group was established by the German Chairmanship, being chaired by Switzerland. A special Permanent Council of the OSCE session on migration would take place on 20 July 2016, based on informal reports of the working group's sessions. He mentioned that the topics of the working group were: (1) protection along the migration routes, (2) combating crime, and (3) border management. The forth session's topic would be successful integration and the final session would focus on solidarity and partnership. He reiterated the need for a holistic

approach to migration and then posed a question regarding the link between migration and security.

A representative of UK agreed with the speakers on the need to address the failures of development in the countries of origin. He added that failed systems, rampant kleptocracy and corruption posed serious issues to security, favouring organized crime. He inquired about ways to reconcile the best interest of migrants and security threats, referring in particular to trafficking in human beings.

A representative of Germany raised a question regarding skills recognition and inquired what steps should be taken further, considering the OSCE's role in exchanging best practices, offering policy development support and collecting data.

Ms. Natalia Popova emphasized that the ILO had been working on the issue of skills recognition by collaborating with countries of origin and destination, elaborating methodologies and conducting surveys on skills needs, developing national identification systems, occupational standards and profiles, and linking labour demand with labour supply. She added that this exercise helped states to upgrade education and training systems for their own labour markets. She stressed that building capacities and promoting collaboration among the Ministry of Education, the Ministry of Labour and Social Partners was necessary.

Dr. Volker Treier remarked that the Association of German Chambers of Commerce and Industry had good experience in the field of circular migration, mentioning a project, financed by the German Federal Foreign Office that aimed at identifying young skilled people from Iraq and Iran and offering them jobs in Germany for a limited period of time. He underlined that circular migration programmes might contribute to reducing the contradiction between migration and security issues. He added that the Association of German Chambers of Commerce and Industry had good experience in the area of skills recognition by establishing an institution of skills recognition.

Dr. Demetrios Papademetriou noted that the ILO work was important. Many countries today face large numbers of migrants that need to be integrated in national labour markets. This required governments to adapt their policies, by assessing skills and developing multiple schemes of integration.

Session VI: The contribution of migrant workers to economic development, stability and security through circular and return migration

Moderator: Ms. Natasha Walker, Communications Consultant, Germany

Rapporteur: Ms. Teresa Albano, Economic Affairs Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- Ms. Geertrui Lanneau, Senior Regional Specialist on Labour Mobility and Human Development Regional Office for the EU, Norway and Switzerland, International Organization for Migration
- Mr. Göran Hultin, Founder and CEO, Caden Corporation, Switzerland - Member, Global Agenda Council on Migration, World Economic Forum
- Ms. Jana Costachi, Migration Expert, former Coordinator of ILO Projects in Moldova and Central Asia, former Deputy Minister of Social Protection and Labour, Moldova
- Ms. Necla Uz, Labour Expert, General Directorate of Labour, Ministry of Labour and Social Security, Turkey
- Prof. Ermelinda Meksi, Deputy Coordinator/Head of Economic Activities, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Ms. Natasha Walker introduced the topic by underlining the timely need for the discussion about migration governance.

Ms. Geertrui Lanneau, Senior Regional Specialist on Labour Mobility and Human Development of the International Organization for Migration regional Office for the EEA, EU, and NATO, offered a definition of circular migration as elaborated in the framework of the World Forum on Migration & Development as “*the fluid movement of people between countries, including temporary or more permanent movement which, when it occurs voluntarily and is linked to the labour needs of countries of origin and destination, can be beneficial to all involved*”. She, therefore, underlined how *de facto* circularity in migration flows had always existed, particularly in the absence of rigid entry/stay control for foreigners, due to the seasonal nature of the movement, or in current integrated regional systems, like the European Union and the Eurasian Economic Union. Yet, today there is a tendency to use circular migration as a way to make migration more precarious while, when effectively managed, circular migration could represent a response to flexible labour markets, to the need to reduce the brain drain and foster the link between migration and development. To avoid detrimental effects, circular migration schemes should be rights-based, envisage a flexible residence permit/visa regime, enable the acquisition and transfer of skills and knowledge, ensure the portability of social benefits and be linked to investments in the country of origin. Ms. Lanneau explained that so far bilateral agreements have represented the main tool to develop effective circular migration schemes. In this regard she provided the example of a circular migration programme between Spain and Morocco developed for the strawberry harvesting season. Due to its success – the programme involved women from Morocco who could earn a living during the season and return home – the programme was replicated in Senegal. Yet, the scheme did not work in that country for a number of reasons, including the

inaccurate selection of workers who were not interested to work in the agricultural sector and, therefore, not interested in working during the season and returning in the origin country at the end of it. Ms. Lanneasu offered this example to reflect on how good practices sometimes may not be replicable unless a careful analysis and adaptation of the success factors is carried out.

Mr. Göran Hultin, Founder and CEO of the Caden Corporation in Switzerland and Member of the World Economic Forum Global Agenda Council on Migration, offered the perspective of the private sector when dealing with migration governance. In addressing the issue of meeting the human capital's needs of the private sector, Mr. Hultin underlined how challenging the recruitment phase could be, *inter alia* for the following reasons: the recruitment takes place in another country; the needs of the different labour market segments are difficult to be assessed thoroughly. In this latter respect, Mr. Hultin highlighted that there was always a percentage of employers who were unable to fill specific jobs because of lack of the proper talent, including those cases when employers were ready to pay for those skills beyond a certain level. He, then, illustrated the case of Vietnam as an example of a positive experience due to a strong attention on pre-departure orientation and training of migrant workers and a post-return mechanism to recognize the skills acquired abroad by giving value to that experience through the creation of micro, small and medium enterprises. Mr. Hultin concluded with an overview of the three phases that usually require special attention in order to develop successful circular migration experiences: 1. pre-departure: - proper assessment of labour market request/need; selection and profiling of workers; pre-employment training and orientation; 2. over-seas assignment: ensuring decent working conditions and protecting migrant workers' rights; developing skills and improve employability of migrant workers; 3. post-migration: skill and experience recognition; entrepreneurship assessment; job placement. But most of all, Mr. Hultin underlined the need for political commitment between countries of origin and destination in which the private sector should participate and be involved.

Ms. Jana Costachi, Migration Expert, former Coordinator of ILO Projects in Moldova and Central Asia, former Deputy Minister of Social Protection and Labour, presented the example of the bilateral agreement between Italy and Moldova for the recruitment and job placement of Moldovan migrant workers. She underlined how labour migration was a critical factor for the Moldovan economy considering that 1/3 of the State's GDP derives from migrants remittances. On the other hand, Moldovans represent today the 7th largest diaspora community in Italy and they contribute significantly to the annual GDP of Italy. In 2003, the agreement that included labour migration provisions between the two countries was signed. Ms. Costachi praised the agreement as a good example of political commitment between countries of origin and destination of migration flows. Such agreement envisaged the creation of a database of job seekers, with proper profiling of workers. The agreement also included pre-departure and pre-employment training for those selected by employers. Language acquisition courses were part of the pre-departure orientation programme. Yet, although signed in 2003, the implementation protocol was developed only in 2011 when, due to the financial crisis, the migration-related framework of co-operation between the two countries was suspended. Ms. Costachi underlined that this setback in the bilateral co-operation did not impede the continuation of migration flows between the two countries through irregular channels, with detrimental effects on the labour treatment and living conditions of irregular Moldovan workers in Italy. She reminded that purely restrictive migration policies did not offer suitable responses to migration-related challenges considering the limits of States in governing migration flows.

Ms. Necla Uz, Labour Expert, General Directorate of Labour, Ministry of Labour and Social Security, Turkey, outlined the evolution of Turkey's migration policy to respond to a changing migration scenario. No longer solely an origin and transit country, Turkey has turned progressively into a destination country since 2004. In 2013, a substantial reform of the migration-related legal framework took place. Temporary residence permits were envisaged for both migrant workers and people fleeing conflict and persecution. This latter category still cannot enjoy the full recognition of the refugee status as Turkey has not ratified the 1967 Protocol to the 1951 Refugee Convention. The lack of the ratification of this Protocol implies that only European citizens can claim asylum and can be recognized as refugees, as it was in the aftermath of the World War II when the Refugee Convention was elaborated. Syrians and non-European asylum seekers are eligible to a temporary protection regime that allows for the recognition of some rights, for example the right to health care. Yet, access to labour market and work permit is still limited, including the right to family reunification. On the other hand, migrant workers are recognised the same rights as national workers as Turkey is a signatory of the *UN Convention on the Rights of Migrant Workers and the Members of their Families*. In May 2016 the *Foreigner Employment Law* was issued, fostering the co-operation among governmental authorities, International Organizations and the civil society in the field of labour inclusion of migrant workers. According to the most recent data, 65,549 work permits were issued in 2015 to 165 different nationalities. Top five nationalities are: Georgia, Ukraine, Kyrgyzstan, Syria and Russia. Turkey is also increasingly engaged in supporting Turks' migration abroad, particularly of highly-skilled people and students, in order to make migration a tool for enhanced education and development for Turkey. The Turkish government is also increasingly active at international level. Examples of this engagement are the final meeting of the Humanitarian Summit in Istanbul, the G20 talks, the 2015 Chairmanship of the Global Forum on Migration and Development, in addition to the participation to sub-regional processes, like the Budapest, the Prague and the Almaty Processes, the Mediterranean Transit Migration Dialogue, and others. Ms. Uz concluded by underlining the need for an enhanced role of the OSCE in the following areas: developing effective labour migration policies; improving the collection of comparable data; combatting irregular migration and trafficking; enhancing institutional capacity of the government in the field of good migration governance.

Prof. Ermelinda Meksi, Deputy Coordinator/Head of Economic Activities, Office of the Coordinator of OSCE Economic and Environmental Activities, outlined the often counterproductive effects of restrictive migration policies, which limit circularity, increase long-term settlement, foster irregular flows and exploitation practices often connected with social dumping effects. She therefore underlined that, contrary to conventional wisdom, more mobility was part of the solution and contributed to unlocking the economic potential of migration whose rough estimate was reflected in the 583 billion dollars a year in remittances – three times the Overseas Development Aid. This helped explaining why, since the Helsinki Final Act, the management of migration flows has been considered an integral part of good economic governance. Prof. Meksi underlined the willingness of the OSCE/OCEEA to renew its impetus in assisting participating States in identifying suitable and tailored responses to their migration-related challenges. She announced an Expert meeting to take place in Vienna on 17 June that would discuss priority areas of action for the OSCE/OCEEA and new tools to enhance support by the Office. She then concluded by inviting participating States and other relevant stakeholders, the private sector, local authorities and communities, civil society and migrants themselves, to join efforts in making migration a resource for all, underlining that 'sharing responsibilities' was the right approach to achieve good migration governance.

The floor was opened for discussion.

A representative of the OSCE PA took the floor to inform that the OSCE PA attached great relevance to the topic of migration and has created an ad hoc Committee chaired by the Swiss MP Filippo Lombardi. The Committee has carried out a visit to Calais, France, where irregular migrants and asylum seekers wait for an opportunity to trespass illegally the channel towards the UK. The OSCE PA representative underlined that States have demonstrated short-sighted visions in managing migration and sketched some of the undeniable positive effects of migration: migration revitalizes stagnant economies; it counterbalances demographic shifts; it supports welfare systems through taxes, as migrants usually give more to the public systems than they receive. In underlining how this migration crisis was offering the opportunity to re-think tools and promote effective labour migration policies, she highlighted that the OSCE PA is willing to be involved.

A representative of the Russian Federation underlined that according to national data, the crime level in Russia has increased by 25% among Central Asian migrant communities. This phenomenon has resulted in an increased allocation of resources to the Russian Ministry of Interior to check and control migrant workers.

A representative of Romania underlined the need to accompany migration-related programmes with accurate information dissemination strategies in order to avoid uncontrolled reactions as it was in the case of a voluntary return programme targeting the Romanian diaspora. The inaccurate information that the Romanian government would have invested one dollar for each dollar of resources mobilized by the programme's beneficiaries, created widespread expectations that were unfortunately unmet. He concluded that disinformation should be avoided as far as possible as it undermines the credibility of States' authorities in dealing with migration-related programmes.

A representative from Germany commented that a holistic approach to migration governance should be pursued as far as possible. He also asked the Turkish representative to elaborate how Turkey was coping with the current refugee crisis with regard to labour inclusion.

Ms. Uz replied that Turkey's employment services were putting a lot of efforts in the following activities: skills' mapping; matching labour market needs; vocational training. She underlined that despite the difficulties she had an optimistic view, based on the demographic reality of Turkey, the increasing need of labour force and the positive feedback from employers.

A representative of Georgia took the floor for a concluding remark in the aftermath of the launch of the visa-free travel regime between Georgia and the EU. He noticed that such regimes have the potential to foster irregularity of migrants who may tend to stay in the country of destination beyond the expiration of the entry visa (so called "overstaying"). The representative underlined that increasing awareness and information through pre-departure orientation services is a key measure to prevent and avoid such phenomena. Individuals need to understand that being illegal in the destination country would deprive them of a decent life and decent working conditions, notwithstanding the risks of being expelled and banned from re-entry for 10 years, as the EU regulations envisage.

Concluding Session/Panel discussion

Moderator: Ambassador Antje Leendertse, Head of the Task Force for the 2016 German OSCE Chairmanship, Federal Foreign Office, Germany

Rapporteur: Ms. Tatiana Varacheva, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

- Dr. Eric Frey, Moderator of Session I and IV
- Dr. Ursula Weidenfeld, Moderator of Session V
- Dr. Halil Yurdakul Yiğitgüden, Co-ordinator of OSCE Economic and Environmental Activities
- Ambassador Antje Leendertse, Head of the Task Force for the 2016 German OSCE Chairmanship, Federal Foreign Office, Germany

Dr. Eric Frey, Moderator of Session I and IV, elaborated on approaches to achieve good governance. The speaker mentioned that unclear, complex, and unpredictable regulations opened the road for corruption. Dr. Frey summarized the previous discussions mentioning various mechanisms and examples of good practices that were a result of international co-operation and national reforms. In particular, he highlighted the WTO Trade Facilitation Agreement, the need for international regulatory co-operation, as well as the importance of compliance systems and due diligence in private companies. He stressed that private companies were potentially important partners in achieving good governance. He also emphasized the importance of supply chain management for achieving good governance both from the perspectives of physical infrastructure and good procedures on the ground. Dr. Frey stated that a unified railway law was needed. He highlighted that good governance should take interests of labour and environment policies into account. He concluded by stating that detailed work on the ground on various levels together with partnerships between governments, private sector, and international organizations was important.

Dr. Ursula Weidenfeld, Moderator of Session V, summarized the discussions of the panel on labour migration highlighting that labour migration should bring benefits both to countries of origin and destination. In particular, she stressed that labour migration should be a choice and not an enforced decision. Dr. Weidenfeld underscored the importance of information about migrants and good practices that demonstrated how labour migration could be managed and dealt with in an orderly way. She highlighted the need for more coherence between employment and migration policies that should be a co-ordinated process between countries. Importance of providing and proving skills of labour migrants was underscored. She concluded by stating that making migration an orderly process, with regards to security issues, could make countries of origin and destination benefit from labour migration and stressed the importance of international co-ordination.

Dr. Halil Yurdakul Yiğitgüden Co-ordinator of OSCE Economic and Environmental Activities, , underlined that connectivity with its good economic and migration governance aspects was key for promoting peace, strengthening co-operation and ultimately stimulating inclusive economic growth. He highlighted that the ideas that had been put forward represented useful food-for-thought for the deliberations in view of the Concluding Meeting of the EEF in Prague and of the Ministerial Council in Hamburg. He stressed that the

prevention of conflicts and the promotion of stability and security could be only achieved through strong and active involvement of all actors including state, the business community, and the civil society. The Co-ordinator informed on a number of OCEEA's planned activities that could be adapted for better involvement of the private sector and civil society. He stressed a strong need to work together to make migration a key factor for economic development and growth and mentioned that an Expert meeting in Vienna on 17 June 2016 would explore areas for an enhanced role for the OSCE in this field.

Ambassador Antje Leendertse, Head of the Task Force for the 2016 German OSCE Chairmanship, Federal Foreign Office, Germany, mentioned that the EEF process contributed to the formulation of guidelines and recommendations in the Second Dimension and created space for engaging with other organizations and institutions, the private sector as well as non-governmental actors. The Chairmanship's business conference "Connectivity for commerce and investment", that was held back-to-back with the 2nd Preparatory Meeting also contributed to this process. She emphasized that the Second Dimension played an important role among the tools for dialogue and confidence building the OSCE had to offer. The discussions at this meeting should contribute to enabling more economic exchange in the OSCE region that should be used to enhance the co-operation in the region. She mentioned that good governance was pivotal for commerce and investment climate with legal certainty, institutional strength, and transparency as the main elements of good governance. The need of a co-ordinated approach and partnerships between governments, private sector and civil society to fight corruption was stressed. Amb. Leendertse also underscored that trade facilitation, logistics and supply chains, as well as good migration governance played a crucial role in enhancing economic development and strengthening good governance. She gave an outlook of the future work, including the Concluding Meeting in Prague, the EEDIM, and the Ministerial Council in Hamburg, highlighting the importance of dialogue.

The representative of the Netherlands on behalf of the European Union stated that the OSCE could be a useful forum for dialogue and experience-sharing and underlined the importance of implementation of international standards and enhanced international co-operation in addressing weak governance. She stressed that recommendations and ideas derived from the discussions should be taken forward to the Concluding Meeting in Prague to identify concrete areas for enhanced co-operation in the OSCE area, while taking into account the work of other organizations in this field.

The representative of the U.S. expressed the support to increasing economic ties among OSCE participating States. He looked forward to more discussions on the model provided by the European Union as a highly successful and relevant example of strengthening security, stability, and peace through closer connectivity and integration. It was emphasized that the rule of law was important for connectivity and that opportunities for greater economic connectivity could be quickly destroyed through conflicts. Fighting corruption was one of the main challenges, in which principles of good governance must be applied. He informed that the U.S. supported an initiative called "Global Enterprise Registration" that was an effective tool for reducing corruption, improving worker-protection, increasing tax revenues, and enhancing infrastructure development.

The representative of Austria stated that connectivity in all facets needed to be discussed and worked upon. He mentioned that all issues were rightly addressed during the Chairmanship's business conference "Connectivity for Commerce and Investment" and the Second Preparatory Meeting.

ANNEX I: Annotated Agenda



Organization for Security and Co-operation in Europe
The Secretariat

Vienna, 13 May 2016

24th OSCE Economic and Environmental Forum

“Strengthening stability and security through co-operation on good
governance”

SECOND PREPARATORY MEETING

Berlin, 19 - 20 May 2016

Federal Foreign Office/Auswärtiges Amt, Unterwasserstrasse 10, 10117 Berlin,
Germany

ANNOTATED AGENDA

Thursday, 19 May 2016

09:00 – 10:30 Opening Session

Welcoming remarks:

Ambassador Eberhard Pohl, Chairperson of the OSCE Permanent Council,
Permanent Representative of Germany to the OSCE, 2016 German OSCE
Chairmanship

Dr. Halil Yurdakul Yiğitgüden, Co-ordinator of OSCE Economic and
Environmental Activities

Keynote speeches:

Dr. Gernot Erlner, Special Representative of the Federal Government of
Germany for the 2016 OSCE Chairmanship, Member of the German
Bundestag

Prof. Peter Eigen, Chairman of the Advisory Council, Transparency
International

Mr. Denis Simonneau, Director of European and International Relations of
ENGIE (former GDF Suez) and Chair of the ICC Commission on Corporate
Responsibility and Anti-corruption, France

Moderator: Ambassador Eberhard Pohl, Chairperson of the OSCE Permanent
Council, Permanent Representative of Germany to the OSCE, 2016 German
OSCE Chairmanship

Rapporteur: Ms. Brigitte Krech, Economic and Environmental Affairs Adviser,
Office of the Co-ordinator of OSCE Economic and Environmental Activities

Statements by Delegations / Discussion

10:30 – 11:00 Coffee/Tea break

11:00 – 13:00	Participation in the Concluding Panel of the OSCE Chairmanship Business Conference “Connectivity – for Trade and Investment”
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13:00 – 13:30 Lunch hosted by the 2016 OSCE German Chairmanship

13:30 – 14:30 **Session I (Panel debate): The impact of good governance on economic development and on the creation of a positive investment climate**

Selected topics:

- Good governance as a prerequisite for sustainable economic development, stability and security
- Impact of transparency, accountability and good governance on investment climate and competitiveness
- The role of the private sector in strengthening good governance

Moderator: Dr. Eric Frey, Managing Editor, Der Standard, Austria

Rapporteur: Mr. Mato Meyer, Programme Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

Mr. Nikoloz Gagua, Deputy Minister of Economy and Sustainable Development, Georgia

Mr. Gazmend Turdiu, Deputy Secretary General, Regional Cooperation Council

Dr. Valentin Alfaya, Health & Safety, Environment and Quality Director, Ferrovial; President of the Spanish Green Growth Group, Spain

Prof. Peter Eigen, Chairman of the Advisory Council, Transparency International

14:30 – 15:00 Coffee/Tea break

15:00 – 16:30 **Session II: Trade facilitation measures as an important factor to strengthen good governance, foster economic development and stimulate business interaction**

Selected topics:

- Inter-linkages between trade facilitation and economic development
- Reducing the administrative burden for trade and investment as a catalyst for economic development
- Harmonizing and simplifying customs and border crossing procedures in order to strengthen good governance and stimulate business interaction

Moderator: Mr. Walter Kemp, Vice President and Chief Operations Officer, International Peace Institute

Rapporteur: Ms. Zukhra Bektepova, Economic Affairs Officer, Office of the Co-ordinator of OSCE Economic and Environmental Affairs

Speakers:

Mr. Robert Teh, Senior Research Economist, World Trade Organization

Ms. Celine Kauffmann, Deputy Head, Division for the Regulatory Policy Division, OECD

Ms. Ivonne Julitta Bollow, Head of Eastern Europe and International Affairs Corporate Public Policy, METRO Group, Germany

Ms. Yulia Minaeva, Senior Economic and Environmental Officer, OSCE Centre in Bishkek

Mr. Mika Poutiainen, Project Manager, Enforcement Department, International Affairs, Finnish Customs, Finland

16:30 – 17:00 Coffee/Tea break

17:00 – 18:30 **Session III: Good governance as a basis for the fight against corruption, money laundering and the financing of terrorism**

Selected topics:

- Compliance with international standards on anti-money laundering and countering the financing of terrorism as a basis for creating an attractive business and investment climate
- Tackling bribery risks through the establishment of adequate regulatory systems
- Creating transparent and predictable procedures as a way to eliminate opportunities for corruption and to strengthen stability and security

- The role of the private sector in promoting good governance and fighting corruption

Moderator: Dr. Frank Evers, Deputy Head, Centre for OSCE Research (CORE), University of Hamburg, Germany

Rapporteur: Mr. Mato Meyer, Programme Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

Dr. Elina Sidorenko, Member of the Expert Council of the Presidential Administration on Combating Corruption, Russian Federation

Mr. Roderick Macauley, Criminal Law Advisor, International and Corporate Criminal Law, Ministry of Justice, United Kingdom

Ms. Laura Sherman, Anti-corruption Adviser, OSCE Mission to Serbia

Mr. Francois Vincke, Vice Chairman, Commission on Corporate Responsibility and Anti-Corruption, International Chamber of Commerce

18:30 Reception hosted by the 2016 OSCE German Chairmanship

Friday, 20 May 2016

09:30 – 11:00 **Session IV: Good governance in logistics and supply chains as a means to strengthen economic development, stability and security**

Selected topics:

- Fostering economic connectivity through promoting good governance in logistics and supply chains
- Labour, social and environmental standards in supply chains
- The role of the private sector in strengthening good governance in logistics and supply chains
- Best practices on improving Euro-Asian transport and logistics

Moderator: Dr. Eric Frey, Managing Editor, Der Standard, Austria

Rapporteur: Mr. Roel Janssens, Economic Adviser, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

Mr. Helmut Fischer, Head of Division for Sustainable Standards, Federal Ministry for Economic Cooperation and Development, Germany

Dr. Vytautas Naudužas, Ambassador of the Republic of Lithuania to the Republic of Kazakhstan, Kyrgyz Republic and the Republic of Tajikistan, Lithuania

Ms. Alejandra Cruz Ross, Technical Officer, Transport Sector, Sectoral Activities Department, International Labour Organisation

Mr. Steven Pope, Head, European Customs and Regulatory Affairs, DHL Express

Dr. Christoph Feldmann, Chief Executive Officer, Association for Supply Chain Management, Purchasing and Logistics (BME), Germany

Ms. Eva Molnar, Director, Sustainable Transport Division, UNECE

11:00 – 11:30 Coffee/Tea break

11:30 – 12:30 **Session V (Panel debate): Good migration governance and its contribution to economic growth, stability and security**

Selected topics:

- Good migration governance, human mobility and economic productivity
- Economic globalization and labor migration
- The cost of ineffective labor migration policies
- Best practices on matching migrant workers' skills with labor market needs

Moderator: Dr. Ursula Weidenfeld, Freelance Journalist, former Deputy Editor-In-Chief at “Der Tagesspiegel”, Germany

Rapporteur: Ms. Daniela Ortner, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

Dr. Demetrios Papademetriou, President of Migration Policy Institute (MPI) Europe, President Emeritus of MPI, USA

Ms. Natalia Popova, Senior Labour Economist, International Labour Organization

Dr. Volker Treier, Deputy Chief Executive Office, Association of German Chambers of Commerce and Industry (DIHK), Germany

12:30 – 14:00 Lunch break

14:00 – 15:30 **Session VI: The contribution of migrant workers to economic development, stability and security through circular and return migration**

Selected topics:

- The economics of circular and return migration
- Implementation of effective labor migration policies from recruitment, to job placement, to return
- Best practices on managing circular and return migration in countries of origin, transit and destination
- Challenges and opportunities in addressing effective circular and return migration

Moderator: Ms. Natasha Walker, Communications Consultant, Germany

Rapporteur: Ms. Teresa Albano, Economic Affairs Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Speakers:

Ms. Geertrui Lanneau, Senior Regional Specialist on Labour Mobility and Human Development Regional Office for the EU, Norway and Switzerland, International Organization for Migration

Mr. Göran Hultin, Founder and CEO, Caden Corporation, Switzerland - Member, Global Agenda Council on Migration, World Economic Forum

Ms. Jana Costachi, Migration Expert, former Coordinator of ILO Projects in Moldova and Central Asia, former Deputy Minister of Social Protection and Labour, Moldova

Ms. Necla Uz, Labour Expert, General Directorate of Labour, Ministry of Labour and Social Security, Turkey
Prof. Ermelinda Meksi, Deputy Coordinator/Head of Economic Activities, Office of the Co-ordinator of OSCE Economic and Environmental Activities

15:30 – 16:00 Coffee/Tea break

16:00 – 17:00 **Concluding Session/ Panel discussion**

Selected topics:

- Wrap-up of the discussions: lessons learned and priority areas for future discussion and increased co-operation
- Outlook to the Concluding Meeting in Prague

Speakers:

Dr. Eric Frey, Moderator of Session I and IV

Dr. Ursula Weidenfeld, Moderator of Session V

Dr. Halil Yurdakul Yiğitgüden, Co-ordinator of OSCE Economic and Environmental Activities

Ambassador Antje Leendertse, Head of the Task Force for the 2016 German OSCE Chairmanship, Federal Foreign Office, Germany

Moderator: Ambassador Antje Leendertse, Head of the Task Force for the 2016 German OSCE Chairmanship, Federal Foreign Office, Germany

Rapporteur: Ms. Tatiana Varacheva, Office of the Co-ordinator of OSCE Economic and Environmental Activities

Closing Statements by Delegations