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AT THE 2010 OSCE REVIEW CONFERENCE**

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**Economic and environmental dimension (EED)
Session 3: Economic cluster – Strengthening good governance, including
through promoting transparency, combating corruption, money laundering
and the financing of terrorism; transport security; the way forward**

Distinguished colleagues,

Good governance and transparency in the economic and environmental field are fairly wide-ranging topics that affect all countries in one way or another. In our view this calls in the first instance for the creation of an effective legal system, a functioning administrative mechanism, a favourable investment climate, partnership between business and the State and judicious economic diplomacy that fosters the promotion of domestically manufactured goods on foreign markets with account taken of the interests of the partners. Ultimately, it is a question today of an international system for regulating the globalization of the world economy, ensuring access by all countries to its benefits and reducing its negative consequences to a minimum. It is also a question of strengthening the international financial architecture in the wake of the global economic slump to prevent the recurrence of crises and to avert threats to national security as a result of heightened fluctuations in the world financial and investment markets.

Among the factors that go to make up good governance are an effective macroeconomic and structural policy, rational use of State resources and good corporate governance. They are supplemented by the need for action in a social context – safeguarding the supremacy of the law, fighting corruption, guaranteeing employment, investment in health and education, and the rational use and conservation of natural resources.

We believe the OSCE's work in this area should aim primarily at establishing conditions in the economic and law enforcement fields conducive to safeguarding the security of the participating States. There is also a need to focus efforts on increasing the number of participating States that have signed and ratified the United Nations Convention against Corruption.

Moreover, we believe that the OSCE is an ideal platform for an exchange of experience and examples of best practice designed to ensure good governance and

transparency in the economic and environmental dimension. Given the fact that these problems are essentially of a universal character and affect the interests of all participating States without exception, it is extremely important to operate on the basis of equal rights and respect without attempts at mentoring and dividing countries into “teachers” and “pupils”. Any proposed action by the OSCE in these fields should be in accordance with its mandate and should emanate from requests by the countries hosting the Organization’s field missions.

We support the OSCE’s efforts to combat money laundering and the financing of terrorism, including the provision of assistance to participating States in implementing the relevant international legal documents and the recommendations of the Financial Action Task Force on Money Laundering (FATF), modernizing the relevant legislation and strengthening partnership between business and the State. It is important to continue with the organization of large-scale regional or national events on these subjects and to assist in the training of members of financial and law enforcement authorities. There are opportunities for resolving the existing problems through national and subregional programmes to cut off the financing of terrorist organizations by unscrupulous non-governmental and non-profit organizations. This must be done on the basis of a co-ordinated strategy and uniform standards and framework decisions, the development of reliable and effective regional structures organized in accordance with common principles, and co-operation with relevant international organizations.

In this context we welcome the intensification of OSCE contacts with partner organizations, in particular the United Nations Office on Drugs and Crime, the Council of Europe Select Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL) and the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG). There is also a need to strengthen links with other OSCE executive structures such as the Action against Terrorism Unit and the Strategic Police Matters Unit, relevant departments and field missions.

We note the continued interest of OSCE participating States in transport problems and maintaining the reliable and secure operation of freight and passenger transport.

The current global economic processes have given rise to an unprecedented demand for transborder transport services. All modern logistics are built on the basis of one fundamental principle, namely the strict optimization of expenditure, which calls for the upgrading of international transport links and the development of a transport infrastructure. Ensuring transport security in the light of terrorist threats and environmental and technological risks remains of vital importance.

The resolution of these problems is possible only through the joint efforts of all States involved in the world economic system. We firmly believe that the OSCE, as a high-profile regional organization with a comprehensive security mandate, can play a significant role in this process. As a platform, the OSCE is ideally placed for the exchange of transport security experience and know-how, the harmonization of national laws and regulations, the development of multimodal transport, etc. Examples of co-operation between participating States in these areas are well known. They include the seminar in Moscow in 2006 together with the United Nations Economic Commission for Europe (UNECE) and the Eurasian Economic Community (EURASEC) on implementation of the Convention on the Harmonization of Frontier Controls of Goods, the OSCE conference in Dushanbe in 2007 on the prospects for trans-Asian and Eurasian transit transportation through Central Asia up to

the year 2015, the drafting in 2010 together with UNECE of a best practice guide for transborder monitoring of freight, and many more.

In our opinion, the idea voiced during the 18th Economic and Environmental Forum in Prague of organizing an annual forum with UNECE to discuss the security of land transport is an interesting one. Needless to say, it will have to be further elaborated by the relevant departments.

Increasing and expanding co-operation with the International Maritime Organization is no less important. The Russian Federation devotes special attention to ensuring the safety of shipping, fisheries and scientific research together with measures to safeguard the maritime environment, combat terrorism and stop illegal transportation by sea. We look forward to hearing proposals by the office of the Co-ordinator of OSCE Economic and Environmental Activities in this regard.

In general, the OSCE has good prospects and capacities for pursuing its transport activities. We are persuaded that this subject should continue to have high priority on the agenda of the second dimension.