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DRAFT RESOLUTION

FOR THE GENERAL COMMITTEE ON ECONOMIC AFFAIRS, SCIENCE, TECHNOLOGY AND THE ENVIRONMENT

“RULE OF LAW: COMBATING TRANSNATIONAL CRIME AND CORRUPTION”

**Rapporteur
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DRAFT RESOLUTION ON ECONOMIC AFFAIRS, SCIENCE, TECHNOLOGY AND THE ENVIRONMENT

Rapporteur: Mr. Sergiy Shevchuk (Ukraine)

1. Recognizing that transnational crime and corruption pose a serious threat to the fundamental principles and common values of the OSCE, violate human rights, undermine the rule of law and impede socio-economic development,
2. Aware that transnational crime and corruption abet criminal activities such as money-laundering, illegal migration and trafficking in human beings, the smuggling of weapons and narcotic drugs and also criminal activities in many areas of the State's economic activities, thus undermining, in the broad sense of the term, the legitimacy of State authority and society's confidence in it,
3. Convinced that the fight against transnational crime and corruption must be comprehensive and based on bilateral, regional and international co-operation in preventing and combating crime,
4. Noting the proposal contained in the Vilnius Declaration calling for more effective co-operation between the Organisation for Economic Co-operation and Development (OECD), the Financial Action Task Force on Money Laundering (FATF) and the Financial Stability Forum, and also the call for more effective regulation of banking equity capital and, in particular, the accumulation of additional reserves,
5. Recalling the resolution adopted at the annual session in Astana on the encouragement of transparency in the extractive industries,

The Parliamentary Assembly of the OSCE

6. Calls for greater co-ordination between OSCE participating States in order to formulate concerted measures aimed at enhancing the effectiveness of the monitoring and management of the financial system at the national and international levels so as to ensure that it is more transparent and accountable;
7. Calls on participating States to apply voluntary instruments for the prevention of corruption, including the Principles of Corporate Governance devised by the OECD, and to carry out an assessment of their justice and law enforcement systems, using, where necessary, the available instruments and studies conducted by international organizations, scientific societies and public associations;
8. Calls again on the parliaments of participating States to ensure transparency and openness in their legislative processes, to introduce and see to the observance of parliamentary ethical norms, to provide for proper oversight over the work of governmental institutions, and to ensure the protection of persons and public organizations that expose violations;
9. Supports measures to counter tax evasion, crimes in the financial sector and the laundering of monetary assets, and again proposes to participating States that they introduce

obligatory rules governing the operations of offshore banking centres in order to ensure co-operation on their part and transparency in their activities;

10. Expects effective co-operation on the part of international organizations (OECD, FATF and others) so as to avoid a reduction in tax revenue due to fraud and tax evasion, and also proposes that new measures be taken as part of the joint initiative of the United Nations and the World Bank (StAR) for the recovery of stolen assets and the elimination of “safe havens” for illegally acquired funds;

11. Calls on participating States to seek to impart transparency to the budgetary process in their countries with the help, *inter alia*, of effective internal auditing procedures, the submission of financial reports and reports on budget spending, the support of independent media and third-party monitoring of the State procurement process;

12. Recommends to the national parliaments of OSCE participating States that they pass laws to encourage transparency in the activities of private business;

13. Urgently recommends to companies operating in the petroleum, gas and mining sectors and also to the governments of countries that are highly dependent on revenue from these branches – something that is often accompanied by corruption in State agencies – that they introduce the practice of mandatory accounting in respect of income from operations carried out within and outside the country and that they accede to the Extractive Industries Transparency Initiative (EITI);

14. Underscores the importance of preserving the quality of the environment even during periods of financial crisis;

15. Calls on participating States to conduct an assessment of existing State procurement and administration practices in the area of public health – from scientific research and development to the distribution of medicines and the strategies used to sell them – by assessing to what degree these practices are in conformity with the World Health Organization’s Good Governance for Medicines programme, which has been in effect since 2004;

16. Supports regional co-operation between law enforcement agencies and non-governmental organizations in combating transnational crime;

17. Urgently calls on the participants in the next meeting of the OSCE Ministerial Council in 2010 to examine practical ways of promoting co-operation between participating States in efforts to combat corruption and transnational crime; specifically, to consider the question of the advisability of introducing sanctions against corrupt representatives of the executive, legislative and judicial branches of government;

18. Calls on the Lithuanian Chairmanship of the OSCE in 2011 and the Office of the Co-ordinator of OSCE Economic and Environmental Activities to include an examination of the question of combating transnational crime and corruption in the 2011 action plan and, specifically, on the agenda of the 19th annual meeting of the OSCE Economic and Environmental Forum and of the relevant preparatory conferences.

