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DSG Frantz Opening Remarks at “Enhancing Integrity for Business Development in the Middle East and North Africa”, Meeting of the MENA-OECD Business Integrity Network

**MENA-OECD Competitiveness Programme
Plenary Opening, 9:00**

On behalf of the OECD, let me start by welcoming His Excellency Minister Kemal Ayadi, Her Excellency Ambassador Annika Markovic and our honorable representatives of the public and the private sectors from the Middle East and North Africa.

Many of you are here at the OECD for the first time, so allow me to extend a special welcome to you. I am sure you will find that we are an organization that welcomes partners and thrives on partnerships.

I'd like to thank the two co-chairs of the MENA-OECD Initiative on Governance and Competitiveness for Development for joining me in this opening.

The presence of Minister Ayadi, the new chair of the MENA-OECD Governance Programme, is a testimony of Tunisia's commitment to the regional dialogue on this important topic.

Ambassador Markovic is co-chair of the MENA-OECD Competitiveness Programme. She is a powerful voice for strong relations between the OECD and the MENA region.

Corruption remains one of the most pressing challenges of our time. It's immoral. It's wasteful. It promotes distrust in institutions and markets. It is bad for business and bad for government.

Most of all, for me at least, corruption deepens the distrust people have in their own governments. They become disenchanted and disengaged when they see prices driven up by corruption, natural resources squandered by favored companies, the income gap widening at the same time civil servants are living in mansions.

Successful politicians understand that people need to feel their concerns are taken into account, that they and their children can expect a better life and that they will have a degree of economic security.

Above all, people need to trust the competence and decency of economic and political elites.

So how do we respond?

Setting up robust and efficient systems to prevent, detect and respond to fraud and corruption is one of the OECD priorities. We do this by working on a wide spectrum of policy areas: anti-bribery, public procurement, control and audit, fraud and corruption risk management and anti-money laundering tools.

We have developed international standards and instruments to guide countries and businesses toward integrity.

To mention just a couple -- the Anti-Bribery Convention, the Principles for Managing Ethics in the Public Service and the Base Erosion and Profit Shifting initiative.

We designed these tools in partnership with the public and private sectors.

International calls to abide by anti-corruption standards like these three are only effective when there are domestic champions. That means people like you.

At the same time, those who support clean government and honest business find it useful to have international norms and standards to refer to.

Reputational pressure also should not be underestimated as a tool for reform. Governments value their reputations and are keen to rise in international rankings, whether to appeal to foreign investors or calm their own publics.

The OECD is happy to work as partners with all of you to develop those international standards. We will help you develop the tools. But we are not an implementing agency. So it's up to those of you in this room to use these best practices to drive reform – in your government agencies and your boardrooms.

The challenge of eradicating corruption – like the challenges embodied in the Sustainable Development Goals to eradicate extreme poverty – demand a broad collaboration of actors, stakeholders and experts at national, regional and international level. We will combat these corrosive crimes only if we work together to promote transparency, accountability and good governance.

This is the OECD's fourth annual Integrity Week. The focus is on the impact of corruption on trade. It provides an opportunity to debate with all stakeholders. The exchanges will deepen our understanding and help develop innovative approaches and tools.

Those of you in the MENA region understand what I'm talking about here.

The OECD has been co-operating for ten years with the Middle East and North Africa through the MENA-OECD Initiative on Governance and Competitiveness for Development. Like all of our top programs, this one is led by the countries of the MENA region.

We have been working in partnership with the public and private sectors as well as academia and civil society to fight corruption and promote integrity.

We have seen progress. Following the 2011 uprisings, several MENA countries have adopted broad anti-corruption strategies and laws.

This is clear recognition that the mistrust people have in their governments must be erased, or at least reduced. We have seen all too often where that mistrust can lead.

Still, there is much to do. A recent survey of the business environment by the World Bank showed that corruption is one of the top three greatest constraints faced by companies in the MENA region. Mix this perception with concerns about political instability and unfair competition and you have a volatile stew of discontent.

Today's agenda highlights three key aspects of the fight against corruption. Following this opening session, expert participants will break into two groups to tackle the first two aspects.

The MENA-OECD Working Group on integrity and civil service will discuss the importance of internal control and risk management systems as a tool to prevent, detect and respond to fraud and corruption in the public sectors.

These discussions will shape the preparation of the OECD regional study on internal controls to be presented at the ministerial conference in October 2016.

Second, the MENA-OECD Business Integrity Network will take stock of recent actions by both governments and the private sector to strengthen integrity in business. Participants will identify areas for improvement.

The discussion will contribute to setting the priorities of the MENA-OECD Competitiveness Programme for the five-year period from 2016-2020. Enhancing regional integration, including by curbing corruption, will be a key element of the domestic reform agendas in the MENA region in support of sustainable growth in coming years.

Finally, the overall session on State-Owned-Enterprises will debate how to ensure a level playing field for business. The debate will focus on a regional context where state-controlled enterprises continue to play a critical role in the delivery of public services.

Participants will be invited to pinpoint corruption risks that SOEs face and actions that can be taken to ensure that they adhere to effective corporate governance rules and that they are reviewed properly, including by state audit institutions.

What we have today is a genuine opportunity to build on past progress to improve integrity on two sides of the same coin: public governance and the private sector.

Your exchanges will feed more broadly into this fourth OECD annual Integrity Week – which you are kindly invited to attend during the next two days.

Integrity in trade is a major economic imperative, in particular in the MENA region. You know too well that customs and licensing processes constitute a high-risk area that vulnerable to fraud and bribery.

Investing in integrity is investing in growth, it's investing in a more prosperous, inclusive and fairer future for all.

Finally, let me stress that this is a two-way street. We are here to listen to your priorities and work with you to develop solutions to meet those challenges.

Thank you very much.