

Speech by Mihai Tănăsescu

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It is a pleasure for me to be here this morning with you and to present a few ideas about communication but also to see exactly how the Romanian Finance Ministry is seeking to improve transparency and the procedures for spending public monies. Public control here plays a very important role.

I have some figures available but it would be preferable if I were to say exactly what I think about these issues. Everyone knows, and we have seen here too, that communication signifies prevention. That is the situation. It is of the utmost importance that, when dealing with large amounts of money in the form of a budget (which in all countries is financed out of public money), we need to have a very clear idea about how the budget is to be allocated and spent. Preventing fraud is the prime objective of the process. When the budget is discussed with ministers, transparency is important. In our case, transparency means programmes and projects, and a few weeks ago we began implementing the budget by way of programmes and projects. What does this mean? It means that we know very well how the money is to be spent. We know, for example, that the Education Minister will be running 25 programmes next year and will be monitoring on a monthly basis how the money is being spent. It is extremely important to know and to discuss with it how the money will be spent and how we are thus going to prevent widespread abuse.

We attach great importance to this since the Finance Ministry is responsible for European funds. We have a special department entrusted with this task and with liaising closely with the other ministries and with all those involved in the movement of these funds. This year, 2003, we have adopted some very important legislation concerning the monitoring of EU funds. In my opinion, this legislation can set an example in the fight against fraud and for the disbursement of EU funds. The legislation is very clear and we have begun to implement it. The Finance Ministry has the special task of monitoring and controlling these funds, and this is a crucial role it plays. We have three programmes of this kind with the EU. We have PHARE, SAPARD (a new programme providing funds for agriculture and the development of rural infrastructures) and ISPA. These funds must be spent in a very transparent manner. We have very clear rules and procedures for this. All these measures to control public monies are hugely important.

At the same time, however, prevention is also very important. In my opinion, prevention is the key issue in ensuring that financial resources are used properly in all countries. What does prevention mean in our case? It means that you see how the legislation is being implemented since I am convinced that we have very good legislation but an important problem in Romania is its implementation.

How is the legislation being applied? I believe here that we must be well equipped for this task since, in our case, implementation is key. Both prevention and strong, clear legislation as well as transparency are very important in the fight against fraud.

What does transparency mean? It means that the legislation must be unequivocal so that there is no possibility of interpreting it, as this is how some people are able to evade controls and to commit fraud. Transparency not only means very meticulous work but, at the same time, enables us to prevent fraud involving public funds.

Like the other candidate countries, Romania has embarked on a complex process of transforming everything: legislation and its implementation, institutions, and the setting up of new bodies and instruments for handling European resources. In this essential transformation process, monitoring and control will, in my opinion, play a very important

role. We need here to have well-educated individuals who put into practice what has been decided and approved.

Eliminating fraud involving public funds means communicating since communication involves not only discussions but also explaining to people many times over what is necessary, how European funds are to be handled, the fact that financial rules must be complied with and how the legislation is to be applied. In our case, communication is a key aspect of eliminating fraud and, at the same time, I believe that these three aspects, namely transparency, prevention and communication, are the principal elements of the proper implementation of legislation and will ensure proper utilisation of European funds and public money.