

**Second day of the Nineteenth Meeting**  
MC(19) Journal No. 2, Agenda item 7

**DECLARATION ON  
STRENGTHENING GOOD GOVERNANCE AND COMBATING  
CORRUPTION, MONEY-LAUNDERING AND THE  
FINANCING OF TERRORISM**

We, the members of the Ministerial Council of the Organization for Security and Co-operation in Europe, declare our strong support for promoting good governance and transparency in the OSCE area.

We recognize that the United Nations Charter, the Helsinki Final Act and subsequent OSCE landmark documents contain shared commitments, principles and instruments that the participating States should implement in their efforts to promote good governance and transparency.

We reiterate that good governance at all levels is fundamental to economic growth, political stability, and security. Good public and corporate governance, rule of law and strong institutions are essential foundations for a sound economy, which can enable our States to reduce poverty and inequality, to increase social integration and opportunities for all, to attract investment and to protect the environment.

We reaffirm that peace, good international relations, the security and stability of the State and the security and safety of the individual within the State, based on the rule of law and respect for human rights, are crucial for the creation of a climate of confidence which is essential to ensure positive economic and social development.

Transparency in public affairs is an essential condition for the accountability of States and for the active participation of civil society and the private sector in economic and development processes. Transparency increases the predictability of, and confidence in, institutions and economies which are functioning on the basis of adequate legislation and with full respect for the rule of law.

We agree that problems of governance, including corruption and money-laundering, deprive participating States of the capacity to effectively ensure sustainable economic, social and environmental development and undermine social cohesion, stability and security. Weak governance is among the factors conducive to the spread of terrorism. We therefore reaffirm our full commitment to tackling corruption and countering money-laundering, the financing of terrorism and related offences by making them policy priorities backed up by appropriate

legal instruments, adequate financial, human and institutional resources and, where necessary, appropriate tools for their practical and effective implementation.

We recognize the progress achieved to date by the OSCE participating States, individually and collectively, in addressing these threats and challenges to stability and security. We affirm that the OSCE political commitments related to good governance and transparency cut across all three dimensions, and we reiterate our full adherence to implementing these commitments through a comprehensive approach, as set forth in this and other relevant OSCE documents.

We reaffirm our agreement to work on a national basis, with the support of relevant international institutions, to strengthen good governance in all its aspects and to develop methods of co-operation to assist each other in achieving this goal.

## **I. Good governance and transparency**

We view a public sector based on integrity, openness, transparency, accountability and rule of law as being a major factor of sustainable economic growth, and recognize that such a public sector constitutes an important element for fostering citizens' trust in public institutions and government. Thus, we underline the importance of providing education and training on ethical behaviour for public officials, establishing and enforcing relevant codes of conduct and conflict-of-interest legislation, and adopting and implementing comprehensive income- and asset-disclosure systems for relevant officials. In particular, we recognize that both the development of and adherence to codes of conduct for public institutions are critical to reinforcing good governance, public-sector integrity and the rule of law, and to providing rigorous standards of ethics and conduct for public officials.

We welcome the support the OSCE and its field operations have already provided in this regard and call on them to continue providing their valuable assistance to participating States upon their request, also in sharing among themselves, through the OSCE platform for dialogue, national experiences gained and good practices.

We recognize that good governance requires a framework of economic policies, legislation and institutions in which businesses and investments can grow. Therefore, we reaffirm our determination to have clear legal frameworks conducive to the development of business, including small and medium-sized enterprises, which are critical to economic growth, and to the promotion of investment.

We recognize that achieving good governance and combating corruption will not succeed without the full and equal participation of women and men in political and economic processes and institutions, as stipulated in a number of OSCE documents. We underline the importance of empowering women to actively participate in and contribute to policies and activities related to good governance for the equal benefit of men and women.

We recognize the importance of adopting and enforcing laws and other measures against bribery, providing, for example, for the criminalization of bribery of domestic and foreign public officials and the development of public-private partnerships to counter the bribery of public officials.

We reaffirm that the effective management of public resources by strong and well-functioning institutions, a professional and effective civil service, as well as sound budgetary and public procurement processes are major components of good governance. Thus, we recognize the importance of openness, transparency and non-discrimination in the area of goods and services, providing a solid financial basis for our public administration systems, ensuring fiscal and budgetary transparency and adopting fair and transparent government procurement systems, taking into consideration resources such as the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Public Procurement and the World Trade Organization (WTO) Agreement on Government Procurement.

We acknowledge the importance of transparency in different economic sectors. In this respect, we take note of the activities of multi-stakeholder partnerships and initiatives in this sphere, such as the Extractive Industries Transparency Initiative (EITI), and the Construction Sector Transparency Initiative (CoST).

## **II. Combating corruption, money-laundering and the financing of terrorism**

We encourage those OSCE participating States that have not yet done so to become States Parties to the United Nations Convention against Corruption (UNCAC) and to fully implement it. We welcome OSCE assistance towards its implementation, and task the OSCE Secretariat, in particular the Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA), at the request of OSCE participating States with providing support, including the mobilization of technical assistance.

We recognize the need to enhance the implementation of our international and national anti-corruption commitments by *inter alia* involving civil society and the business community in the process, as appropriate, and the importance of regularly reviewing them, including, within the Mechanism for the Review of Implementation of the United Nations Convention against Corruption in accordance with the terms of reference of the Mechanism.

We welcome that the OSCE, and in particular the OCEEA, continues to assist participating States, at their request, with developing and/or harmonizing their national anti-corruption legislation, in line with their international commitments, with ensuring practical implementation and effective enforcement through exchanges of experience and good practices at the regional, subregional and national levels, and with providing advice and training in co-operation with other relevant organizations, such as, *inter alia*, the United Nations Office on Drugs and Crime (UNODC), the Organisation for Economic Co-operation and Development (OECD), the United Nations Development Programme (UNDP) and the International Anti-Corruption Academy. We also recognize other relevant regional anti-corruption monitoring mechanisms, such as the Council of Europe Group of States against Corruption (GRECO), as effective tools, which can assist participating States as they fight corruption.

We recognize that combating corruption requires long-term and comprehensive strategic approaches and strong institutions. We are convinced that those in charge of the prevention, identification, investigation, prosecution and adjudication of corruption offences

should be free from improper influence. In particular, we underline the central role that law enforcement bodies and judicial institutions play in fighting against corruption and in guaranteeing the rule of law. We recognize the critical importance of safeguarding the judiciary's independence in order to enable it to fulfil this function and the need to intensify efforts in this regard. We also acknowledge the importance of, and the need to ensure adequate resources for such institutions.

We also acknowledge the fundamental importance of effectively preventing transfers of the proceeds of crime, the theft, embezzlement and other diversion of public assets, and of recovering stolen assets, for the credibility of our anti-corruption efforts and for economic development. We recognize that effective asset recovery requires appropriate legal frameworks and institutions, empowered practitioners with proper skills and resources, proactive and swift national and international co-operation, networking frameworks and strong political will.

We therefore support measures geared towards removing barriers to asset recovery, *inter alia*, by increasing the efficiency of legal procedures and preventing abuse of those procedures, enhancing efforts to prevent money-laundering, and strengthening international co-operation on asset recovery. We encourage continuing efforts in our countries aimed at the recovery and return of stolen assets and the denial of safe haven in our countries to the proceeds of corruption, consistent with applicable law.

We further encourage the OCEEA to support interested participating States in implementing their international asset-recovery commitments, including by co-operating with and complementing the efforts of other relevant organizations and initiatives *inter alia* of the World Bank/UNODC Stolen Asset Recovery (StAR) Initiative and the International Centre on Asset Recovery.

We recognize the importance of extending sufficient protection to whistleblowers in the public or private sector, as they play a key role in the prevention and detection of corruption, thus defending the public interest. We will intensify our efforts to take appropriate measures to put in place and implement legal mechanisms for the effective protection of whistleblowers and their close family members, from retaliation, intimidation or other psychological or physical harm, or the unwarranted loss of their liberty or livelihood. We recognize such measures to be necessary elements of an effective anti-corruption regime.

We recognize that acts of international terrorism depend on the financing that terrorists may obtain. We consider that the financing of terrorism is a matter of grave concern to the international community as a whole. We are convinced of the urgent need to enhance international co-operation among States in devising and adopting effective measures for the prevention of the financing of terrorism, as well as for its suppression through the prosecution and punishment of its perpetrators.

We fully support the international standards contained in the revised Recommendations of the Financial Action Task Force (FATF) and we express our support to the work of FATF-style regional bodies and their observers and, as appropriate, to ratifying or acceding to and fully implementing relevant regional and international instruments to counter money-laundering and the financing of terrorism including, as appropriate, the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (Warsaw, 16 May 2005).

We encourage the OCEEA to support interested governments and other relevant partners in implementing the FATF Recommendations, including by building capacity to conduct, and to contribute and respond to, money-laundering and financing-of-terrorism risk assessments.

We also encourage the OCEEA and Transnational Threats Department within their respective mandates to assist participating States, at their request, in their efforts to counter money-laundering and the financing of terrorism, including through the development, adoption and implementation of legislation and practices to improve inter-agency and external co-ordination mechanisms in this area.

We recognize that financial investigations are a crucial tool in tackling not only money-laundering and the financing of terrorism, but also related and predicate offences.

### **III. Civil society and the private sector**

We encourage the OSCE to further embrace its comprehensive approach to security and to continue to strengthen the dialogue and co-operation between governments, civil society and the private sector in order to support good governance efforts, including combating corruption, money-laundering and the financing of terrorism, in the participating States.

We recognize that it is important to include the private sector in efforts to counter corruption and enhance good governance and to engage it in favour of a fair and transparent business environment. Such a commitment by the business community is important to enhancing good governance, transparency, stability and security at the national and international levels. In the context of promoting good corporate governance, we take note of the updated OECD Guidelines for Multinational Enterprises.

We encourage the business community to take into account in its activities the social, environmental, humanitarian and security needs of the participating States.

We underline the importance of enhancing the contribution of academia, the business community and civil society to raising awareness of impediments to economic growth, including barriers to market entry, trade and investment, and of the need for greater transparency to foster sustainable economic development.

We recognize that freedom of information and access to information foster openness and accountability in public policy and procurement, and enable civil society, including the media, to contribute to preventing and combating corruption, the financing of terrorism, and money-laundering and its predicate offences. We reaffirm our commitment to make our governments more transparent by further developing processes and institutions for providing timely information, including reliable statistics, with a view to promoting a well informed and responsive dialogue.

We uphold the value of openness in our engagement with citizens to improve services, increase public integrity, effectively manage public resources, create safer communities and increase corporate accountability. We encourage the OCEEA to explore

opportunities for co-operation with the Open Government Partnership, which promotes the principles of transparency, citizen participation, accountability and technology and innovation, with a view to achieving greater prosperity, well-being and human dignity.

#### **IV. Working together for progress**

We recognize that the OSCE provides a forum for political dialogue, information exchange and co-operation on good governance, as well as a platform on which to build the necessary political consensus and understanding regarding the importance of preventing and suppressing corruption, money-laundering and the financing of terrorism at all levels for sustainable socio-economic development and stability. We reaffirm our commitment to co-operating in the development of strategies for good governance and to sharing experience regarding best practices.

We welcome the established close co-operation between the OSCE and other relevant organizations and institutions, including the United Nations, and we call on the OSCE executive structures and in particular the OCEEA to further develop co-operation with them in order to ensure added value and complementarity of activities.

We recognize the valuable contribution that the OSCE executive structures, including the OSCE field operations, bring to the wider work of the Organization in promoting good governance, transparency and the rule of law. We call on them to further foster their co-operation and to continue to co-ordinate their efforts to assist participating States, at their request, in implementing the provisions of this declaration.

MC.DOC/2/12  
7 December 2012  
Attachment

Original: ENGLISH

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of the United States of America:

“Thank you Mr. Chairman.

In connection with the Ministerial Council Declaration on Strengthening Good Governance and Combating Corruption, Money-Laundering and the Financing of Terrorism, we note that we are very pleased to join consensus on this decision.

We would like to state our view that when paragraph 10 of Section II speaks of fully implementing relevant regional and international instruments to counter money-laundering and the financing of terrorism, we take that to include the United Nations International Convention for the Suppression of the Financing of Terrorism, the United Nations Convention on Transnational Organized Crime, and relevant United Nations Security Council resolutions adopted under Chapter VII of the United Nations Charter, including Resolutions 1373 (2001), 1267 (1999), and 1989 (2011), and recognize these resolutions and conventions as providing critical international authorities and imposing substantive international obligations to prevent the financing of terrorism.

We would ask that this interpretative statement be attached to the declaration just adopted, and included in the journal of the Ministerial Council.”