

**Second day of the Twenty-Third Meeting**  
MC(23) Journal No. 2, Agenda item 7

**DECISION No. 4/16  
STRENGTHENING GOOD GOVERNANCE AND  
PROMOTING CONNECTIVITY**

The Ministerial Council,

Reaffirming the relevance of, and our full respect for all OSCE norms, principles and commitments related to our co-operation in the economic and environmental dimension, and bearing in mind the comprehensive approach of the OSCE to security,

Reaffirming the OSCE commitments on combating corruption, in particular the relevant provisions of the Charter for European Security adopted in 1999 at the OSCE Summit in Istanbul, the OSCE Strategy Document for the Economic and Environmental Dimension adopted in Maastricht in 2003, Ministerial Council Decision No. 11/04 on combating corruption adopted in Sofia in 2004, the Declaration on Strengthening Good Governance and Combating Corruption, Money-Laundering and the Financing of Terrorism adopted in Dublin in 2012, and Ministerial Council Decision No. 5/14 on prevention of corruption adopted in Basel in 2014,

Reaffirming the commitments related to transportation and trade facilitation in the OSCE area, in particular those contained in the Helsinki Final Act adopted in 1975, the Document of the Bonn Conference on Economic Co-operation in Europe adopted in 1990, the OSCE Strategy Document for the Economic and Environmental Dimension adopted in Maastricht in 2003, the OSCE Border Security and Management Concept adopted in Ljubljana in 2005, Ministerial Council Decision No. 11/06 on future transport dialogue in the OSCE adopted in Brussels in 2006, Ministerial Council Decision No. 11/11 on strengthening transport dialogue in the OSCE adopted in Vilnius in 2011, and other relevant OSCE documents,

Recognizing that good governance, transparency and accountability are essential conditions for economic growth, trade, investment and sustainable development, thereby contributing to stability, security and respect for human rights in the OSCE area,

Recognizing that corruption and lack of good governance are potential sources of political tension that undermine the stability and security of participating States,

Acknowledging that good governance, rule of law, the prevention of and fight against corruption, money laundering and the financing of terrorism; sound regulatory frameworks,

including adequate protection for whistle-blowers; a public sector based on integrity, openness, transparency and accountability as well as good corporate governance based on efficient management, proper auditing, accountability and adherence to and respect for laws, rules and regulations, business ethics and codes of conduct established in close consultation with business and civil society are critical components for promoting a positive business and investment climate in the OSCE area,

Welcoming the fact that almost all participating States have ratified or acceded to the United Nations Convention against Corruption (UNCAC) and are working towards fulfilling the commitments deriving from the Convention,

Recognizing the importance of the Financial Action Task Force's (FATF) "International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation",

Affirming that transparent 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,

Recognizing the importance of the active participation of the private sector, including small and medium-sized enterprises, civil society and media, in preventing and combating corruption and promoting a sound business and investment climate,

Recognizing that regional and subregional integration processes and agreements can give an important impulse to trade and economic development in the OSCE area and the OSCE participating States,

Acknowledging the importance of promoting, where appropriate, regional and subregional economic co-operation,

Recalling the UNECE transport agreements and conventions for the OSCE's work in the field of transport and trade facilitation,

Underlining that promoting connectivity through transport and trade facilitation is an important part of our economic co-operation,

Reaffirming that our economic co-operation should be based on solidarity, transparency, equal and non-discriminatory partnership, mutual accountability, and full respect for the interests of all OSCE participating States, and that, if action in the economic field has a negative impact on other participating States, we will seek to minimize this, in line with our international obligations,

Calling upon participating States to promote free and secure movement of persons, goods, services and investments across borders, in conformity with relevant legal frameworks, international law and OSCE commitments,

Reaffirming the commitments of OSCE participating States to assist each other to increase the integration of their economies into the international economic and financial system, above all through early accession to the World Trade Organization (WTO),

Underlining the importance of the 2014 WTO Trade Facilitation Agreement,

Recalling the 2030 Agenda for Sustainable Development and its Sustainable Development Goals and Targets as well as the Paris Agreement adopted in December 2015, including the role that good governance, among other factors, plays in their implementation,

Recognizing the importance of the public and private sectors' full adherence to labour, social, and environmental standards and its contribution to good governance and sustainable development,

Welcoming the substantial discussions held in the framework of the 24th Economic and Environmental Forum and of the thematic Economic and Environmental Committee meetings held in 2016,

Welcoming the discussions held at the OSCE Chairmanship Conference on "Connectivity for Commerce and Investment" held in Berlin on 18 and 19 May 2016 and taking note of the outcome document "Conference Outcome – Chair's Perception",

Reaffirming the existing OSCE commitments in the field of good governance, stressing our determination to fight trafficking in human beings in all its forms, and recognizing the role that transparency and accountability in public procurement processes can play in preventing and combating human trafficking and labour exploitation,

**Strengthening good governance, promoting transparency and improving the business climate**

1. Encourages participating States to accede to, ratify and implement the United Nations Convention against Corruption (UNCAC) and to exchange information and best practices on the UNCAC Second Review Cycle process, as laid out in UNCAC;
2. Encourages participating States to, where appropriate, implement and adhere to other relevant international standards, such as those prescribed by the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the Financial Action Task Force's (FATF) "International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation", and to contribute to intensifying the involvement of all relevant stakeholders, including civil society and the business community in their implementation, as laid out in these international instruments;
3. Encourages participating States to promote the exchange of best practices among all relevant stakeholders that contribute to good public and corporate governance, the promotion of transparency, and the prevention and combating of corruption, also in the sphere of the environment;
4. Calls upon participating States to further promote integrity, accountability and cost-effectiveness in public procurement processes, also by ensuring that private interests are not unduly influencing decisions at relevant levels of government, and to ensure adequate transparency requirements for companies participating in public tenders;

5. Calls upon participating States to facilitate access to appropriate government information by increasing the accountability of the public sector and by stimulating public participation through e-governance;

6. Tasks relevant OSCE executive structures, including field operations, within their mandates and available resources, to contribute to enhancing co-operation between participating States, the private sector and civil society and to actively involve the private sector and civil society in their activities on strengthening good governance, promoting transparency and improving the business and investment climate;

### **Promoting connectivity through transport and trade facilitation**

7. Recognizes that connectivity through transport and trade facilitation, including through measures at different levels of government, can enhance economic co-operation that is mutually beneficial and contribute to good-neighbourly relations, confidence-building and trust in the OSCE area;

8. Calls upon participating States to further promote transparency, integrity and the fight against corruption in customs, cross-border operations and infrastructure development, including by improving border-crossing procedures and processes;

9. Encourages participating States to enhance co-operation between landlocked, transit and non-landlocked countries for the benefit of regional economic development, thereby contributing to the creation of a conducive environment for promoting connectivity within the OSCE area;

10. Encourages participating States to promote policies and initiatives reducing the environmental footprint of transport and its impact on climate change;

11. Encourages participating States that are members of the WTO to sign and ratify the 2014 WTO Trade Facilitation Agreement and to support its full implementation;

12. Invites participating States to implement additional trade facilitation measures, aimed at making customs, administrative and regulatory processes more predictable, transparent and accountable, including by harmonizing, simplifying and streamlining norms and procedures without weakening current standards, by strengthening cross-border and regional co-operation of relevant authorities including customs, and by strengthening dialogue and co-operation between relevant government authorities and the private sector;

13. Encourages participating States to further pursue, where appropriate, opportunities for mutually beneficial regional and sub-regional economic co-operation, including through promoting dialogue and co-operation among participating States and with relevant international and regional organizations, including WTO;

14. Tasks relevant OSCE executive structures, including field operations, within their mandates and available resources, in co-operation with relevant international organizations, to support participating States, upon their request, in the development of trade facilitation measures with a view to strengthening good governance, promoting border-crossing facilitation and fostering business interaction;

**Strengthening good governance through adherence to labour, social, and environmental standards**

15. Encourages participating States to facilitate secure transportation and trade while preventing illicit trafficking in accordance with the relevant provisions of international law and agreements to which the OSCE participating States are parties, and to increase efforts aimed at overcoming challenges such as labour exploitation and poorly regulated and inspected worksites;
16. Invites participating States to strive for better application of internationally recognized labour, social, and environmental standards within the UN, ILO, and where appropriate OECD;
17. Encourages participating States to promote, in co-operation with the private sector, sustainable consumption and production patterns based on internationally recognized labour, social, and environmental standards;
18. Tasks relevant OSCE executive structures, including field operations, within their existing mandates and available resources, to support participating States in exchanging best practices on raising awareness of the relevance of internationally recognized labour, social and environmental standards, and on strengthening good governance and promoting transparency in public procurement processes;

**Strengthening public-private partnerships in the fight against corruption, money laundering and financing of terrorism**

19. Encourages participating States to facilitate co-operation among law enforcement, the judiciary and financial intelligence units and other relevant actors as well as between the public and the private sector and civil society, including media, in combating corruption, money laundering and other financial crime;
20. Tasks relevant OSCE executive structures, including field operations, within their mandates and available resources, to facilitate dialogue and co-operation among governments, private sector and civil society in order to support good governance efforts, including combating corruption, money laundering and the financing of terrorism, and in order to address impediments to economic growth and sustainable development;
21. Encourages the Partners for Co-operation to voluntarily implement the provisions of this decision.

MC.DEC/4/16  
9 December 2016  
Attachment 1

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. Chairperson.

In connection with the Ministerial Council decision just adopted on strengthening good governance and promoting connectivity, the United States would like to make the following interpretive statement under paragraph IV.1(A)6 of the OSCE Rules of Procedure.

The United States welcomes the adoption of this decision. We would, however, like to express our disappointment that the Russian Federation would not accept more robust language on the importance of combatting human trafficking and ensuring that our supply chains – including for government procurement – are accountable and that our policies towards them prevent and combat human trafficking and labour exploitation.

OSCE participating States have committed themselves to combat human trafficking, and also asked the OSCE Secretary General to ensure that OSCE’s own procurement supply chains do not contribute to human trafficking or labour exploitation.

The United States looks forward to the Austrian Chairmanship addressing this as a priority issue throughout 2017.

Mr. Chairperson, we ask that this statement be attached to the decision we have just adopted and also included in the journal of the day.

Thank you.”

MC.DEC/4/16  
9 December 2016  
Attachment 2

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 Ukraine:

“Mr. Chairperson,

In connection with the adoption of the ministerial decision on strengthening good governance and promoting connectivity, the delegation of Ukraine would like to make the following interpretative statement in accordance with paragraph IV.1(A)6 of the OSCE Rules of Procedure:

The delegation of Ukraine joined consensus on the ministerial decision on strengthening good governance and promoting connectivity.

We did so in the recognition that the economic and environmental dimension is an important part in the OSCE concept of comprehensive security linking co-operation in the economic and environmental dimension to peaceful inter-State relations. Such co-operation necessitates that all OSCE principles and commitments, starting from the Helsinki Final Act, be implemented fully and in good faith. We expect that the work of OSCE Chairmanships will continue to be underpinned, including on this decision, by ensuring adherence to the core OSCE principles and commitments and the imperative of correction of existing glaring violations.

The delegation of Ukraine requests that this interpretative statement be attached to the decision and to the journal of the day.

Thank you, Mr. Chairperson.”

MC.DEC/4/16  
9 December 2016  
Attachment 3

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 Armenia:

“Mr. Chairperson,

In connection with the Ministerial Council decision on strengthening good governance and promoting connectivity the delegation of Armenia would like to make the following interpretative statement under paragraph IV.1(A)6 of the Rules of Procedure.

We welcome adoption of the ministerial decision on strengthening good governance and promoting connectivity.

Armenia attaches importance to their promotion as important factors for enhancing trust and confidence-building, narrowing divisions and building bridges across dividing lines, including in the situation of application of unilateral coercive measures.

We welcome that concept of connectivity will build upon and reinforce the principles of our economic co-operation, that of solidarity, transparency, non-discriminatory partnership, mutual accountability and full respect for the interests of all OSCE participating States, as well as minimizing negative impact of actions in the economic field on other participating States.

The decision clearly refers to the OSCE principles, norms and commitments related to the economic and environmental co-operation. Thus it reaffirms the commitment of refraining from any act of economic coercion. We hope that the implementation of the decision will assist participating States which apply acts of economic coercion particularly through closing transport links and borders to reconsider their current practices.

The delegation of the Republic of Armenia requests that this statement be attached to the decision and registered in the journal of the day.

Thank you, Mr. Chairperson.”