

KNOWLEDGE COMMITMENT ACTION

AGAINST CORRUPTION IN ASIA AND THE PACIFIC

Papers Presented at the
5th Regional Anti-Corruption Conference
of the ADB/OECD Anti-Corruption Initiative
for Asia and the Pacific

Beijing, People's Republic of China
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Asian Development Bank

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- Taking Action Against Corruption in Asia and the Pacific: Proceedings of the 3rd Regional Anti-Corruption Conference held in Tokyo, Japan, in 2001. Manila: ADB/OECD, 2002.
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Abbreviations and Acronyms

ABA	American Bar Association
ACA	Anti-Corruption Agency (Malaysia)
ADB	Asian Development Bank
APEC	Asia-Pacific Economic Co-operation
art.	article
ASEAN	Association of Southeast Asian Nations
ATF	arrêts du tribunal fédéral (court decisions) (Switzerland)
AusAID	Australian Agency for International Development
BAPEL	Supervisory Board and Executing Agency of the Rehabilitation and Reconstruction Agency for Aceh and Nias (Indonesia)
BRR	Badan Rehabilitasi dan Rekonstruksi (Rehabilitation and Reconstruction Agency) (Indonesia)
CEO	chief executive officer
CIABOC	Commission to Investigate Allegations of Bribery or Corruption (Sri Lanka)
CNY	Chinese Yuan
COPA	Committee on Public Accounts (Sri Lanka)
COPE	Committee on Public Enterprises (Sri Lanka)
CP	code pénal (penal code) (Switzerland)
CPC	Communist Party of China
CPI	Corruption Perception Index
CSO	civil society organization
DAD	Development Assistance Database
DFID	Department for International Development (UK)
EBRD	European Bank for Reconstruction and Development
ECHR	European Convention on Human Rights
EIMP	loi fédérale sur l'entraide internationale en matière pénale ([Swiss] federal law on mutual legal assistance in criminal matters)
EITI	Extractive Industries Transparency Initiative
FATF	Financial Action Task Force on Money Laundering
GDP	gross domestic product
GSDMA	Gujarat State Disaster Management Authority (India)

HAP	Humanitarian Accountability Partnership
HDR	Human Development Report
HKSAR	Hong Kong Special Administrative Region
IAG	International Advisory Group
ICAC	Independent Commission Against Corruption (Hong Kong, China)
IGEC	International Group of Experts on Corruption
IIM	Integrity Institute of Malaysia
IMF	International Monetary Fund
IT	information technology
KICAC	Korea Independent Commission Against Corruption
K-PACT	Korean Pact on Anti-Corruption and Transparency
KPK	Komisi Pemberantasan Korupsi (Corruption Eradication Commission) (Indonesia)
LDCs	least developed countries
LTTE	Liberation Tigers of Tamil Eelam
MDG	Millennium Development Goal
MDTFANS	Multi Donor Trust Fund for Aceh and North Sumatra
MLA	mutual legal assistance
MOU	memorandum of understanding
NGO	nongovernmental organization
NIP	National Integrity Plan (Malaysia)
NPC	National People's Congress
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
OECD	Organisation for Economic Co-operation and Development
PBC	People's Bank of China
PBEC	Pacific Basin Economic Council
PGRI	Partnership for Governance Reform in Indonesia
PHP	Philippine Peso
PIRR	Centre for Rehabilitation and Reconstruction Information (Aceh, Indonesia)
PRC	People's Republic of China
PWYP	Publish What You Pay
RM	Malaysian ringgit
Rs	Indian rupee
SAARC	South Asian Association for Regional Cooperation
SAFE	State Administration of Foreign Exchange (People's Republic of China)
SCPC	Service Central de Prévention de la Corruption (Central Bureau for the Prevention of Corruption) (France)
SEAPAC	South East Asian Parliamentarians Against Corruption

SOE	state-owned enterprise
SPC	Supreme People's Court (People's Republic of China)
SPP	Supreme People's Procuratorate (People's Republic of China)
TAFREN	Task Force for Rebuilding the Nation (Sri Lanka)
TI	Transparency International
TISL	Transparency International Sri Lanka
UK	United Kingdom
UN	United Nations
UNCAC	United Nations Convention Against Corruption
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
USD	US Dollar
WCO	World Customs Organization
WTO	World Trade Organization

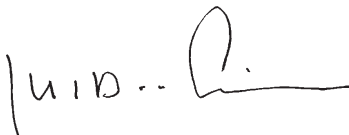
Foreword

Recent years have seen significant progress in the fight against corruption in the Asia-Pacific region. Only a few years ago, had Asian and Pacific countries wished to call for an open, constructive discussion of the difficulties they faced because of corruption, no international forum would have been available to them. Government officials would not have been able to share their experiences candidly or brainstorm together about possible solutions to the problems common to them all. There was no venue where governments, the private sector, civil society, international organizations, and donor agencies could contemplate strategic anti-corruption reforms and ways to work together for change. There would have been no opportunity to reflect on how best to manage humanitarian aid to prevent corruption in relief and rebuilding operations, or to consider the ways governments can work together to close the avenues of escape for the corrupt to hide their profits and evade detection and prosecution by crossing borders. Yet, these and other matters crucial to improving social welfare, reducing poverty, and boosting economic development in the region were the focus of the Fifth Regional Anti-Corruption Conference for Asia and the Pacific, held in Beijing, People's Republic of China, on 28–30 September 2005.

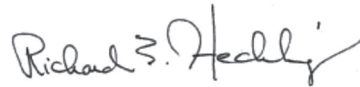
The conference was organized with the support of the Government of the People's Republic of China, in close partnership with its Ministry of Supervision, which graciously hosted the conference. The event was the fifth in a series of conferences held in the framework of the Asian Development Bank (ADB)/Organisation for Economic Co-operation and Development (OECD) Anti-Corruption Initiative for Asia and the Pacific, within which Asia-Pacific leaders have committed to undertake actions essential to the development of their economies for the benefit of their people. This conference reinforced coordinated action across the region and cultivated exchange and debate around designing and implementing effective policies to curb corruption. The enthusiastic participation at this event of nearly 250 representatives of government, the business community, and civil society from 28 Asian and Pacific countries—joined by senior government representatives of 11 OECD countries—reaffirmed the commitment of regional and global stakeholders, and most particularly

the steadfast determination of the group of countries that have endorsed the Initiative's Anti-Corruption Action Plan for Asia and the Pacific, to prevent, detect, and prosecute corruption. The group, now composed of 25 committed countries in Asia-Pacific, has grown steadily over the six years since the launch of the Initiative, and each conference has brought with it new participating countries and first-time observers.

Advances in the Asia-Pacific region's fight against corruption have been hard-won, and the potential for further progress is great. However, obstacles remain, and in the ever-evolving context of an increasingly globalized society, new challenges surface constantly. The analyses and discussions that unfolded at this event, together with the conclusions and recommendations that arose during the two-and-a-half-day conference, assembled in this publication, provide guidance for future work to meet these challenges. We are confident that this volume, produced jointly by ADB's Regional and Sustainable Development Department and the OECD's Directorate for Financial and Enterprise Affairs, will be an important resource for countries in the Asia-Pacific region, and beyond, in their fight against corruption.



GEERT VAN DER LINDEN
Vice-President
Asian Development Bank



RICHARD HECKLINGER
Deputy Secretary General
Organisation for Economic Co-operation
and Development

Acknowledgments

The ADB/OECD Anti-Corruption Initiative for Asia and the Pacific would like to express its sincere gratitude to the Ministry of Supervision of the People's Republic of China for its expertise, guidance, and cooperation in the preparations for the Fifth Regional Anti-Corruption Conference for Asia and the Pacific and the Initiative's Seventh Steering Group Meeting and especially for its warm welcome and gracious hospitality during the Beijing Conference.

Special thanks are also due to the participants of the Conference, most particularly to the authors of the papers in this volume, whose insight and ideas enriched the discussions and outcome of this event. The Fifth Regional Anti-Corruption Conference for Asia and the Pacific was directed and coordinated by Frédéric Wehrlé, Coordinator for Asia-Pacific at the OECD Anti-Corruption Division, and Jak Jabes, Director, Capacity Development and Governance Division, ADB, and managed by Gretta Fenner, Consultant, Project Manager of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific. Joachim Pohl of the Anti-Corruption Initiative for Asia and the Pacific, Anti-Corruption Division, OECD, oversaw the preparation of this publication and Helen Green, also of the OECD's Anti-Corruption Division provided editorial support. Organizational support and assistance by Marilyn Pizarro, consultant with the ADB, and Frances Mooney of the OECD are gratefully acknowledged.

The Initiative's work is supported by the ADB, the OECD, the Australian Agency for International Development, the Pacific Basin Economic Council, the Swedish Agency for International Development Cooperation, Transparency International, the United Kingdom Department for International Development, the United Nations Development Programme, and the World Bank.

Keynote Addresses

Welcome Remarks

Hua Jianmin

State Councillor and Secretary General of the State Council
People's Republic of China

The ADB/OECD Anti-Corruption Initiative for Asia and the Pacific's Seventh Steering Group Meeting and Fifth Regional Anti-Corruption Conference for Asia and the Pacific are now open in Beijing. On behalf of the Chinese Government and the Chinese people, I would like to extend our congratulations on the convening of the conference and a warm welcome to all delegates.

The theme of the conference, "Reducing Inequality and Promoting Growth: Driving Down Corruption", is of great significance. It is an important guarantee for equality and growth, and the common choice of governments across the region in reducing corruption to the lowest possible level by conducting effective management and supervision and enhancing government integrity and efficiency. At this conference, delegates will focus on issues of common concern, exchanging experiences and discussing ways to prevent and fight against corruption. Doing so, I believe, will further promote the anti-corruption drive in the region and exchanges and cooperation in combating corruption.

As a member of the large Asia-Pacific family, China has always pursued peace, development, and cooperation, concentrating all its efforts on construction and development. Since we adopted the policy of reform and opening up, China's economic growth has been fast and sustainable, national strength has been enhanced, and the standard of living has improved. The development of China has also created new development opportunities for other countries, and made positive contributions to peace and development in the region and the world.

While focusing on reform, opening up, and economic construction, the Chinese Government attaches great importance to promoting administrative restructuring and government building. We have been working hard to build a law-based, accountable, clean, and service-oriented government by transferring government functions, instituting

scientific and democratic decision making, innovating new management methods, opening up government affairs, and intensifying administrative supervision. We have endeavored to build a clean and diligent government and combat corruption, continuously increasing our efforts to prevent corruption and exploring ways to prevent and address problems at the source. We have adhered to and improved the anti-corruption leadership structure and work mechanisms to form a joint force against corruption. Focus has also been given to outstanding problems that infringed on public rights and interests, and efforts have been made to address wrongdoings that harmed public rights and interests. We persist in conducting government administration according to law, managing government affairs strictly and improving the government work style, and dealing severely with violations of the law and discipline. We use reform as a tool for addressing deep-rooted problems that lead to corruption, and create and improve new structures, mechanisms, and systems. China, after years of great endeavor, has scored and continues to score outstanding achievements in countering corruption. This has ensured China's economic growth and promoted democratic and legal development and social justice.

China is now at a critical juncture of reform and development. While pushing forward the reform, opening-up, and modernization drive, we will intensify the campaign against corruption and the building of a clean government. We will continue to follow the strategic approach of tackling both the symptoms and the root causes, taking comprehensive measures that combine punishment and prevention, with emphasis on the latter. We will build and strengthen a system for punishing and preventing corruption with equal emphasis on education, institution building, and supervision, in conformity with China's socialist market economy. After some years of work we will complete an effective long-term mechanism for ideological and ethical education, an institutional system of anti-corruption and government integrity, and mechanisms for the control of power operations.

Against a backdrop of growing economic globalization and regionalization, increased international cooperation in the fight against corruption is urgently needed. The Chinese Government has always attached importance to international anti-corruption cooperation and the exchange of successful experiences and effective practices. The Government has signed the UN Convention Against Corruption and actively explored with many countries ways to combat transnational and transregional corruption and strengthen law enforcement cooperation. The Ministry of Supervision has conducted fruitful cooperation with the

UN Development Programme (UNDP) on the Integrity in Government in China programme. We would like to strengthen cooperation with all the other countries of the world, including those in the Asian region, in the fight against corruption. I would like to propose the following suggestions for promoting anti-corruption cooperation in the Asia-Pacific region.

First, respect sovereignty, equality, and mutual benefit. All countries should respect each other's sovereignty and choose their own anti-corruption structures, mechanisms, and systems, as well as specific strategies and measures. On that basis, we can conduct mutually beneficial cooperation.

Second, respect differences and share achievements. The differences between countries in state conditions and political and legal systems in particular, as well as the inherent characteristics of anti-corruption work, should be recognized and respected. Countries should exchange and learn from each other's useful experiences and effective practices, and share anti-corruption information and results.

Third, follow a step-by-step approach and be pragmatic. Attention should be paid not only to the need but also to the feasibility of cooperation with focus on effectiveness. Priorities should be identified in the scope, content, and method of cooperation and developed step by step. Currently, priorities could be given to capacity building, prosecution of cases of corruption, and seizure, confiscation, and recovery of the proceeds of corruption with the aim of achieving concrete results.

The Asia-Pacific region is our common home. It is our common aspiration to create a corruption-free region. Let's all join hands to deepen cooperation and exchange, prevent and fight corruption, and work together for the social and economic development and common progress of our region.

I wish the conference a complete success.

Opening Remarks

Geert van der Linden

Vice-President

Asian Development Bank

On behalf of the Asian Development Bank, it is my privilege to welcome you to the 5th Regional Anti-Corruption Conference. I would like to begin by commending all of you for your commitment to eradicate the scourge of corruption in Asia and the Pacific.

I would like to take the opportunity today to talk about the progress and challenges related to the region's anti-corruption efforts, and what ADB is doing to support these efforts. My main message this morning is that, while progress is being made, it is slow progress. It is our hope that the information and knowledge shared through this conference will strengthen everyone's resolve and ability to tackle this crucial challenge.

Anti-Corruption Consensus

In December 2003, the United Nations opened its Convention Against Corruption, or UNCAC, for signature. One hundred twenty-nine countries, including many in our region, have now signed on to UNCAC. This is a clear indication of how seriously the world community takes the issue of corruption.

It is estimated that, in many Asian and Pacific countries, fully one third of public investment is being wasted because of corruption. Corruption has a devastating effect on the poor, robbing them of needed services and depleting their assets and incomes through scandalous rents.

Corruption also increases the cost of doing business, and keeps countries from achieving their economic growth and employment potential. The World Bank's investment climate survey shows that more than 36% of firms with interests in East Asia and the Pacific see corruption as a major or severe obstacle to the operation and growth of their business. In South Asia, the proportion is more than 40%. These high levels of concern are confirmed by ADB's country-specific studies in Indonesia and the Philippines.

Progress and Challenges

There are, of course, encouraging signs. For example, the number of countries endorsing the regional action plan to fight corruption has grown from 17 in 2001, to 25 this year. In the two years since we last met in Kuala Lumpur, the People's Republic of China, the Republic of Palau, Thailand, and Vietnam have agreed to work with their regional partners in instituting anti-corruption reforms. We welcome their participation in this important effort.

It is also encouraging to see that a growing number of countries in the region are implementing new anti-corruption measures. Other countries have taken on the issue with resolve and concrete action, building on the trends already clear in the People's Republic of China; Hong Kong, China; and the Republic of Korea.

Bangladesh, for example, has set up a national anti-corruption commission. Nepal has established a National Vigilance Center. And an anti-corruption commission is now functional in Indonesia. These initiatives, and those of many other countries in the region, show that we are moving in the right direction.

However, despite significant efforts, legal gaps, loopholes and institutional weaknesses remain as barriers to progress. Legislation in many countries does not yet extend to areas like foreign bribery or political corruption, and regulations are too often ambiguous. Furthermore, not enough attention has been paid to reforming the law enforcement agencies, whose cooperation is essential to the success of anti-corruption agencies. And, although the contributions of civil society in raising public awareness, encouraging reforms, and monitoring progress are well known, some countries remain wary of fully engaging civil society as a partner in fighting corruption. Building capacities and partnerships across the region is crucial in addressing these ongoing challenges.

The Role of the Asian Development Bank

ADB remains staunchly committed to this task. Allow me to illustrate our approach by citing some concrete contributions.

For several years now, we have been working with the Indonesian Government in setting up institutions to combat corruption. In 2004, ADB approved technical assistance to strengthen the capacity of the Commission for Eradication of Corruption. We are also providing extensive support to improve public procurement, accounting and auditing, corporate governance, and legal and judicial reform.

In Bangladesh, we are working with the Government in designing and implementing an integrated anti-corruption strategy for both the private and public sectors. This initiative is focused primarily on the secured financing¹ sector of private credit markets, which is considered potentially one of the most dynamic segments of the Bangladesh economy. Working with both the private and public sectors to prevent corruption in these markets could have a significant, positive impact on economic growth and poverty reduction, since many small and medium-sized businesses rely on secured financing to expand their operations.

In recent years, the battle against money laundering and financing of terrorism has risen steadily on the global agenda. In 2004, ADB established a trust fund to help countries in the region fight this battle. And we have engaged full-time staff with specific expertise in money laundering.

Thailand is one country that is taking advantage of ADB's assistance to stamp out money laundering and the associated financing of terrorism. We are working with Thailand to ensure that it meets the international cooperation requirements of the Financial Actions Task Force on Money Laundering. And we are supporting training sessions for officials in the Mekong region to establish effective legal and institutional frameworks to deal with cross-border issues, among other things.

When the tsunami hit Asia in December 2004, ADB mobilized its human and capital resources to support the countries devastated by this tragedy. We established a special tsunami trust fund, with an initial contribution of USD 600 million,² mostly in grant funds, and immediately joined our development partners in assessing the damage. But we were aware that the complex reconstruction would increase the risks of corruption.

To minimize these risks, ADB, together with OECD and Transparency International, brought together more than 60 participants from affected and donor countries to agree on a set of principles for preventing corruption during reconstruction. These included transparency and accountability, particularly of financial flows; independent oversight of projects; inclusion of affected people and civil society in decision making; and close coordination among all parties to avoid duplication and increase effectiveness. A book summarizing the workshop discussions is now available.

Finally, we are well aware that we must also guard against corruption in all ADB operations. Over the last year, we have extensively reviewed our governance and anti-corruption policies. Recommendations on how to better harness the insights of civil society, strengthen project monitoring

and oversight, and mitigate corruption risks in project design are now under consideration.

The Way Forward: Effective Partnerships and Continued Resolve

Given the complexities of the global age, corruption cannot be handled through stand-alone efforts. This battle requires state-of-the-art knowledge and tools and, above all, firm resolve. Judging by the commitment of the 25 member countries, we can be optimistic that progress will continue.

On behalf of ADB, I would like to express our appreciation to the OECD for its strong and ongoing partnership in and contributions to the Initiative. I would also like to thank all the development partners, who have provided their strong support.

In particular, I want to recognize our host country, the People's Republic of China. Since 2000, the Government of PRC has participated as an observer in the Anti-Corruption Initiative. PRC experts aided in drafting our Action Plan, and the Government endorsed it earlier this year. By holding this conference, it has yet again shown leadership in tackling corruption in the region.

We deeply appreciate the Government's efforts to make this important event a success. The proceedings and outcomes of this conference will further cement coordination among member countries, and with international governance and anti-corruption experts. We are confident that this will be a milestone in the journey towards a transparent Asia that is free of poverty and corruption.

Notes:

- ¹ Secured financing means financing against movable property collateral like equipment, vehicles, shares, software, and other property that is not land.
- ² ADB news release, 17 February 2005. This amount does not include an additional USD 175 million to be redirected from ongoing projects.

Opening Remarks

Richard Hecklinger

Deputy Secretary General

Organisation for Economic Co-operation and Development (OECD)

Working Together for Change

It is a great pleasure for me to join Mr. He Yong, Member of the Secretariat of the Communist Party of the People's Republic of China (CPC) and Executive Deputy Secretary of the Central Commission of Discipline Inspection of the CPC, Mr. Hua Jianmin, Vice Prime Minister/State Councillor, Mr. Jia Chunwang, General Prosecutor of the Supreme People's Procuratorate, Mr. Li Zhilun, Minister of Supervision, and Mr. Geert van der Linden, Vice-President of ADB, in welcoming you to Beijing for the Fifth Regional Conference of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific. On behalf of the OECD and its member countries, I would like to express our sincere thanks to Mr. He Yong and the ministers of the Government of the People's Republic of China for hosting this important event. The leadership and commitment of China in the fight against corruption—in Asia and worldwide—is crucial for its success.

I also wish to express my sincere gratitude to ADB and its staff. ADB has been an outstanding partner from the very start of the Anti-Corruption Initiative six years ago. My thanks go as well to the many other institutions that support us in carrying forward this ambitious initiative. These include the Australian Agency for International Development, the Pacific Basin Economic Forum, the Swedish International Development Cooperation Agency, Transparency International, the United Kingdom Department for International Development, the United Nations Development Programme, and the World Bank.

Our goal is clear. Countries from all parts of the world have agreed that corruption undermines economic development, and undermines trust in government and the stability of our societies. Governments need to devise solutions

- to guarantee integrity in the public administration and business,
- to make the public-private interface fully transparent, and
- to consolidate the legal and institutional framework for international judicial cooperation.

This conference, with so many of you present, from governments and civil society, demonstrates the desire of Asia-Pacific governments and societies to continue working together under the ADB/OECD Initiative to advance in their fight against corruption to promote development, raise standards of living, and ensure fairness and equity.

OECD Anti-Bribery and Integrity Instruments in the Global Fight Against Corruption

The OECD anti-bribery instruments also have their origins in a dynamic collaboration between governments and civil society. Thirty-six countries have joined forces under the OECD Convention on Combating Bribery of Foreign Public Officials. Through cooperation, they can accomplish far more than they could as countries acting alone.

Since the entry into force of the OECD Convention in 1999, the parties have met regularly to address common problems and identify solutions. To ensure the implementation of the Convention, the parties have adopted a rigorous and comprehensive monitoring process. At the start, they closely examined the legislation that the 36 parties had adopted to fulfill the Convention obligations. Now they are evaluating the measures of each country to prevent, detect, prosecute, and ultimately sanction the bribery of public officials. The evaluations are public—on the Internet. Each party must report how it is implementing the recommendations of the group.

In all these activities the parties work closely with the business community and with civil society. Their support was crucial for building the momentum to negotiate the Convention. Their continued support and involvement strengthens our work. And we, governments, are accountable to civil society for achieving the anti-corruption goals that we have set.

But law enforcement is not the only—or even perhaps the most important—means of fighting corruption. The guarantee of integrity in public life is the basis for public trust and the foundation of good governance. OECD countries have developed guidelines on how to modernize their legal, regulatory, and procedural systems to promote integrity in the public service and thereby also prevent corruption. The OECD has also undertaken extensive work on regulatory reform, which is one of the most effective ways to reduce the incidence of corruption.

Finally, the OECD supports this Anti-Corruption Initiative here and similar efforts elsewhere, by sharing the expertise we have gained through the implementation of the OECD anti-corruption instruments, and by

helping to integrate regional initiatives into the wider network of anti-corruption efforts around the world.

The ADB/OECD Anti-Corruption Initiative: Dynamics and Purpose

The ADB/OECD Anti-Corruption Initiative for Asia and the Pacific has pursued an ambitious agenda since it began in Seoul, Korea, in 2000, and since 17 countries endorsed the Anti-Corruption Action Plan in Tokyo, Japan, in 2001. The Initiative is driven by the determination of countries in the region

- to lead the region's fight against corruption, and
- to use internationally agreed standards to guide their actions.

Today 25 Asian and Pacific countries and jurisdictions participate in the Initiative. Since the People's Republic of China joined us in April 2005, the Initiative now covers more than half of the world's population, giving it an even more prominent role in today's global anti-corruption architecture.

A promising sign for the future is that, in joining the ADB/OECD Initiative, China's highest authorities have committed to a strong reform under the three pillars of the Initiative's Anti-Corruption Action Plan. Like other members of the Initiative, they will regularly review progress in implementing the Action Plan—so that we can learn from their experiences and successes. In this context, the OECD stands ready to cooperate with China and support China's efforts to play a strong role in the global fight against corruption.

Conference Objectives: Advancing Anti-Corruption Reform and Strengthening Capacity in Corruption Risk Zones

Since the last conference in Kuala Lumpur, Malaysia, in 2003, Asia-Pacific countries have examined their laws and institutions to prevent and combat corruption in public procurement, a key area where the risk of corruption is high. Many governments have adopted comprehensive anti-corruption strategies, improved their anti-corruption legislation, and increased the resources, both financial and human, of their law enforcement agencies.

Later this morning, we will learn more about these recent measures undertaken by Asia-Pacific countries, about good, effective approaches, and about the difficulties we encounter.

The agenda of the Initiative has expanded in the past years to keep up with changes in the global economy and the region, as well as the evolving character of corruption. During the conference, which will guide countries in their anti-corruption efforts until the next regional conference in two years' time, six workshops will look at measures to strengthen the effectiveness of domestic anti-corruption strategies.

An important starting point is to understand the weaknesses in a country's anti-corruption infrastructure. Public opinion surveys can be a useful tool for gaining insight into these weaknesses.

Stakeholder involvement in the design and implementation of anti-corruption strategies is very important. The conference will therefore look at ways to enhance cooperation between governments and donors, and between governments and the private sector.

We also need to pay special attention to certain sectors or activities of public administration that are particularly susceptible to corruption. The conference will thus examine the corruption risks and remedies in humanitarian relief operations, and ways to better regulate the public-private interface to prevent potential abuse.

Finally, we all agree that one of the key challenges is the growing financial complexity and internationalization of corruption cases. Success in prosecuting corruption depends on our ability to strengthen international cooperation among judicial authorities. We need to make optimum use of the network of experts from the region and beyond to make progress in this area.

Conclusion

I am confident that the outcomes of this conference will lay a firm foundation for strengthening anti-corruption efforts. I hope we can contribute together to economic development and a better quality of life for all citizens from Asian and Pacific countries. I wish you all a very successful conference.

Opening Remarks at the 7th Steering Group Meeting

Li Zhilun

Minister of Supervision

People's Republic of China

First of all, on behalf of the Ministry of Supervision of the PRC, I would like to express my heartfelt congratulations on the convening of the 7th Steering Group Meeting of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific and the Fifth Regional Anti-Corruption Conference for Asia and the Pacific in Beijing and extend a warm welcome to all the distinguished guests and friends present here.

Countries and regions in Asia-Pacific are linked by mountains and rivers. We have no reason not to become good friends and neighbors, and deepen exchange and cooperation in various fields. A major issue facing all countries and regions is to build and maintain a clean and efficient government during the entire process of economic development. The fight against corruption is an internal concern of a country, and each country should work out its own anti-corruption strategies and measures on the basis of its realities. At the same time, countries and regions need to learn and support each other, and join forces in countering corruption. The ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, with its Steering Group, is a joint achievement of Asian countries and regions and international and regional organizations, aimed at strengthening exchange and cooperation in the fight against corruption. In the past years, the Steering Group, taking into consideration the characteristics of the region, has made great efforts and played a positive role in helping members exchange experiences in the fight against corruption, organizing personnel training, providing specific and practical assistance, and promoting the implementation of the Initiative to combat corruption in this region. As a regional anti-corruption action plan, the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific advocates the reform of systems and mechanisms with pragmatic measures. This is of crucial significance in guiding and promoting the elimination of corruption in Asia-Pacific countries and regions and in conformity with the requirements of the international community in combating corruption. It is also in line with the Chinese Government's efforts to develop a complete and effective mechanism for combating corruption. China formally became a member of the Initiative at the Sixth Steering Group Meeting of the ADB/OECD

Anti-Corruption Initiative for Asia and the Pacific in Hanoi, Vietnam, last April. It showed the willingness of the Chinese Government to play an active role in the regional anti-corruption drive. We will, on the basis of equality and mutual benefit, respect for differences, and pursuit of tangible results, conduct active and pragmatic cooperation with other members, exchange and learn from each other's experiences, and strive to minimize corruption.

The Chinese Government has always attached great importance to the work of anti-corruption, made it a top priority, and taken measures to tackle it. We have adhered to the principle of "doing two jobs at the same time and attaching equal importance to both" advocated by Mr. Deng Xiaoping. This means that we conduct both reform and opening up and the fight against corruption at the same time to guarantee the sound interaction between socio-economic development and the work of anti-corruption and the building of a clean government. We have adhered to the concept of putting people first and governing for the people, and focused our efforts on solving the problems detrimental to the interests of the people, thus truly safeguarding those interests. We have persisted in administering according to law and managing the government strictly, seriously handling corruption cases and severely punishing corrupt elements to curb the spread of corruption. We have made full use of the fundamental role of education in fighting against corruption and building a clean government, and establishing an ethical defense line to resist corruption and degeneration. We have carried out the strategic policy of addressing corruption from both its symptoms and root causes in a comprehensive way and combining both punishment and prevention, with emphasis on the latter, deepening reform and institutional innovation to prevent and solve the problem at its very source. We have strived to strengthen the leadership structure and work mechanisms and bring into full play the role of various supervision elements to form a joint force in the fight against corruption. After years of efforts, we have found an effective way of tackling corruption suited to the current situation in China and have scored great achievements in this field.

We are very pleased to have this conference held here in Beijing. We are from different countries and regions and have different professional backgrounds. I believe that all of us will make full use of this opportunity to exchange and explore ways to curb corruption and promote social justice and development. It is also a good chance for us to strengthen our friendship and further promote the implementation of the Initiative in the Asia-Pacific region.

The Chinese Government is paying close attention to this conference. Mr. He Yong, secretary of the Central Committee Secretariat of the Communist Party of China (CPC) and vice-chairman of the Central Commission for Discipline Inspection, Mr. Hua Jianmin, State Councillor and Secretary General of the State Council, and Mr. Jia Chunwang, Procurator General of the Supreme People's Procuratorate, will attend tomorrow's opening ceremony of the Fifth Regional Anti-Corruption Conference for Asia and the Pacific. Mr. Wu Guanzheng, member of the Standing Committee of the Political Bureau of the CPC Central Committee and chairman of the Central Commission for Discipline Inspection, will meet with the heads of the delegations. The Ministry of Supervision, as the host of the conference, will do its utmost to provide the best service to ensure the success of the conference.

I wish the conference a complete success and hope all of you enjoy your stay in Beijing.

Closing Remarks

Huang Shuxian

Vice-Minister of Supervision

People's Republic of China

The three-day Fifth Regional Anti-Corruption Conference for Asia and the Pacific has completed all the items on the agenda, thanks to the common efforts of all the delegates, and is now coming to its conclusion. On behalf of the organizing committee and the Ministry of Supervision, I would like to congratulate you on the success of the conference and express our heartfelt gratitude to all the delegates and friends for your support and cooperation.

The Chinese Government attaches great importance to this conference. During the conference, Mr. Wu Guanzheng, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC) and Secretary of the Central Commission for Discipline Inspection, and Mr. He Yong, Secretary of the CPC Central Committee Secretariat and Deputy Secretary of the Central Commission for Discipline Inspection, had a cordial meeting with heads of delegations. Mr. Hua Jianmin, State Councillor and Secretary General of the State Council, attended and addressed the opening ceremony. Mr. Jia Chunwang, procurator of the Supreme People's Procuratorate, was also present at the opening ceremony. Mr. Li Zhilun, Minister of Supervision, delivered the speech welcoming the delegates to the conference. They all praised highly the work of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, clearly expounded the principles and policies followed by the Chinese Government in building a clean government and countering corruption, and expressed China's sincere aspiration to participate in anti-corruption exchange and cooperation in Asia and the Pacific. During the conference, delegates from China's supervisory institutions had broad contacts with participants from other countries and regions. They exchanged experiences, deepened understanding, and increased cooperation.

Delegates at the conference focused on the theme "Reducing inequality and promoting growth: Driving down corruption", reviewed recent anti-corruption work in Asia and the Pacific, and discussed strategies for expanding anti-corruption efforts in the region. We conducted in-depth exchanges and discussions on the following six topics: the role of public opinion surveys in preparing anti-corruption reform,

effective donor support for anti-corruption reform in developing countries, prevention of corruption in humanitarian relief operations, conflicts-of-interest typologies, a supportive environment for business integrity, and regional and worldwide judicial cooperation to deny safe havens. The conference reached consensus on many issues. At the same time, officials of the Bureau of Policy Development of the United Nations Development Programme made constructive suggestions concerning support and donations for anti-corruption reforms in the region. Transparency International and other non-governmental organizations expressed their views on curbing corruption and promoting equality and development. I believe this conference will play a positive role in strengthening anti-corruption activities and cooperation in the region and developing friendship among oversight agencies of all countries.

Resolutely curbing corruption is a strategic task for all countries and regions in Asia and the Pacific, as well as an important responsibility of their governments. The Ministry of Supervision is willing to work together with its counterparts throughout the region to strengthen exchange and cooperation, strive to build clean, pragmatic, and efficient governments, and promote social justice and development.

I take this opportunity to wish you all a pleasant trip back home.