

Regional Seminar on Political Economy of Corruption

ADB Headquarters, Manila, Philippines, 9-10 September 2009

Agenda

Workshop Objectives

The purpose of the workshop is to provide participants with a general understanding of political economy issues and the political economy of corruption and how this would impact on their day to day jobs. In particular the issue of independence, accountability and political interference will be covered.

The workshop will introduce participants to political economy analysis which is “concerned with the interaction of political and economic processes in a society: the distribution of power and wealth between different groups and individuals and the processes that create, sustain and transform these relationships over time”.¹

Target Audience

Official representatives of Member Countries and Jurisdictions of the ADB/OECD Anticorruption Initiative for Asia and the Pacific. The regional seminar is by invitation and is open to self funded participants from the private sector, civil society organization, academe and development partners subject to logistical constraints.

Structure

The morning sessions will be conducted as panel discussions with three to four speakers per discussion topic identified, followed by a questions and answer session. The afternoon sessions will focus on group work, using case studies. The workshop will cover such topics as independence, accountability, political economy analysis, incentives, forming alliances and coalitions.

Day 1 – Wednesday 9 September 2009

8:00 – 8:45 **Registration**

8:45– 9:00 **Opening Remarks**
Ms. Ursula Schaefer-Preuss
Vice President, Knowledge Management and Sustainable Development
Asian Development Bank

9:00 – 10:30 **Session 1: Political Economy of Corruption – Demystified**

The purpose of this session will be to set the stage for the following two days, ensuring that all participants have a basic understanding of what is meant by political economy of corruption. The issue of independence (from political interference) and mechanisms for strengthening independence will also be discussed.

Chair: Mr. Xianbin Yao, Director-General, ADB

- Political Economy Explained – Mr. Stephen Pollard, Principal Economist, ADB
 - Identifying Political Exposed Persons (PEPs) and detecting and reporting the laundering of proceeds of corruption involving PEPs (e.g. corruption involving members of Parliament, heads of state-run agencies; family members of political figures and their associates and advisors; royal family members) - Mr. Jason Sharman, Griffith University, Australia
 - The Importance of Political Economic Analysis and Coalition Building in Addressing Corruption - Mr. Joel Turkewitz, Program Coordinator, Regional Governance Hub, World Bank - Bangkok
 - Political Economy of Corruption vs. Political Corruption: What will not be covered in the seminar - Ms. Kathleen Mktan ADB/OECD Secretariat
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Group photo and Tea/Coffee break

11:00 – 12:00 **Keynote Address: Anticorruption and the Sustainable Development Agenda**
Ms. Huguette Labelle, Chair of Transparency International

(Presentation open to all ADB staff followed by a question and answer period)

Lunch

13:00 – 15:30 **Session 2: Case Study on Political Economy Analysis – Anticorruption Reforms - Part 1**

Facilitator(s): Mr. J. Keith Johnson and Mr. Peter Robertson, ADB

The case involves a newly formed anticorruption agency tasked with designing, obtaining approval for and implementing a national anticorruption strategy. Participants, working in groups, will identify key stakeholders and map their relationships between the stakeholders.

15:30 – 15:45 *Tea/Coffee break*

15:45 – 17:15 **Session 3 : Case Study on Political Economy Analysis –
Anticorruption Reforms Part 2**

Based on the same case study presented above, the groups will complete stakeholder analysis and develop strategies at the design, approval and implementation stage of national anticorruption strategy development.

17:15 – 17:30 Day one summary

19:00 *Welcome Dinner to be hosted by Ms. Merceditas Gutierrez, Ombudsman of
the Philippines*
Venue: Joy Ballroom, 5th Floor, Oakwood Premier

Day 2 – Thursday 10 September 2009

9:00 – 10:30 **Session 4: Strengthening Independence of Integrity Institutions**

Chair: Ms. Christine Uriarte, OECD

- The Role of Parliament in Supporting Integrity Institutions – Mr. Kamarudin Jaffar, Member of Parliament, Malaysia
 - Administrative Structures that Support Independence - Mr. Chimgee Sangaragcha, Commissioner General of Independent Authority against Corruption of Mongolia
 - Challenges to Auditor Independence: Experience of a small Pacific country – Mr. Paul Allsworth, Director of Audit, Cook Islands
 - An Independent Judiciary – Mr. Barry O'Keefe, Chairman, Interpol's International Group of Experts on Corruption, Australia
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10:30 – 10:45 *Tea/Coffee break*

10:45 – 12:00 **Session 5: Importance of International Legal Instruments in Preventing Political Intervention in Anticorruption Efforts**

Chair: Mr. Surya Shrestha, ADB

- Experience during 10 years of the OECD Convention (including independence of police and prosecutors, the role that peer review and monitoring mechanisms play as a deterrent) – Mr. William Loo, OECD
 - UNCAC as a Basis for Monitoring of Anti-Corruption Efforts in Bangladesh - Mr. Sanaul Mostafa, Institute of Governance Studies, Bangladesh
 - UNCAC Pilot Test of Peer Review Mechanisms: Philippine Experience – Ms. Merceditas Gutierrez, Ombudsman of the Philippines
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12:00 – 13:00 *Lunch*

13:00 – 15:00 **Session 6: Political Economy in the Natural Resources Sector**

Presentations: Mr. Pascal Fabie, TI and Mr. J. Keith Johnson, ADB Consultant

- TI's specific work in the forestry sector - Mr. Pascal Fabie, Regional Director for Asia-Pacific, Transparency International Secretariat
- The natural resource sector value chain and where the corruption vulnerabilities lie - Mr. J. Keith Johnson, ADB Consultant

Case Study: Facilitators: Mr. J. Keith Johnson and Mr. Peter Robertson, ADB

Building on the case study used in Day 1, the Anticorruption Commission has been asked by the Government to review proposed policy changes in the forestry sector from the anticorruption perspective and to identify amendments as necessary.

15:00 - 15:15 *Tea/Coffee break*

15:15 – 16:45 **Session 7: Group Exercise *Making it Real***

Facilitators: Mr. J. Keith Johnson and Mr. Peter Robertson, ADB

This session will consolidate the tools introduced in the workshop --- political economy analysis, stakeholder analysis, development of strategic responses, and how coalitions and alliances can be formed. Through analyzing the various stakeholders to any issue/reform, and looking at the issues from the stakeholder perspective, it is possible to identify natural allies etc. A group exercise will allow participants to discuss how political analysis tools and coalitions could be applied in their day to day work. Through group discussions, participants will consolidate what they have learned from the workshop and how they will introduce the techniques into their day to day work.

16:45 – 17:30 **Wrap up:** Closing remarks on behalf of a Member, an Advisor and the Secretariat

Feedback and Debrief: In addition to the evaluation forms, a facilitated debrief session will be conducted to see what worked and what didn't work in the workshop
