

## Minutes of the 9<sup>th</sup> Steering Group Meeting 27-29 November 2006, Bangkok, Thailand

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### Participants

**Endorsing countries:** Australia; Bangladesh; People's Republic of China; Cook Islands; Fiji Islands; Hong Kong, China; Indonesia; Japan; Kazakhstan; Republic of Korea; Kyrgyz Republic; Macao, China; Malaysia; Mongolia; Nepal; Pakistan; Republic of Palau; Papua New Guinea; Philippines; Singapore; Sri Lanka; Thailand; Vietnam.

**Advisory Group:** Asia Pacific Group on Money Laundering (APGML); Australian Agency for International Development (AusAID); Swedish International Development Cooperation Agency (SIDA); Transparency International (TI); United Nations Development Programme (UNDP); World Bank.

**Observers:** Pacific Islands Forum Secretariat; Switzerland; United Nations Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders (UNAFEI).

**Secretariat:** Asian Development Bank (ADB); Organisation for Economic Co-operation and Development (OECD).

**Not attending:** Cambodia; India; Samoa; Vanuatu – American Bar Association – Asia Law Initiative (ABA-Asia); Pacific Basin Economic Council (PBEC); United Kingdom Department for International Development (DFID).

### Summary of Discussion

#### 1. Opening

The meeting was opened by Mr. Chanchai Likhitjitta, Minister of Justice of the Kingdom of Thailand. Opening remarks were delivered by Mr. Jean-Pierre Verbiest, Director, ADB Resident Mission to Thailand, and Mr. Frédéric Wehrlé of the Secretariat of the ADB/OECD Initiative for Asia-Pacific. The meeting agenda was adopted.

#### 2. Country reports on recent anti-corruption measures, report by the Advisory Group and by observers

The Steering Group heard endorsing countries report on their recent anti-corruption reforms and their progress on implementing the Action Plan since the Group's 8th meeting in Manila in May 2006. Members of the Advisory Group, the Pacific Islands Forum, and the United Nations Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders (UNAFEI) provided information on their activities in support of Asia-Pacific countries' anti-corruption efforts. A detailed summary of the discussion is in the annex. The Group welcomed and accepted the invitation of the Asia-Pacific Group on Money Laundering (APG) to become a supporting observer to APG.



### 3. Activity report by the Secretariat

The Secretariat reported the following activities undertaken since the 8th Steering Group meeting:

– **Proceedings of the training seminar on mutual legal assistance, extradition and the recovery of proceeds of corruption**

The Secretariat prepared and published the proceedings of the Initiative's 4th training seminar on "Denying Safe Haven to the Corrupt and the Proceeds of Corruption", held in Kuala Lumpur, Malaysia on 28-30 March 2006. The proceedings are available in print and on the Initiative's website ([http://www.oecd.org/document/56/0,2340,en\\_34982156\\_34982460\\_37504184\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/56/0,2340,en_34982156_34982460_37504184_1_1_1_1,00.html)).

– **Policy review on public procurement**

Upon final approval of the report on the outcome of the Initiative's 1<sup>st</sup> thematic review by the Group, the Secretariat published the report on "Curbing Corruption in Public Procurement in Asia and the Pacific". The report is available in print and on the Initiative's website (<http://www.oecd.org/corruption/asiapacific/procurement>)

– **Outreach**

**Formalizing cooperation with the Asia-Pacific Group on Money Laundering:** Pursuant to the decision of the Steering Group taken at the 8th meeting in May 2006 to invite the Asia-Pacific Group on Money Laundering (APG) to join the Advisory Group as a full member, the Secretariat liaised with the APG Secretariat. Subsequently, APG accepted the invitation, became a full member of the Initiative's Advisory Group and invited the Initiative to become a supporting observer to APG. The Initiative's Secretariat attended the APG annual meeting in Manila on 3-6 July.

**Strengthening cooperation with the Asia-Pacific Economic Cooperation (APEC):** Upon the invitation of APEC, the Secretariat delivered presentations on the Initiative's work on curbing corruption in public procurement before the APEC Government Procurement Experts Group (GPEG) and at the Public-Private Dialogue on Anti-Corruption and Transparency under APEC ACT; both events took place in the margin of APEC SOM III in September 2006 in Vietnam. Efforts to formalize the relationship with APEC ACT that the Steering Group had called for to ensure a better coordination and avoid duplication of efforts had previously remained unanswered; however, renewed efforts in this regard in advance of Australia's Chairmanship of APEC in 2007 have advanced this project and there has been recent progress on encouraging closer relations between the two groups.

**Strengthening cooperation with the Pacific Islands Forum:** The Secretariat liaised with the Pacific Islands Forum Secretariat to strengthen the cooperation between the Initiative and the Forum. As a result, the Forum Secretariat attended the 9th Steering Group meeting as an observer.

**Dissemination of information about anti-corruption measures undertaken by the Initiative's member countries and the Initiative:** Since the meeting Group's 8<sup>th</sup> meeting in May, two newsletters of the Initiative have been published with a circulation of approximately 2,800 each.

### 4. Thematic review on mutual legal assistance, extradition and the recovery of proceeds of corruption

The Steering Group discussed the draft overview report on Mutual Legal Assistance, Extradition and the Recovery of Proceeds of Corruption in 27 Asian and Pacific Countries that had been prepared by the Secretariat. Members of the Group discussed their laws, institutions and practices in MLA, extradition and recovery of proceeds of corruption. The discussion was moderated by two experts, Jean-Bernard Schmid (Investigating Magistrate, Financial Section, Geneva, Switzerland) and Rita O'Sullivan (Senior Counsel, Office of the General Counsel, ADB).

The Steering Group further:

- noted that the draft report provides a useful overview of the members' legal and institutional frameworks for MLA, extradition and the recovery of proceeds of corruption;
- agreed to publish the draft report to make the information gathered so far available to a large audience of experts, policymakers and practitioners;

- invited the Initiative's members that have not commented on the draft report and/or responded to the questionnaire for the thematic review to do so as soon as possible; the Secretariat will approach members by the end of January 2007 to seek clarification or additional information where required;
- requested the Secretariat to expand the report by including recommendations for reform for the Asia-Pacific region, country reports on the frameworks for MLA, extradition and the recovery of proceeds as well as recommendations for a way forward for each member of the Initiative; and
- agreed to discuss and finalize the enhanced report at the 10th Steering Group meeting.

## **5. Implementation of the Action Plan through area-specific reform projects**

Under the Action Plan's 2nd implementation cycle (2004-2006) members have selected priority areas for reform and defined related projects to target the identified weaknesses. Under the 3rd implementation cycle (2007-2008), members are required to identify a new set of priority areas for reform and define related projects in support of reform. At its 8th meeting, the Steering Group discussed some members' self-assessment of their 2nd cycle projects and their project proposals for the third cycle. Countries that did have the opportunity to make their presentations were invited to do so during the 9th Steering Group meeting.

**Self assessment of project implementation under the 2nd implementation cycle:** The Group heard the Philippines present its self-assessment report on the implementation of its reform project under the 2nd implementation cycle (2005-2006). The Group then discussed the findings, achievements and remaining challenges of the project.

**Reform projects to be conducted under the 3rd implementation cycle:** The Group heard and discussed presentations by Australia, the Philippines, and Vietnam on their reform projects under the 3rd implementation cycle (2007-2008).

The Group agreed to hear at the 10th Steering Group meeting the self-assessment reports of reform projects under the 2nd implementation cycle by the following members: Bangladesh; Cambodia; Cook Islands; India; Japan; Mongolia; Palau; Papua New Guinea; Samoa; Vanuatu. The Group also agreed to hear at its 10th meeting the reform projects under the 3rd implementation cycle by the following members: Cambodia; Cook Islands; Fiji Islands; India; Indonesia; Japan; Mongolia; Pakistan; Samoa; Vanuatu.

## **6. Future activities of the Initiative and Strategy and Work Program 2007-2008**

The Steering Group discussed the Initiative's Strategy and Work Plan 2007-2008. The Group

- called upon the Secretariat to continue and expand the activities that the Initiative conducts in support of anti-corruption reform in the members;
- called upon the Advisory Group and notably the donors represented therein to maintain the financial and in-kind support to the Initiative and to assist the Secretariat in securing the necessary means to implement the activities set out in the Strategy and Work Plan 2007-2008;
- welcomed the suggestions made by the Pacific Islands Forum Secretariat and the United Nations Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders to explore ways to support and benefit from the operations of the Initiative in the fight against corruption in Asia and the Pacific; and
- congratulated Malaysia on its announcement to explore the possibility of undergoing a country review in 2007.

The Group adopted the Strategy and Work Plan 2007-2008.

## **7. Next meeting of the Group**

The Steering Group decided to convene the 10th Steering Group meeting in the third quarter of 2007, and mandated the Secretariat to contact members that have expressed interest in hosting this event.