

6<sup>th</sup> Steering Group meeting  
Hanoi, Vietnam, 19-21 April, 2005

## Minutes of the 6<sup>th</sup> Steering Group Meeting 19-21 April 2005, Hanoi, Vietnam

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### Participants

**Endorsing countries:** Australia; Cambodia; People's Republic of China; Cook Islands; Fiji Islands; Hong Kong, China; Indonesia; Republic of Korea; Kyrgyz Republic; Malaysia; Mongolia; Nepal; Pakistan; Republic of Palau; Papua New Guinea; Philippines; Singapore; Vanuatu; Vietnam.

**Advisory Group:** Australian Agency for International Development (AusAID), Pacific Basin Economic Council (PBEC), Transparency International (TI), United Kingdom Department for International Development (DFID), World Bank (Vietnam country office).

**Observers:** ADB Resident Mission in Vietnam, New Zealand Agency for International Development (NZ Aid), Swedish International Development Cooperation Agency (SIDA), World Economic Forum (WEF).

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

**Absent:** Bangladesh; India; Japan; Kazakhstan; Samoa; Thailand. – American Bar Association-Asia Law Initiative (ABA-Asia); US State Department; United Nations Development Programme (UNDP).

### Summary of Discussion:

#### 1. Opening

The meeting was opened by H.E. Mr. Vu Pham Quyet Thang, Ph.D., Deputy Inspector General of the Government Inspectorate of Vietnam, and Messrs. Jak Jabes and Frédéric Wehrlé of the Secretariat of the ADB/OECD Initiative for Asia-Pacific. The meeting agenda was adopted.

#### 2. Minutes of the 5th Steering Group Meeting

The Group approved the minutes of the 5th Steering Group meeting.

#### 3. New members to the Steering Group

The People's Republic of China and Thailand endorsed the Anti-Corruption Action Plan for Asia-Pacific on 15 April and 18 April 2005 respectively. China's endorsement statement was delivered by Mr. Wang Yongjun, Director General, Foreign Affairs Department of the Ministry of Supervision. Thailand's endorsement statement was delivered by the Secretariat on Thailand's behalf. China's formal endorsement statement was followed by a brief overview of the PR China's legal and institutional framework to combat corruption, thereby confirming China's commitment to the principles and standards of the Action Plan. The Steering Group unanimously welcomed the People's Republic of China and Thailand as the Steering Group's 24th and 25th members.

The accession of the People's Republic of China and Thailand to the Steering Group was publicized in a press release issued by the ADB/OECD Secretariat (available at: [http://www1.oecd.org/daf/asiacom/pdf/pressrelease\\_Hanoi\\_19042005.pdf](http://www1.oecd.org/daf/asiacom/pdf/pressrelease_Hanoi_19042005.pdf)).



#### 4. “Tour de Table”: Report on recent anti-corruption measures:

The Steering Group heard reports from endorsing countries about recent anti-corruption reforms and progress achieved in the implementation of the Action Plan since the Group’s 5th meeting in Manila in July 2004, and information from members of the Advisory Group and observers to the Steering Group about their activities in support of Asian and Pacific countries’ anti-corruption efforts. A detailed summary of this tour de table is available in Annex I (“Tour de Table”).

#### 5. Report by the Secretariat on activities undertaken since the 5th Steering Group meeting in July 2004:

The Secretariat reported the following activities undertaken since the last Steering Group Meeting:

##### Measuring progress and policy analysis:

- **Stocktaking exercise:** Publication of the final overview report on “Anti-corruption Policies in Asia and the Pacific – the Legal and Institutional Frameworks” as approved by the Steering Group at its 5<sup>th</sup> meeting in July 2004 in Manila. Copies of the book (ISBN 971-561-551-1) were sent to the Steering Group members. It is further available through the Initiative’s website free of charge ([www1.oecd.org/daf/asiacom/pub\\_stocktaking.htm](http://www1.oecd.org/daf/asiacom/pub_stocktaking.htm)) and print copies can be ordered through the ADB’s publication unit (<http://www.adb.org/Publications/default.asp>).
- **Thematic review on public procurement:** Preparation and dissemination to member countries of questionnaire on existing legal and institutional measures to curb corruption in public procurement, and drafting of first version of “Overview Report on Curbing Corruption in Public Procurement in Asian and Pacific Countries” based on replies to the questionnaire from 12 member countries, for discussion at the 6<sup>th</sup> Steering Group meeting.

##### Capacity building:

- **2<sup>nd</sup> Master Training seminar on “Curbing Corruption in Public Procurement”** (Manila, Philippines, 7-9 July 2004). The meeting was attended by 33 participants from 16 member countries of the ADB/OECD Initiative and facilitated by experts from a Swiss based company specialized in tender verification and ADB public procurement experts.
- **3rd master training seminar – “Meeting international anti-corruption standards: Anti-Corruption Action Plan for Asia-Pacific and the UN Convention against Corruption as driving forces for the reform agenda”** (14-17 February 2005, Islamabad, Pakistan). The meeting was attended by 50 participants from 17 member countries of the ADB/OECD Initiative, and hosted by the National Accountability Bureau of Pakistan. Experts included representatives from the Asian Development Bank, the Asia-Pacific Group on Money Laundering, the Cook Islands, the Commonwealth Secretariat, the Organisation for Economic Co-operation and Development, Pakistan, the United Kingdom, the United States, and the United Nations Office on Drugs and Crime.
- **International Expert Meeting on Corruption Prevention in Tsunami Relief** (7-8 April 2005, Jakarta, Indonesia). The meeting, organized jointly by the ADB/OECD Initiative and Transparency International and hosted by the Ministry of Finance of Indonesia, brought together over 60 senior representatives from governments, civil society and the private sector from the six countries most affected by the tsunami disaster of December 2004 (India, Indonesia, Maldives, Malaysia, Sri Lanka and Thailand), and representatives from international organizations and 18 donor agencies from OECD member countries.

##### Outreach:

- Publication of the **proceedings from the Initiative’s fourth Regional Anti-Corruption Conference** (Kuala Lumpur, Malaysia, 3-5 December 2003). Copies of the book (ISBN 971-561-562-7) were sent to the Steering Group members. The publication is further available through the Initiative’s website free of charge ([http://www1.oecd.org/daf/asiacom/pub\\_4th-ac-conf.htm](http://www1.oecd.org/daf/asiacom/pub_4th-ac-conf.htm)) and print copies can be ordered through the ADB’s publication unit (<http://www.adb.org/Publications/default.asp>).
- **Strengthening of cooperation between members of the ADB/OECD Initiative and member countries of the OECD:**

Invitation of Steering Group delegates from Nepal, Pakistan and the Philippines to speak at the “**Partnership Forum on Improving Donor Effectiveness in Combating Corruption**” (Paris, France; 9-10 December 2004), organized by the OECD Development Assistance Committee in cooperation with Transparency International.

Invitation of Steering Group delegates from India and Singapore to participate in the “**OECD Global Forum on Governance – Fighting Corruption and Promoting Integrity in Public Procurement**” (Paris, France; 29-30 November 2004).

- **Strengthening of cooperation with the Asia-Pacific Economic Council (APEC):** At the invitation of APEC, the Secretariat of the ADB/OECD Initiative attended the first APEC anti-corruption expert meeting in Santiago de Chile in September 2004 where the APEC anti-corruption course of action was discussed. The Secretariat presented the ADB/OECD Initiative and achievements which participating countries have made in this framework in their efforts to strengthen their legal and institutional anti-corruption frameworks. The APEC Course of Action acknowledges the need for cooperation with other anti-corruption initiatives, and refers in particular to the ADB/OECD Initiative in this context.
- Preparation and dissemination of the **ADB/OECD Initiative’s quarterly newsletter** to further enhance the Initiative’s visibility and that of participating countries’ anti-corruption efforts. Three newsletters have so far been sent to approximately 1300 recipients each.

## 6. Thematic review on Curbing Corruption in Public Procurement:

The Steering Group discussed the first draft overview report on Curbing Corruption in Public Procurement that had been prepared by the Initiative’s Secretariat and heard advice provided by Ahsan Ali, Senior Procurement Expert, World Bank. The Steering Group notably:

- welcomed the review study as a useful instrument to gain an overview of the countries’ legal and institutional frameworks to curb corruption in public procurement and to identify gaps and loopholes in these structures which require particular attention with a view to enhance the fight against corruption in public procurement;
- invited the countries that have not yet submitted information on their legal and institutional provisions to curb corruption in public procurement to do so at their earliest convenience by submitting to the Secretariat replies to the questionnaire specifically prepared for this purpose under the ADB/OECD Initiative;
- invited countries to submit corrections of factual information contained in the draft overview report, as well as additional relevant information to be included in the report, in the weeks following the Steering Group meeting;
- requested the Secretariat to further expand the study to provide more detailed information on individual countries’ experience, relevant existing laws and institutions and possible reform efforts in the matter, and to amend the report with a set of recommended good practices against which progress in curbing corruption in public procurement could be measured over time; and
- decided to discuss and finalize the second, revised and expanded report at the 7th Steering Group meeting.

## **7. Program of Work 2005-2006:**

### **Stocktaking**

The Steering Group agreed that the four countries that have joined the ADB/OECD Anti-Corruption Initiative since the finalization of the stocktaking report (PR China, Palau, Thailand, Vietnam) should submit their self-assessment report to the Secretariat using the standard template prepared for this purpose, and that the so collected information should be integrated into an expanded, second version of the stocktaking report. The group further agreed that this second stocktaking report should be submitted to the Steering Group for approval at its 7<sup>th</sup> meeting and that all countries already covered in the report should submit updates on their legal and institutional anti-corruption framework, in particular results from recent reform measures, for inclusion in this report. The group expressed its support to the idea that the stocktaking report should be used as a benchmark for documenting and reporting progress in the countries' fight against corruption over time.

### **5th Regional ADB/OECD Anti-Corruption Conference for Asia and the Pacific:**

The Steering Group discussed the format and dates of the forthcoming 5th regional ADB/OECD Anti-Corruption Conference for Asia and the Pacific. The Group decided to hold this conference from 28-30 September 2005, back to back with the 7th Steering Group meeting that will consequently be held on 26-27 September 2005. The Group agreed that the format of this conference should be similar to the one of the previous, fourth regional conference held in Kuala Lumpur. As a result, it will be composed of a limited number of plenary sessions during which member countries report on progress made in implementing the Action Plan and on new anti-corruption strategies and approaches tested in the region. These plenary sessions will be complemented by approximately six capacity building workshops on themes identified by the Steering Group as requiring particular attention at this moment in the context of the region's anti-corruption efforts. Themes identified for this purpose include:

- Asset recovery, asset tracing and forensic accounting;
- Civil society and media;
- Conflict of interest, including the declaration of assets and investments;
- Corruption in conflict, war or disaster situations / curbing corruption in relief operations;
- Corruption prevention in public works/construction;
- Donor collaboration in anti-corruption efforts, and donor action in support of countries' anti-corruption reform efforts;
- Forensic engineering;
- Internal government audit mechanisms;
- Private sector led anti-corruption efforts and government-private sector cooperation in this regard, with the participation of private sector senior executives.

Depending on the outcome of capacity building sessions on some of these themes during the regional conference, the Steering Group agreed to consider a follow-up in the form of a thematic review comparable to the one currently being undertaken by the Group on public procurement and/or in the form of distinct capacity building seminars in the framework of the Initiative's series of Master Training Seminars.

As regards the conference's target audience, it was suggested that countries should encourage leaders, politicians and parliamentarians to join their respective countries' delegations to this conference. In this context, the Secretariat was invited to extend an invitation to the two parliamentary organizations dedicated to combating corruption, GOPAC (Global Organization of Parliamentarians against Corruption) and SEAPAC (the South-East Asian chapter of GOPAC).

### **Capacity building:**

The Steering Group agreed that the Initiative's next Master Training Seminars should address the topic of mutual legal assistance. The Secretariat was mandated to undertake the necessary steps to organize such a seminar in late 2005/early 2006.

The Steering Group welcomed the proposal reiterated by Malaysia to make use of the newly established Malaysian Anti-Corruption Academy (MACA) for the purpose of holding the next training seminar, and has mandated the Secretariat to cooperate with the Malaysian delegation to this end.

As to future training seminars, the Steering Group agreed to work on the themes identified during the previous Steering Group meeting where these have not yet been addressed in the meantime, i.e. conflict of interest in the public sector, forensic accounting, money laundering, public opinion surveys and whistleblower protection, and on themes to be addressed during the next regional ADB/OECD anti-corruption conference's capacity building sessions (cf. previous section of this document), subject to the outcomes of these sessions.

### Other items:

- Cooperation with the OECD and its member countries: Member countries agreed that current efforts undertaken by the Secretariat to enhance cooperation between member countries of the ADB/OECD Initiative and OECD member countries should be pursued and further strengthened.
- UN Convention against Corruption: The group encouraged the Secretariat to continue making use of the synergies between the Anti-Corruption Action Plan for Asia and the Pacific and the UN Convention against Corruption to galvanize action against corruption and mobilize support from the international donor community towards countries' anti-corruption reform endeavors.
- Website: The group expressed its wish that the Secretariat reflects about ways to further expand and utilize the Initiative's website (<http://www1.oecd.org/daf/asiacom/>) to facilitate the sharing of experience and relevant information. In particular, countries expressed the wish that the website would expand its database on on-going and planned anti-corruption reform projects and donor supported technical assistance in anti-corruption and governance matters in member countries. The Secretariat welcomed this idea and agreed to work on expanding the website in this aim until the next Steering Group meeting. Member countries were encouraged to submit relevant information to the Secretariat to be made available through the website.

## 8. Funding of the Initiative

The Secretariat informed the Group about the current funding scheme and financial situation of the Initiative. The Group welcomed commitments and interests for funding expressed by AusAID, DFID and SIDA.

With regards ways to maintain the financial stability and the sustainability of the Initiative, the Group agreed that endorsing countries should consider contributing to the Initiative's expenses to the extent possible. Furthermore, the group suggested that the Initiative's member countries should seek to make use of funding received from donors for anti-corruption reform to support the Initiative and their countries' active involvement in the Initiative's activities. ADB was invited to play a brokering role in this process through their resident missions in member countries. It was further suggested that donors should be approached for this purpose towards the end of their financial years where often excess financial resources can be allocated within a short timeframe. To support the Secretariat's own fundraising activities, PBEC suggested that Advisory Group members could provide the Secretariat with written statements of support to be submitted with funding requests.

It was agreed that the Secretariat will prepare a short paper outlining different options for ensuring the Initiative's financial sustainability in the future, to be discussed at the Group's next meeting.

## 9. Cooperation of the Initiative with the APEC Anti-Corruption Task Force

In the context of the Steering Group's continuous effort to ensure coordination and cooperation with other key regional fora supporting the fight against corruption in Asia and the Pacific, the group discussed potential forms of cooperation between the ADB/OECD Initiative and the Anti-Corruption Task Force that has been launched under the Asia-Pacific Economic Cooperation's (APEC) Course of Action. This discussion took place in light of the fact that the APEC Course of Action contains a specific reference to the need for coordination with the ADB/OECD Initiative.

The group agreed that the commitment to anti-corruption action expressed by APEC member economies supports and complements the work undertaken by the ADB/OECD Anti-Corruption Initiative and its member

countries, as well as by other multilateral anti-corruption fora and instruments such as the UN Convention against Corruption.

The areas of capacity building and UNCAC implementation were identified by the Group as being potential targets for cooperation between the ADB/OECD Initiative and APEC. At the same time, the group took note of distinct differences between the two groups as the strength of the APEC Course of Action lies foremost in the political sphere while the ADB/OECD Initiative is operational and more advanced in its mechanisms to trigger and support concrete anti-corruption reform in the region. Consequently, the group agreed on the unique role of the ADB/OECD Initiative as a distinct regional mechanism; the Group also concurred on the need to continue to liaise with APEC in anti-corruption matters and potentially exploring *ad hoc* cooperation along the lines of the ADB/OECD Initiative's program of work.

In order to ensure that this continuous coordination takes place, the Secretariat encouraged countries that are both ADB/OECD Initiative and APEC members to use the opportunity of APEC anti-corruption meetings to raise awareness and explore potential cooperation between the two mechanisms. It further proposes to prepare, for discussion at the next Steering Group meeting, a brief note on potential ways for cooperation with the APEC anti-corruption task force.

## Annex I – Tour de Table from 6th Steering Group meeting:

### Endorsing countries

**Australia** is currently preparing the ratification of the UN Convention against Corruption after a thorough analysis has found that Australia meets all mandatory requirements. The issue is tabled before the Australian parliament and is being considered by a parliamentary committee. Subject to the Committee's report, Australia hopes to ratify the Convention later in 2005. Australia is also preparing for the Phase 2 review of the monitoring mechanism established under the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

The state of Victoria has established an Office of Police Integrity, which complements anti-corruption institutions that exist in New South Wales, Western Australia and Queensland. This body detects and investigates allegations of misconduct and corruption by police officers at the State level. Australia is investigating whether also to develop a law enforcement anti-corruption body at the federal level.

Australia's reform project under the Action Plan's 2nd implementation cycle – an information campaign on bribery of foreign public officials – has passed the scoping phase. The project targets government officials and the private sector and will be completed by July 2006. Information on the offence of bribing foreign public officials is being disseminated through leaflets at appropriate forums, at the overseas embassies, in government publications, and to key business actors. It also includes training of staff before going overseas and staff that are already overseas. A website has been established to support the campaign.

**Cambodia** has finalized drafting the bill on anti-corruption which is now subject to public deliberation. Further relevant legal reform includes the adoption of a civil and a penal code and the establishment of special courts. Cambodia further reported on the current administrative reform which covers *inter alia* the area of public procurement. In this respect, a sub-decree on procurement is under preparation; it is planned to cover procurement at all state levels and state owned enterprises.

The **People's Republic of China** attaches great importance to addressing corruption. In this drive, the government implements a "Clean Government Strategy" that combines punishment with prevention and pays equal emphasis on education, rules and supervision. In the area of public procurement, China has enacted a law on public procurement in 2003 which is of great significance as procurement accounts for up to 60% of the total state budget in China. Priority in future anti-corruption reform in China will be on the establishment of a comprehensive and all-encompassing legal framework, and on strengthening the supervisory work.

The **Cook Islands'** current efforts relevant to the Action Plan continue to focus on enhancing the Cook Islands' framework for combating money laundering. A Financial Intelligence Unit (FIU) has now been established. The Cook Islands also engage in strengthening the procurement system and have in this respect prepared a procedures manual under the MEFM (Ministry of Finance and Economic Management) Act as well as a financial procedures manual.

The **Fiji Islands** continue to work on the country's legal anti-corruption framework. The Mutual Legal Assistance in Criminal Matters Act has been passed in March 2005 (date of entry into force yet to be determined). A Financial Transaction Reporting Act has further been passed and a Financial Intelligence Unit has been established. A Proceeds of Crime Act has been tabled, legislation on the protection of whistleblowers is also under preparation, and the enactment of legislation on money laundering is planned with the support of the IMF. With regards the institutional arrangements, the Fiji Islands have formed an anti-money laundering committee and established a national task force on corruption composed of Transparency International Fiji, UNDP and other relevant organizations present in Fiji.

**Hong Kong, China** continues to pursue its three pronged approach to curb corruption, consisting of education, enforcement, and prevention through reforming public institutions and procedures. A public survey has shown that Hong Kong, China's Independent Commission against Corruption (ICAC) enjoys trust among the public; this is reflected among others by the fact that about 70 percent of approximately 3000 complaints received by the ICAC in 2004 were made non-anonymously.

On the operation front, the ICAC continues to deal with cases concerning corporate fraud and misconduct in public office. On corruption prevention, the ICAC completed 96 studies on public sector systems and procedures in 2004. The ICAC also jointly launched with the Civil Service Bureau the Civil Service Integrity Entrenchment Programme to help embed the ethical culture in government departments.

The ICAC continues to engage in international cooperation in the fight against corruption; in this context, countries from the Steering Group are invited to participate in a chief investigators command course to be held in October 2005. ICAC further informed the group that, in reaction to a number of recent corporate corruption cases in Hong Kong, China, an international symposium on corporate corruption will be organized in February 2006. In the same context, ICAC encourages companies in drawing up corporate codes of conduct as a result of which so far over 70% of the publicly listed companies at the Hong Kong Stock Exchange have adopted such codes. To support this process, the ICAC's Ethics Development Center disseminates respective information on corporate ethics and provides companies with a template corporate code of conduct and with free-of-charge assistance in adapting this code to specific needs.

A further ongoing initiative of Hong Kong, China concerns the development of regulations on conflict-of-interest arising from post-service employment. Finally, the ICAC continues to make extensive use of mass media as a tool for awareness raising, in particular through TV and radio emissions. A recent program has developed TV series based on real corruption cases investigated by ICAC.

The President of the **Republic of Indonesia** has defined the fight against corruption as one of the main priorities during his first 100-day program. In this context, the Presidential Instruction no. 5/2004 was released in December 2004, which stipulates *inter alia* the development of a National Plan of Action against Corruption.

Indonesia also continues to attach great importance to regional and international cooperation in the fight against corruption such as in the framework of the ADB/OECD Initiative. After having signed the UN Convention against Corruption on December 18, 2003, it is now actively preparing for the Convention's ratification. Further, the Indonesian Corruption Eradication Commission (KPK) has signed a Memorandum of Understanding on Cooperation for Preventing and Combating Corruption with Brunei Darussalam, Malaysia and Singapore in December 2004 to enhance cooperation in the area of capacity building and to strengthen their network. Furthermore, extradition and MLA agreements are established with Australia; Hong Kong, China; Korea; Malaysia; the Philippines and Thailand. Similar endeavors with Singapore are underway and in November 2004, a regional treaty on MLA in Criminal Matters was signed with Brunei Darussalam, Cambodia, Lao PDR, Malaysia, the Philippines and Vietnam.

Indonesia is further, under the leadership of the Indonesian National Development Planning Board (Bappenas) and with the support from ADB, engaged in the reform of its public procurement system covering the reform of the legal and regulatory framework, institution building, and human resource development. A presidential decree on government electronic procurement is currently under preparation. Finally, the first Corruption Ad Hoc Court was set up in October 2004 to handle corruption cases prosecuted by the KPK.

In **Korea**, the adoption in March 2005 of the "Korean Social Pact on Anti-Corruption and Transparency" (K-PACT) commits leading figures from the government, political parties, businesses and civic groups to sectoral tasks with the objective of enhancing transparency and combating corruption in Korea's society. Such commitments under the K-PACT include for the government to coordinate anti-corruption activities within government, to revise the Information Disclosure Act, and to enhance transparency of state-owned enterprises; for politicians and political parties, K-PACT commitments include to limit the immunity rights of lawmakers and to strengthen the National Assembly's Ethics committee; K-PACT commitments for businesses include to strengthen corporate ethics, to address fraud and corruption among subcontractors, to step up the protection of whistleblowers, and to strengthen informational disclosure; finally, civic groups under K-PACT are committed to enhance their own organizations' accountability and transparency and to introduce a citizen ombudsman.

To foster regional and international cooperation in the fight against corruption, Korea will host two events in the second half of 2005: the Anti-corruption Symposium that will focus on e-government on 1-2 September 2005, and an APEC expert meeting in the framework of the APEC Anti-Corruption Course of Action on 5-6 September 2005.

The **Kyrgyz Republic** continues to attach high priority to the fight against corruption after the political changes that the country recently underwent. Reforms concern foremost integrity of public officials: Requirements to declare income and assets have been extended to high ranking government officials as well as the officials' family; the veracity of these declarations is monitored by the Agency on civil service affairs. Reforms have further taken place with regards recruitment procedures for public officials: candidates now have to pass an examination, and recruitment decisions are publicized.

Since the launch in April 2004 of **Malaysia's** National Integrity Plan, the Institute of Integrity (JIM) has carried out several programs to implement this plan. Amongst others, JIM together with international and regional public ethics fora and the Anti-Corruption Agency of Malaysia (ACA) organize the World Ethics and Integrity Forum on 28 and 29 April 2005.

Upon requests received from companies, the ACA has started to dispatch some of its officers to Malaysian enterprises to assist them in ethics and anti-corruption matters. This arrangement is already in place with JIM, Telekom Malaysia and the National Electricity Company.

The Government has introduced a number of measures to speed up public service delivery as it considers delays in the delivery of public services a cause for corruption. Such measures include the establishment of one-stop agencies for licensing, real-estate development and import-export matters, empowerment policies, and a pro-active strategy seeking to encourage citizens to submit complaints about service delivery to the Government.

With regards international cooperation, Malaysia in October 2004 hosted the second Anti-Corruption Agency Forum and has recently entered into a Memorandum of Understanding with Brunei-Darussalam, Indonesia and Singapore to strengthen cooperation in the fight against corruption.

In the aim to enhance the capacity of the ACA, the Government has recently approved 109 new posts, and 400 additional posts are expected to be approved by August 2005. ICT training is on-going, efforts are made in upgrading technical equipment in the field of surveillance and interception, and a central Intelligence Division has been established. Malaysia's Anti-Corruption Academy is expected to be handed over to the Anti-Corruption Agency in July 2005 and to be operational by September or October 2005. Discussions with foreign counterparts are on-going in view of rendering the Academy a training centre open for participation by anti-corruption experts from other countries.

**Mongolia** currently aims at consolidating the implementation of the Law on anti-corruption (2002). After an assessment of the implementation of Mongolia's anti-corruption declaration of 2003 conducted during 2004 by NGOs and the National University of Mongolia, substantial modifications of the legislation are currently under preparation. Legislative reform is also on-going in the areas of anti-corruption and anti-money laundering where new draft laws are being developed, and in the area of public procurement where Mongolia is in the course of revising the existing procurement law. The Mongolian government intends to submit a proposal to the Parliament to ratify the UN Convention against Corruption in the course of 2005. Mongolia is further considering the establishment of a central anti-corruption institution.

**Nepal's** Commission for the Investigation of Abuse of Authority (CIAA) continues to strengthen the capacities of its staff by conducting training courses for entering officials and for CIAA focal persons dispatched to each ministry; courses cover in particular financial investigation, investigation and prosecution. Furthermore, CIAA has enhanced its organizational capacities by increasing the total number of staff from 40 to 100 and by building new headquarters. Furthermore, a Procurement Act is currently being drafted to replace the existing government rules that regulate the matter as of now. Nepal intends to ratify the UN Convention against Corruption once some necessary amendments to the legislation have been made.

**Pakistan's** National Accountability Bureau (NAB) continues its preventive efforts targeting foremost the youth, students, public officials and politicians. The bill for a law on money laundering has been approved by the Cabinet and is ready for enactment by the Parliament. Pakistan also makes further efforts to prepare for the ratification of the UN Convention against Corruption. In order to increase its presence and impact at lower levels of the state organization, the NAB intends to establish local offices at the level of the country's 114 districts for which a major budget increase has been requested from the Government.

With regards capacity building, a special training course for Justices that handle corruption cases is planned in Pakistan, and the NAB provides regular training to its own law officers. The general capacity building programs are also open to other countries to enhance international exchange of experience.

**Palau** has passed three major laws since the country's independence in 1994 with the aim to strengthen its anti-corruption framework; these concern in particular the areas of government procurement and banking regulation. The Office of the Special Prosecutor is responsible for the implementation of these laws.

**Papua New Guinea** has developed a medium-term development strategy for the upcoming ten years focusing, among others, on good governance; the Law and Justice sector is responsible for implementing these program elements. Support from Australia towards the implementation of this strategy enabled PNG to step up its capacity building efforts and to engage in institutional review and reform, in particular in the areas of government expenditure and public officials' recruitment with the aim to introduce merit-based selection. An Internal Auditors Act is underway with a view to strengthen the independence of auditors. A National Anti-Corruption Alliance (NACA) has been established and its head's post advertised. The law on the NACA might however need to be reviewed again in the near future in light of the UN Convention against Corruption's requirement to set up an independent anti-corruption institution. On an operational basis, training in accounting is assured under the Financial Management Improvement Program.

The **Philippines'** Office of the Ombudsman has launched an anti-corruption initiative focusing on the areas of corruption investigation and prosecution, corruption prevention, community relations and education, and organizational development. To strengthen prosecution and investigation and make corruption a high-risk offence, the Office of the Ombudsman advocates various legal reforms in the sector, aiming at speeding up criminal procedures, allowing the Office's access to bank records and establishing witness protection. In order to strengthen its presence in major regions of the Philippines, the Office has received the Congress' approval to establish decentralized offices. To enhance the capacity of the Office of the Special Prosecutor, the objective is to increase the number of bureaus from 1 to 10, as such equaling the existing structure of the anti-graft court (Sandiganbayan). The trial advocacy skills development program and other capacity building efforts continue to strengthen investigative and prosecutorial capacities. A manual for prosecutors and a system on case flow management are under preparation with the ultimate goal of developing software for case tracking and monitoring in June 2005. In the aim to evaluate and ensure the capacity of prosecution, the Ombudsman's Office has developed cooperation with college students who are deployed to monitor the performance of prosecutors in court.

Public procurement is a key focus of the Philippines' corruption prevention efforts, and several reforms in this matter are underway. Respective activities encompass the vertical integration of the 16 agencies involved in procurement, a survey of procurement functions, and improving the supplier databases. Training is further provided to public procurement personnel and NGO representatives that cooperate with the government in monitoring the procurement processes. Integrity education has been strengthened through the development of sample ethic teaching formats, and teachers receive training in the use of these formats. Finally, with regards the organizational development, the Office of the Ombudsman in the framework of its medium-term strategy is establishing an integrity development institute and developing customized codes of conduct to meet the distinct needs of individual government departments.

Since July 2004, **Singapore** has undertaken a number of new initiatives in order to further strengthen the country's anti-corruption framework: various programs were initiated to develop the operational effectiveness and enhance investigative skills and standards, including through improved interview techniques, leveraging on technology and the enhancement of forensic capabilities for the purpose of which a Computer Forensic Team was set up. Furthermore, particular attention is paid to the development of investigative frameworks for use in corruption cases occurring in public procurement. To improve pro-activity and to allow for discreet investigation with the ultimate goal of enhancing prosecution, a computerized intelligence system was implemented using sophisticated electronic equipment, and a comprehensive equipping plan was pursued. As part of Singapore's on-going capacity building process, command trainings and peer tutoring systems on specialist subjects as well as different career development schemes were implemented. Finally, Singapore signed a Memorandum of Understanding with Brunei Darussalam, Indonesia and Malaysia to pledge assistance and cooperation in operations, training and other forms of technical assistance.

**Vanuatu's** current cabinet has reinforced the anti-corruption activities in the country. In particular, it has revamped the program on improving integrity of civil servants; draft anti-corruption and accountability laws are expected to be developed shortly. An oversight team of the donor community currently reviews Vanuatu's progress in matters of governance

**Vietnam** is currently preparing the ratification of the UN Convention against Corruption. In this view, Vietnam has passed the Law on Oversight and the Law on Inspection and plans to pass the Law on Anticorruption in the course of 2005 which will replace the existing Ordinance on corruption. The country is further predominantly engaged in administrative reform focusing on public administration personnel, corruption in foreign investment, procurement and infrastructure projects. With regards to administrative reform, the draft law on anti-corruption is planned to require *inter alia* civil servants to declare their assets; furthermore, the introduction of regular rotation of officials in certain areas is planned, and intensified training of public officials. Vietnam requests training and international technical support to enhance integrity of public officials.

## Advisory Group

The **Australian Agency for International Development (AusAID)** continues to attach high priority to anti-corruption and governance initiatives; today, one third of AusAID's annual budget of AUD 2 billion flows into programs in this sector and is spent mainly in bilateral aid programs, as for instance in Cambodia, Papua New Guinea and Vanuatu. Besides, AusAID supports multilateral programs, as for instance the Asia-Pacific Group on Money Laundering (APGML). The pledge by Australia's Prime Minister in November 2004 of AUD 3 million towards regional anti-corruption initiatives further underlines Australia's commitment to cooperating in the fight against corruption in the Asia-Pacific region. It is committed to use part of these funds to support the program of work of the ADB/OECD Anti-Corruption Initiative for Asia Pacific.

**PBEC's** members recognize that business is part of the problem of corruption and strive to be a part of the solution; in 1999, the organization adopted a Charter of Transactions Standards between Business and Government, containing a number of principles relevant to the fight against corruption; it continues to promote the Charter's adoption and implementation among its member companies. PBEC extends its offer towards the Initiative's member countries to assist them in reaching out to the local and regional business community to strengthen their cooperation in combating corruption.

**Transparency International (TI)** is represented in 20 of the Initiative's member countries. Through a wide range of activities, it provides a number of instruments for use by governmental and non-governmental actors in their efforts to establish anti-corruption frameworks, including diagnostic country studies, integrity pacts, the principles for business conduct, the global corruption report and tools for introducing corruption in the education curricula starting at kindergarten level.

The **UK Department for International Development (DFID)** continues to support a number of endorsing countries on a bilateral basis, including Bangladesh, Cambodia, India, Indonesia, Nepal, Pakistan, and Vietnam; such support often specifically targets the strengthening of anti-corruption institutions and activities. In the near future, DFID deems that three issues merit particular attention: addressing the supply side of corruption, asset recovery and mutual legal assistance. DFID will continue pursuing its systemic approach towards development and governance-related themes that allows its development programs to cover a wide range of relevant aspects of the corruption problem as opposed to a stand-alone project support. For this reason, DFID is committed to continue supporting the ADB/OECD Anti-Corruption Initiative for Asia Pacific.

## Observers

**New Zealand Agency for International Development (NZAID)** shares the responsibility for development assistance with the Ministry of Justice. Governance is a key issue throughout New Zealand's development program in support of the Pacific Islands, which are the main beneficiaries of New Zealand's aid. NZAID is currently developing an overall strategy outlining its framework for development support towards the Pacific region.

The **Swedish International Development Agency** is actively supporting the Government of Vietnam in its efforts to curb corruption. As a recent initiative, it has supported the development of a TV talk show on corruption in Vietnam.

The **World Economic Forum** (WEF) represents the private sector lead “Partnering Against Corruption Initiative” (PACI). The Initiative notably encourages member companies to sign a support statement that officially acknowledges their commitment to the “PACI Principles”, by means of which a company commits to “zero tolerance” towards corruption and bribery and to development of an internal implementation program. The companies engaged under these principles further advocate for multilateral development banks and governments to apply stricter preventive policies, in particular including requirements on corporations to have firm anti-corruption policies in place to be considered for work on government or development funded projects. To date, over 65 leading engineering & construction, mining & metals, and energy companies have become signatory to the PACI principles, representing over USD 400 billion of annual revenue.