



ADB OECD Anti-Corruption Initiative for Asia-Pacific

Combating Corruption In the New Millennium

The Secretariat

FORMAL ENDORSEMENT OF THE ANTI-CORRUPTION ACTION PLAN FOR ASIA-PACIFIC (Tokyo, 30 November 2001)

COOK ISLANDS

Name of speaker: Mr. Kevin CARR
Financial Secretary
Ministry of Finance and Economic Management

Thank you Mr. Chairman.

On behalf of the Cook Islands' Government, I wish to convey its agreement to the Anti-Corruption Action Plan. Before I attended this meeting I prepared a paper for cabinet that included the draft Action Plan. Cabinet at that stage agreed in principle to the plan. I am sure when I convey the discussions at this conference there will be full commitment by the Cook Islands' Government.

At the present time, I am not able to be so assured as to exactly what the first stages of our implementation of the plan will be because my ideas of priority and cabinet's idea may not be quite the same. What I can assure you is that the Cook Islands' Government will be adopting the plan and will have an implementation plan.

When I consider the draft Action Plan, I believe that the Cook Islands' Government has already gone a long way towards implementing many of the principles of the plan. The Government has set up legislation and put in place procedures and structures to ensure that the intent becomes a reality. We still have more work to do.

When considering the Action Plan, in particular the integrity of the public service, we have a Public Service Act that was passed in 1996. We have just completed a job-sizing exercise and a common pay system in the public service is being implemented. We have a draft code of conduct for the Public Service and a draft bill will go before Parliament at the next session to set up a code of conduct for elected officials.

Under accountability and transparency, we have a number of acts. Among those is the finance act that has had the effect over the past few years of preventing some of the excesses of the past. We are in the process of establishing parliamentary select committees that will be open to the public and the press to review each Ministry's performance.

With regard to strengthening anti-bribery actions, we implemented in November 2000 a money-laundering act and here I would like to make a few comments on behalf of small countries such as the Cook Islands where we have limited resources.

I was made Chairman of the money-laundering authority and we anticipated that we would have everything implemented approximately six months ago. In fact, we are only now at the stage of final implementation.

The question is why we have not made the progress that we intended? The answer to that is the pressure that has been put on us by other countries and by organisations such as the OECD. We were making good progress implementing anti-money laundering measures. However the OECD found that they were not actually benefiting from globalisation of international taxation. They therefore deemed it not globalisation but harmful tax practices and suddenly all our resources were put into avoiding the penalties that were being threatened.

Having such a small number of appropriately qualified people makes it difficult for small island states. The key person in the Cook Islands in relation to money laundering is the Commissioner of Offshore Financial Services. She has spent many weeks attending various meetings, conferences and planning sessions aimed at avoiding retaliatory action by the OECD.

The point that I am trying to make is that we are a very small country; we have very few people capable with the necessary experience. Phil Mason [of UK's Department of International Development] put it succinctly when he referred this morning to "*conference fatigue*".

We have had a number of visits from various organisations. We have had an Asian Pacific Group evaluation, the Pacific Forum 8 principles of accountability, the IMF questionnaire on fiscal transparency, and various others. When I received the invitation to come here, I had some reservations. When we are attending conferences like this, we are actually not implementing plans, just talking about them. If we do not attend conferences we are often assumed not in favour and we are concerned that this may be held against us.

Having listened to the comments expressed during this meeting, I believe that the proposed Plan is appropriate and will be effective. I see it as more of an umbrella plan and I wonder whether many of the other initiatives that various organisations are promoting can also be brought under that umbrella. This will minimise the time attending conferences and increase the time spent on implementing action plans.

However I believe we have made a considerable progress. As regards money laundering, our special thanks go to those who have helped us, in particular New Zealand, to set up a financial information unit in the last couple of months.

The area of corporate responsibility under the Plan warrants more public discussion in the Cook Islands. It is an area that has not received much attention in the past.

I would like to thank the Asian development bank and the OECD, in spite of my earlier criticism, for inviting us here today. I think that the conference has been helpful and the papers have been well researched and presented. I see them as being useful as a basis for public discussion and plan releasing excerpts to the press to initiate discussion.

Finally, I would like to reiterate the commitment of the Cook Islands' Government to eliminating corruption in all its various forms. Our desire is to create an environment where corruption cannot flourish. I believe that that is the key to eliminating corruption.

Mr. Chairman, thank you very much for giving me the opportunity to attend and to speak at this meeting.