

## Strategy and Work Program 2007-2008

---

### Contents

<b>Introduction.....</b>	<b>2</b>
<b>1. Ensuring continual reform and review of progress under the Action Plan .....</b>	<b>4</b>
a) Country self-reporting.....	4
b) Country specific reviews .....	4
c) Region-wide thematic reviews .....	5
d) Identifying country priorities .....	6
e) Strengthening civil society's role in the implementation of the Action Plan .....	6
<b>2. Strengthening and expanding partnerships in the fight against corruption .....</b>	<b>7</b>
a) Extending membership in the Initiative .....	7
b) Forging alliances with regional and international actors in the fight against corruption .....	7
c) Enhancing dialogue with business, trade unions, civil society, and donors .....	8
d) Increasing the dissemination of information about the Steering Group.....	9
<b>3. Capacity building and capacity development.....</b>	<b>9</b>
a) Capacity building at regional and sub-regional levels.....	10
b) Capacity building in partnership with regional initiatives.....	11
<b>4. Funding of the Initiative's activities .....</b>	<b>11</b>
a) Funding the Initiative's core activities .....	11
b) Support for additional activities to support the implementation of the Action Plan .....	12
Annex 1: Outline of country review methodology.....	13
Annex 2: Summary of main proposed activities for 2007-2008 .....	15
Annex 3: Budget estimates for proposed activities for 2007-2008.....	16



## Introduction

1. Over the past decade, concern about the negative impact of corruption on political stability, welfare, and economic prosperity has grown worldwide. In the Asia-Pacific region, the Asian financial crisis in the end-90s and widespread poverty in many countries of this region pushed the fight against corruption particularly high on many societies' agenda. In 1999, a group of Asian and Pacific countries resolved to address corruption more proactively and launched the Anti-Corruption Initiative for Asia-Pacific jointly with the Asian Development Bank (ADB) and the Organisation for Economic Co-operation and Development (OECD).
2. In the framework of this Initiative, countries from the region developed the Anti-Corruption Action Plan for Asia-Pacific that sets out their goals and standards for sustainable safeguards against corruption in their economic, political and social spheres. The Action Plan and its implementation mechanisms embody the results of an ambitious undertaking that began in the late 1990s with the development of recommendations issued by governmental anti-corruption experts and representatives of civil society, trade unions, businesses from the region in the framework of three regional workshops and symposia organized by the Asian Development Bank (ADB) and the Organisation for Economic Co-operation and Development (OECD). These recommendations led to the launching of the ADB/OECD Anti-Corruption Initiative for Asia-Pacific in 2000 in Seoul and to the formal establishment of the Steering Group in December 2001 at the Third ADB/OECD Asia-Pacific Anti-Corruption Symposium in Tokyo as a regional anti-corruption body mandated to follow-up the implementation of the Action Plan and work against corruption in the Asia-Pacific region.
3. The Action Plan represents a landmark in regional cooperation to fight corruption. For the first time, Asia-Pacific countries agreed to act together to combat corruption more effectively through the establishment of high anti-corruption standards, a mechanism to assess progress, a dialogue with business and civil society, and strong regional partnerships. By encouraging continual anti-corruption reform, the Action Plan enjoys significant and growing recognition from governments, international and donor organizations, civil society, and the private sector.
4. In 2001, 17 countries from Asia and the Pacific endorsed the Action Plan and agreed on implementation mechanisms to achieve its standards. Five years later, membership of the Initiative had grown significantly. At the end of 2006, 27 governments of the Asian and Pacific region had endorsed the Anti-Corruption Action Plan and committed to its goals: Australia; Bangladesh; Cambodia; People's Republic of China; Cook Islands; Fiji; Hong Kong, China; India; Indonesia; Japan; Kazakhstan; Korea; Kyrgyz Republic; Macao, China; Malaysia; Mongolia; Nepal; Pakistan; Palau; Papua New Guinea; Philippines; Samoa; Singapore; Sri Lanka; Thailand; Vanuatu; and Vietnam.
5. Since the Initiative's inception, its members have engaged in a broad range of reforms to strengthen their safeguards against corruption and to achieve the standards they committed to under the Action Plan. These achievements are documented in the stocktaking of anti-corruption policies in the Initiative's member countries that the Group has completed, for the second time, in mid-2006. The Initiative supports the member countries in their efforts by a variety of means: It provides a forum for policy dialogue and measuring progress; it conducts capacity building seminars; it carries out policy analysis; and it initiates and strengthens partnerships among member countries and with relevant constituencies.
6. In line with the principle of country ownership enshrined in the Action Plan, the support that the Initiative provides is defined and requested by the Initiative's member countries based on their priorities and needs. This program of work is laid down in a Strategy and Work Plan, covering the biennium of the Action Plan's corresponding implementation cycle.

7. The Strategy and Work Plan 2007/2008 builds on the approach that the Group pursued over the past years. The strategy articulates the Initiative's role and goals for 2007/2008. It takes account of the changes that have reshaped the landscape for the fight against corruption in the Asia-Pacific region in the recent past to provide targeted assistance to member countries in their efforts to fight corruption in the coming years. It was adopted at the 9<sup>th</sup> Steering Group meeting held in Bangkok, Thailand, on 30 November 2006.

## 1. Ensuring continual reform and review of progress under the Action Plan

8. Measuring progress in anti-corruption reform has proven crucial to ensure effectiveness of efforts to implement the Action Plan, to assist countries in evaluating achievements in their fight against corruption, and to identify weaknesses and challenges that require further action.

9. Continual review of progress has been a hallmark of the ADB/OECD Anti-Corruption Initiative for Asia-Pacific. Seven rounds of country reporting, two comprehensive rounds of stocktaking of anti-corruption policies, two rounds of review of reform projects designed to tackle the countries' selected priorities for reform, and one thematic review have been conducted since the establishment of the Steering Group in December 2001. The Steering Group's discussions and the resulting reports have been a powerful impetus for change. The vast majority of the Initiative's member governments have significantly strengthened their anti-corruption systems since the Initiative came into existence through both legislative and institutional reform.

10. However, much remains to be done to ensure the effective implementation of the Action Plan's standards. The findings of the self-assessment, the second round of stocktaking, and the first thematic review demonstrate that major legal gaps and loopholes persist, and that the capacity of anti-corruption institutions remains insufficient in many jurisdictions. Given these circumstances, members see a strengthened review mechanism as essential to improve policies and ensure their effective implementation. Country-specific reviews will henceforth complement country self-reporting, thematic reviews and reviews of countries' individually selected priorities for reform.

### a) Country self-reporting

11. Since the establishment of the Steering Group on 2001, the country self-reporting and the stocktaking exercise have been the Group's main means to assess progress in implementing the standards and overall policy objectives of the Action Plan. The country reporting has proven to be of great value as it gives members an opportunity to present to the whole Group their respective country's policies, institutions and regulations, and exchange experience. It is also a unique and regular horizontal survey of steps taken by countries to implement the Action Plan. The rich information that countries provide flows into the stocktaking report on *anti-corruption policies in Asia and the Pacific* and helps assess the members' capacity building needs. In 2007-2008, the countries' reporting to the Steering Group will remain one of the primary means to assess members' progress in implementing the standards and objectives under the three pillars of the Action Plan.

12. To facilitate the exchange of experience on policies and their implementation, members will continue to use the template that the Secretariat has developed in 2006 to assist them in the exercise. Using this template, each member will be required to file a report prior to any upcoming Steering Group meeting for circulation. The oral report delivered during the Steering Group meeting will focus on key issues or on items for which delegations seek the views or advice from other members of the Group. This approach will ensure adequate time for detailed presentations and encourages focused follow-up questions. The template format will also facilitate the consolidation of information for the biennial stocktaking of progress in legal and institutional reform.

### b) Country specific reviews

13. Country-specific reviews, to be conducted on a voluntary basis as from 2007, will complement the Initiative's self-reporting mechanism. Country reviews will serve the ultimate objective of supporting the reviewed countries improve their policies and enforcement. It will further stimulate the exchange of experience,

encourage emulation among other member countries, ensure transparency and publicity of anti-corruption practices and procedures, and help identify capacity building needs. Country-specific reviews will also provide due recognition where the Action Plan's standards and policy objectives are met; allow to identify good practice and shortfalls; assess the level of corruption risk in the country subject to review; and, where relevant, offer specific guidance for improvement. Country specific reviews, like country self-reporting, also bear potential to support the thorough implementation of the UN Convention against Corruption. Several regional initiatives, such as the Anti-Corruption Network for Transition Economies<sup>1</sup> and the Asia Pacific Group on Money Laundering (APG)<sup>2</sup> have conducted country reviews and recognize their value.

14. In the context of the ADB/OECD Asia-Pacific Anti-Corruption Initiative, country reviews will consist of a technical assessment of a given country's anti-corruption policies by the Secretariat and other experts. In line with the principle of country ownership, the country that volunteers to benefit from such a review will define the scope of the review, *i.e.* decide whether the review of its policies and enforcement mechanisms will be done on the basis of the principles and standards of each of the Action Plan's three pillars of action or will relate to one or more of the Action Plan's specific subject areas.

15. Policies and practices will be reviewed on the basis of a standard methodology developed by the Secretariat. This will ensure that the reviews are consistent across countries and will enable the Secretariat to consolidate information easily. The review will include an on-site visit conducted by the Secretariat assisted by a team of relevant experts from other members of the Initiative and additional experts from institutions that are members of the Advisory Group (international organizations such as UNDP, donor agencies) and, where applicable, from the OECD Working Group on Bribery. During the on-site visit, interviews will be conducted with relevant government ministries and agencies, representatives of non-governmental organizations and the business sector to assess the performance of policies and enforcement as well as the level of corruption risk. Based on the standard methodology and on the outcomes of the interviews, the Secretariat will then prepare a report for discussion by the Steering Group that will highlight accomplishments and spell out areas where further efforts might be required. A detailed description of the main features and elements of the review mechanism is set out in annex 1.

### c) Region-wide thematic reviews

16. In 2007-2008, the Steering Group will continue to conduct horizontal thematic reviews to analyze particular issues identified by the Group as being of region-wide priority. In 2005, the Steering Group conducted a first horizontal thematic review. As the outcome of the first thematic review has shown, such region-wide reviews bring about useful and comprehensive reports on specific issues associated with the implementation of the Action Plan that cover all member countries at once.

17. Two horizontal thematic reviews will be undertaken in 2007-08, addressing issues that the Group has identified as being of common priority. Thus, in 2007, a review on effective mechanisms for mutual legal assistance and extradition in the prosecution of corruption and recovery of proceeds of corruption will be completed. The topic of the thematic review to be conducted in 2008 will be determined by the Group and could address issues such as the role and functioning of centralized anti-corruption agencies and other oversight bodies that fulfill similar tasks, or effective measures and institutions to deter the giving of bribes to domestic

---

<sup>1</sup> Kazakhstan and the Kyrgyz Republic are members of both the Network and the ADB/OECD Anti-Corruption Initiative for Asia-Pacific.

<sup>2</sup> Out of the 27 member countries of the ADB/OECD Anti-Corruption Initiative, 22 are members of APG: Australia; Bangladesh; Cambodia; Cook Islands; Fiji Islands; Hong Kong, China; India; Indonesia; Japan; Republic of Korea; Macao, China; Malaysia; Mongolia; Nepal; Pakistan; Palau; the Philippines; Samoa; Singapore; Sri Lanka; Thailand; and Vanuatu.

and foreign public officials in business transactions including criminal liability of legal persons and other measures aimed at ensuring business integrity.

18. As for the first thematic review undertaken in 2005, the resulting reports will contain region-wide and country specific policy guidance for improvement in the fight against corruption in the subject area covered by the respective review. Within two year's of the Steering Group's approval of the Thematic Review Report, members will be invited to provide an oral report of steps taken to fulfil the policy advice of the Steering Group.

19. In addition to thematic reviews on the above subjects, the Initiative will endeavor to undertake a thematic review jointly with the Asia-Pacific Group on Money-Laundering (APG) in the framework of the recently launched FATF/APG Project Group on the links between anti-corruption and anti-money laundering and terrorist financing. One component of this project is to assess the impact of corruption on the implementation of the international Anti-Money Laundering/Financing of Terrorism standards by anti-money laundering institutions. The thematic review would focus on strengths and vulnerabilities to corruption of member countries' anti-money laundering mechanisms and make suggestions for improvement. This thematic review will be carried out jointly by APG and the ADB/OECD Initiative to complement the research and analysis planned by the FATF/APG Project Group. A joint workshop on protecting anti-money laundering institutions and in particular Financial Investigation Units against corruption would complement the review, and a joint capacity building program with APG would be considered to address the identified challenges.

### **d) Identifying country priorities**

20. The periodic identification, design and implementation of concrete reforms are core mechanisms that member countries use to achieve tangible progress in strengthening safeguards against corruption in priority areas. Over the past two implementation cycles, member countries have identified various areas for reform under the three pillars of the Action Plan. They have defined reform projects to tackle these areas in a workable time frame and implemented these projects. Countries' reports on implementation at the respective ends of the implementation cycles have shown that the overwhelming majority of these projects have been implemented successfully and within the planned timeframe. The reports and the following exchange of experience have provided stimulating discussions on the priorities that different countries have identified and on ways to address them; they have assisted countries in reassessing their priorities and inspired reform programs among member countries.

21. Building on past practice, countries will report on the implementation of the projects selected for the third implementation cycle (2007-2008), assess their outcome and share the experience in implementing the projects with the members of the Group at the end of the implementation cycle, i.e. towards the end of 2008. Mid-term assessments on the implementation will be conducted by the Group at the beginning of 2008 to learn about each member's progress and difficulties encountered.

### **e) Strengthening civil society's role in the implementation of the Action Plan**

22. The Action Plan acknowledges the important role that civil society plays in supporting of governments' anti-corruption efforts. The stocktaking of anti-corruption policies in the Initiative's member countries has shown the extent to which civil society actors assume this role and the great variety of activities that civil society has developed to contribute to the governments' efforts in curbing corruption. Partnerships between governments and civil society organizations have brought about significant progress in a number of countries, and the will to further intensify such partnerships has been expressed by governments and civil society actors alike.

23. In support of such partnerships between governments and civil society, the Initiative will provide such joint efforts greater visibility and more room to exchange experience about examples for cooperation. In analogy to the reform projects that governments design for each implementation cycle, governments and civil society actors will be invited, on a voluntary basis, to define joint anti-corruption programs that will be implemented in partnership throughout the two-year implementation cycles.

24. Governments that wish to conduct such joint anti-corruption programs will define and implement such projects in partnership with civil society actors active in the fight against corruption in their country. In analogy to the format of the existing Action Plan implementation projects, government and civil society representatives will jointly present the project during a Steering Group meeting, and report back to the Group on its outcome at the end of an implementation cycle.

## **2. Strengthening and expanding partnerships in the fight against corruption**

25. The trans-border aspects of corruption require strong partnerships among Asian and Pacific countries and with countries beyond the region. In 2007-2008, the Initiative will thus continue its efforts to systematically strengthen ties with countries of the region that are not yet members of the Initiative for the benefit of its member governments and potential future members.

26. Partnerships with institutions dedicated to fight corruption are equally important for the Initiative. The Initiative is itself a result of the pursuit of partnerships in the fight against corruption. New or strengthened partnerships with relevant organizations, institutions and groups will further reinforce the Initiative's performance and the benefit it can bring to its members.

### **a) Extending membership in the Initiative**

27. As suggested by the continuous expansion of membership in the Steering Group, Asia-Pacific countries have a strong interest in the Anti-Corruption Initiative's work. Since the formal adoption of the Action Plan in Tokyo in 2001, 10 countries and jurisdictions (Australia; Cambodia; P.R. China; Hong Kong, China; Kazakhstan; Macao, China; Palau; Sri Lanka; Thailand; and Vietnam) have endorsed the Action Plan and submitted formal requests to the Secretariat to participate in the activities of the Steering Group; all of them have become full members of the Steering Group. Recently, Brunei and Lao PDR were invited to attend the Initiative's Steering Group meetings as observers. Additional requests for joining the Steering Group as either observer or full participants are expected to arise in 2007-2008.

28. Pursuant to the decision taken by the Steering Group in July 2004, the Secretariat will continue its proactive approach in encouraging Asian and Pacific countries to join the Group, provided they subscribe to the goals and principles of the Action Plan. In 2007-2008, the Secretariat will strengthen its contacts with countries such as Bhutan and New Zealand.

### **b) Forging alliances with regional and international actors in the fight against corruption**

29. Forging strong alliances with regional and international actors in the fight against corruption is essential to coordinate efforts towards the common goal of curbing corruption and to avoid duplication of efforts in today's ever more diversified landscape of anti-corruption efforts and actors. Such alliances serve different purposes: They ensure coordination of efforts to avoid duplication; allow conducting joint programs in areas that concern linked topics, that require the expertise of different organizations and benefit both; strengthen information about trends and activities that are beneficial to each others' work.

30. Cooperation and partnerships are at the core of the Initiative, and the Steering Group's Advisory Group is a prime example of this feature. At the time of the 9th Steering Group meeting in November 2006, membership in the Group included the American Bar Association/Asia Law Initiative, the Asia-Pacific Group on Money Laundering, 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. As the Steering Group agreed at its 8th meeting, a first step towards stronger partnerships with regional and international organizations consists in inviting relevant organizations to join the Initiative's Advisory Group. As a result of this decision, the Asia-Pacific Group on Money Laundering (APG) joined the Advisory Group in July 2006.

31. In 2007-2008, the Initiative will continue these efforts to enhance and formalize its partnerships with relevant constituencies in order to contribute to their efforts, to render them fruitful for the Initiative's members, and to avoid duplication of efforts by groups and institutions with similar goals. To this aim, it will endeavor to formalize the relationship with the APEC Anti-Corruption and Transparency Task Force and the Pacific Islands Forum Secretariat. It will also continue to participate to the largest extent possible in relevant international and regional fora concerned with corruption, including in the meetings of the APEC Anti-Corruption and Transparency Task Force and in annual meetings of the Asia-Pacific Group on Money Laundering (APG).<sup>3</sup>

32. The Initiative will also strengthen its partnership with the OECD Working Group on Bribery to enhance participation of signatories to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-Bribery Convention) in, and contribution to, the Initiative's member countries' efforts to combat solicitation of bribes by public officials and the giving of bribes by companies. So far, experts from the OECD Working Group have contributed to the Initiative's capacity building program. A stronger partnership will boost these exchanges with OECD countries and other parties to the OECD Anti-Bribery Convention, *inter alia* through participation of Working Group members in the meetings of the Steering Group and participation of Initiative's members in the meetings of the OECD Working Group meetings on an ad hoc basis. The stronger partnership will also facilitate a transfer of the unique know-how in designing and implementing effective anti-bribery mechanisms that the OECD Working Group has gained through the monitoring of the implementation of the OECD Anti-Bribery Convention. Finally, the closer cooperation will enable members of the Steering Group to more systematically participate in OECD policy dialogues on global anti-corruption issues. The regular OECD Global Forum on Governance/Public Procurement and Corruption is an example for such dialogues on issues that concern both OECD member countries and the members of the ADB/OECD Anti-Corruption Initiative.

33. The Initiative will also seek to expand cooperation and partnerships with UN agencies, notably the UN Office on Drugs and Crime (UNODC), the United Nations Development Program (UNDP), and the United Nations Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders (UNAFEI) to ensure the thorough implementation of the UN Convention against Corruption in Asia-Pacific in line with the decisions of the Convention's States Parties, as well as with regional organizations such as ASEAN and the Commonwealth Secretariat to boost the performance of the Initiative through programs that directly support member countries' anti-corruption reforms under the Action Plan.

### c) Enhancing dialogue with business, trade unions, civil society, and donors

34. Pursuant to the Action Plan's principle of involving all stakeholders in the fight against corruption, the Initiative will also enhance its cooperation with business, trade unions, and civil society. Hitherto, policy dialogue

---

<sup>3</sup> The status of observer in the Asia-Pacific Group on Money Laundering (APG) was formally granted to the Initiative in August 2006.



with business, trade unions, and civil society has taken place during the Steering Group's regular meetings and during the Initiative's regional conferences. The latter provide opportunities for extensive discussions among these actors and with government representatives about the concrete impact of policies, ways for fruitful cooperation and areas that need to be addressed jointly.

35. The regional Anti-Corruption Conference will remain a prime forum for the dialogue between governments, business, trade unions, civil society, and donors to review achievements and challenges of the Asia-Pacific region's fight against corruption. It will be held in 2008.

36. To create further opportunities for dialogue with major stakeholders, the Initiative will conduct, as part of the Conference, a special business-government forum that will bring together representatives of governments and business, as well as selected representatives of trade unions and civil society. The forum will provide for wider consultations and more comprehensive exchange of views on areas of common interest and will promote responsible corporate citizenship so that the private sector can be part of the solution to the challenges of corruption. The Initiative's conference will also comprise a special dialogue between governments and delegates to the OECD DAC (Development Assistance Committee) Network on Governance (GOVNET)<sup>4</sup> to discuss how donors can best support members' anti-corruption reform efforts.

### d) Increasing the dissemination of information about the Steering Group

37. Partnerships in the fight against corruption and dialogue at national, regional, and global levels rely on effective communication. Therefore, the Initiative will further step up its efforts to inform constituencies concerned with corruption – public officials, public interest groups, business, trade unions, and the public in general – about the Steering Group's activities and achievements.

38. The Initiative will thus continue to make available to both practitioners and the general public the proceedings of its conferences and training seminars, its policy reviews, and country self-assessments through its website and in print. In this regard, the stock-taking report on "Anti-Corruption Policies in Asia and the Pacific" will be further enhanced to ensure that it covers all the Action Plan's subject areas; it will also include a matrix that mirrors the Action Plan's dimensions and standards, which, by providing a comprehensive overview of anti-corruption reforms undertaken by its members, will serve the triple objective of making readily available information as to the impact of the Initiative on its members' work, of encouraging further the reform process, and of being a communication tool on reforms undertaken by each member.

39. The Initiative will also continue to regularly issue its newsletter on the Initiative's and its partners' activities and on members' achievements in the fight against corruption and will continuously expand its website which features comprehensive information on resources of members' fight against corruption, including anti-corruption actors, laws and regulations.

## 3. Capacity building and capacity development

40. Since the Initiative's inception, training and capacity building have been major elements of the Initiative's support of members' efforts to implement the Action Plan. Pursuant to the Implementation Plan, one of the purposes of the Initiative is to "provide the assistance required to enhance the capacity of participating countries

---

<sup>4</sup> The GOVNET anti-corruption mandate is to strengthen the means by which donors collectively support recipient countries fight corruption and ensure that international aid is delivered and used optimally to achieve poverty reduction objectives. The GOVNET focuses on supporting the development of capacity to implement international and regional anti-corruption standards.

to achieve progress in the priority areas [for reform] and to meet the overall policy objectives of the Action Plan”.

41. Since its launching, the Initiative’s capacity building and technical assistance program has served four key purposes:

- to raise awareness of new challenges, effective policies to curb corruption and ways to reinforce coordinated action across the region;
- to provide technical guidance, expert advice and assistance in the establishment of an effective legislative, regulatory, and law enforcement framework to counter corruption;
- to enhance the professional skills of anti-corruption law enforcement personnel in members; and
- to establish and enhance professional networks; the training seminars allow experts with similar responsibilities to establish informal networks that facilitate future cooperation and information exchange, particularly in areas with distinct international characteristics.

42. In 2007-2008, the Initiative will maintain and enhance its assistance to members through capacity building events tailored to the specific needs that members identify during the Steering Group’s meetings. In delivering relevant activities, it will pursue two complementary approaches involving partnerships with technical assistance and capacity building providers: a regional approach, which focuses on the delivery of assistance on issues that are of common interest to the entire group of members; and a sub-regional approach, which focuses on the provision of assistance that are of interest to a specific group of countries. Targeted partnerships with technical assistance providers at country level may complement and reinforce the Initiative’s activities at regional and subregional levels.

### a) Capacity building at regional and sub-regional levels

43. In 2007-2008, the Initiative will continue its efforts to provide training seminars at *regional level*. The Steering Group has identified a number of areas where capacity building at regional level would be particularly beneficial, and has called upon the Initiative’s Secretariat to provide seminars to meet these needs. Possible areas identified as priorities concern issues such as: establishing and empowering centralized anti-corruption agencies and agencies with a similar enforcement function; building capacity of government institutions involved in mutual legal assistance and extradition; establishing public-private partnerships to prevent the giving of bribes to public officials in domestic and international business transactions and promote business integrity; and countering deficiencies in anti-money-laundering mechanisms arising from corruption of their institutions. The Secretariat will seek to deliver, in 2007-2008, two regional capacity building seminars, one per year.

44. Consistent with the Steering Group’s desire for reinforcing co-operation between neighboring member countries that encounter common challenges given their similar socio-economic, political, and historical context, the Secretariat will also seek to conduct, in 2007-08, one or more *sub-regional* capacity building seminars, subject to partnerships with, and financial support by, interested technical assistance and capacity building providers. The Group considers this format to be particularly beneficial for topics linked to cross-border characteristics of corrupt practices as it could contribute to promote stability between neighboring countries. Sub-regions that are likely to benefit particularly from sub-regional capacity building include the Mekong Delta, South Asia (SAARC), and the Pacific Islands. The sub-regional training seminars will address topics that are related to specific groups of countries’ reform efforts and where capacity building is crucial for implementing policy reform.

45. Further to members’ call upon the Secretariat for obtaining support at country level, the Initiative will also seek to provide, subject to partnerships with, and financial support by, interested technical assistance and capacity building providers, one or more *country capacity-building roundtables* in 2007-08 as long as such country roundtables can benefit to other member countries. The Group is of the opinion that such country capacity building roundtables could further assist member countries in identifying trends and in reviewing legislation and

policies. Such roundtables would, in consultation with the requesting country, bring together national experts from the country having requested the roundtable, interested delegates of the Steering Group, experts suggested by the Advisory Group and representatives of bilateral and multilateral agencies, as well as representatives of parties to the OECD Anti-Bribery Convention with relevant expertise. Representatives of parties to the OECD Anti-Bribery Convention would notably be invited to roundtables that address issues of relevance to the fight against bribery of foreign public officials in international business transactions.

#### **b) Capacity building in partnership with regional initiatives**

46. In 2007-2008, stronger partnerships will enable the Initiative to meet the growing demand for capacity building that countries express. These partnerships will also avoid duplication of training efforts in the Asia-Pacific region, and will enable the Initiative and its partners to reach a wider audience. The enhanced cooperation that the Initiative has developed in the region will also enable government officials and experts from members to take part in seminars organized by partner organizations.

47. The strong ties established with UNDP and the pledge made by the UNDP Regional Centre in Bangkok to support capacity building conducted by the Initiative will allow the Initiative to deliver its program to a wider audience in collaboration with UNDP. The cooperation should also allow a better coordination of the technical assistance programs delivered by UNDP and the ADB/OECD Initiative.

48. The partnership with the Asia-Pacific Group on Money Laundering (APG) opens the way to conduct a joint training with APG on issues of common interest, such as the administration and enforcement issues for seizure, confiscation and management of proceeds of crime, or, as a complement to the joint thematic review, on the links between corruption and money-laundering to assist member countries in developing appropriate safeguards against corruption in their AML/CFT structures.

49. The expected formalization of the Initiative's partnership with the APEC Anti-Corruption and Transparency Task Force (ACT) should also open the way to conduct joint capacity-building seminars on issues of common interest, for example as regards the issue of corruption in international investment and trade and the role of the business sector in the fight against bribery of public officials.

### **4. Funding of the Initiative's activities**

50. The Steering Group recognizes that the implementation of this work program, and in particular the capacity of the Secretariat to assist member countries in their anti-corruption efforts, depends on the availability of sufficient financial resources. Until now, the Initiative has been primarily funded by voluntary contributions to the OECD and ADB grants, and some of the Initiative's members have contributed in kind to the Initiative's work program through hosting meetings such as Steering Group meetings, capacity-building seminars and regional Conferences. ADB and OECD have also contributed in kind to the conduct of various activities.

#### **a) Funding the Initiative's core activities**

51. The Group agrees that certain activities are essential elements of the Initiative's support towards the implementation of the Action Plan. These activities include – over a two year implementation cycle – the regular meetings of the Steering Group; the continuous reporting on anti-corruption reform efforts and the biennial stocktaking of progress in legal and institutional reform; two capacity building seminars and two thematic reviews; a Regional Anti-Corruption Conference every three to four years; and efforts to communicate member countries' achievements in their fight against corruption through the Initiative's website and newsletters.

52. The Secretariat will approach donors to seek their further financial support of the Initiative's core activities. The Initiative will also continue to rely on members' in-kind contributions, especially through hosting events. At the beginning of the implementation cycle on 1 January 2007, the Initiative's Secretariat has secured approximately USD 602,000 for the implementation of the core activities (for details on the estimated expenditure and budget refer to annex 3 of the present document). Given the estimated overall expenditure of USD 1,009,000, an amount of USD 407,000 remains to be secured to enable the Secretariat to implement the core activities in 2007/2008.

#### **b) Support for additional activities to support the implementation of the Action Plan**

53. As outlined above, the Initiative's members wish that the Secretariat further expands the activities in support of their anti-corruption efforts. This includes the country peer reviews, the capacity-building program at subregional level, and the conduct of country roundtables. Such activities, that require approximately USD 540,000 for their implementation, will be carried out subject to additional funding. The Secretariat will approach donors both within and beyond the Group, partners and other sources such as public foundations that may have a particular interest that the Initiative's members benefit from these additional activities to support the implementation of the Action Plan.

## Annex 1: Outline of country review methodology

The Steering Group recognizes the merits of reviewing individual countries' safeguards against corruption against the Action Plan's standards. The Group agrees that such reviews should be conducted on a voluntary basis to ensure the countries' ownership of the process. The Group also agrees that the scope of the review should be determined by the country which has volunteered to undertake such review to take into account the country's particularities and priorities.

The review will be conducted as follows:

1. The **scope of the review** will be determined by the country that is reviewed. It will either cover the full scope of the Action Plan or issues addressed under one or more of the Action Plan's pillars, or one or more of the pillars' subcategories.

2. Carrying out individual country reviews will be the result of **cooperation of several actors**: the reviewed country; the Initiative's Secretariat assisted by member countries' and international experts, and the Steering Group:

- *The country under review*: Participation of a given country in the review process will imply close cooperation between the country and the Secretariat through, among other things, availability of relevant documents and data in English as the working language of the Group, responses to questions, facilitation of contacts and hosting of the fact-finding mission, including the representation, during the fact-finding mission, of various individuals having expertise in the subject areas covered by the review (e.g. civil servants from relevant ministries and agencies at different levels of government, representatives of non-governmental organizations and the private sector).
- *The Secretariat*: The Initiative's Secretariat will support the whole review process by producing analysis during the preparatory phase of the review, organizing the consultation phase with the country under review (including the preparation of a questionnaire and the fact-finding mission), and by conducting the review, working closely with officials from other countries represented in the Steering Group as well as experts from institutions represented in the Advisory Group who will be involved in the country review. The role of the Secretariat will be to ensure that the review is fair and free from any influence that would undermine the ultimate goal of the process which is to highlight achievements and give advice to the country under review on its policies and overall framework for combating corruption with respect to the Action Plan.
- *The experts from member countries other than the country under review and experts from the Advisory Group and the OECD Working Group on Bribery*: The role of those experts will be to assist the Secretariat in conducting the review at its various stages and as such bring in their experience and knowledge in the review. Hence, their tasks will include the study of documentation in anticipation of the fact-finding mission, the participation in the fact finding mission, and a lead speaker role in the presentation of the findings of the review during the collective discussion of the resulting report by the Steering Group. The experts from the two member countries that will participate in the review, as well as additional experts from the Advisory Group and the OECD Working Group on Bribery, will be chosen by the Secretariat in consultation with the country under review.
- *The Steering Group*: The role of the Steering Group will be to discuss the preliminary review report prepared by the Secretariat and, if pertinent, provide guidance for improvement/further reforms it deems appropriate. After completing its review of the country report, the Steering Group will issue the final report as a publication of the Initiative.

3. **Expenses** for the conduct of the fact-finding mission will be shared between the reviewed country and the Secretariat: The reviewed country will contribute in kind for the logistical arrangements for the fact finding visit. The Secretariat will secure funds to cover the expenses for the experts from the Initiative's two member countries chosen to be part of the review provided they are eligible for funding under the Initiative's policy for financial support.

## Annex 2: Summary of main proposed activities for 2007-2008

<b>Core activities</b>	
<b>2007</b>	<b>2008</b>
<b>Policy dialogue</b>	<b>Policy dialogue</b>
<ul style="list-style-type: none"> <li>• One steering Group meeting (one every six to eight months)</li> <li>• Enhanced country reporting</li> <li>• One cross-regional thematic review on mutual legal assistance and extradition in corruption matters</li> <li>• Continual stocktaking of anti-corruption policies in Asia-Pacific</li> </ul>	<ul style="list-style-type: none"> <li>• Two steering group meetings (one every six to eight months)</li> <li>• Enhanced country reporting</li> <li>• One cross-regional thematic review</li> <li>• Continual stocktaking of anti-corruption policies in Asia-Pacific and publication of the outcome (3<sup>rd</sup> edition)</li> </ul>
<b>Capacity development</b>	<b>Capacity development</b>
<ul style="list-style-type: none"> <li>• Joint ADB OECD Initiative/APEC capacity building seminar</li> </ul>	<ul style="list-style-type: none"> <li>• One regional capacity building seminar in partnership with UNDP</li> </ul>
<b>Strengthening partnerships</b>	<b>Strengthening partnerships</b>
<ul style="list-style-type: none"> <li>• Enlargement of the Group of member countries</li> <li>• Increased participation of OECD Working Group on Bribery's experts in Initiative's events (Steering Group meetings, capacity building seminars)</li> <li>• Increased public communications on the work of the Initiative</li> <li>• Representation of the Initiative in international fora (outreach)</li> </ul>	<ul style="list-style-type: none"> <li>• Enlargement of the Group of member countries</li> <li>• Increased participation of OECD Working Group on Bribery's experts in Initiative's events (Steering Group meetings, capacity building seminars)</li> <li>• One enhanced regional conference, including business-government dialogue</li> <li>• Increased public communications on the work of the Initiative</li> <li>• Representation of the Initiative in international fora (outreach)</li> </ul>
<b>Additional activities</b>	
<b>Policy dialogue</b>	<b>Policy dialogue</b>
<ul style="list-style-type: none"> <li>• One country review</li> </ul>	<ul style="list-style-type: none"> <li>• One cross-regional thematic, jointly with APG, on the links between corruption and money laundering</li> </ul>
<b>Capacity development</b>	<b>Capacity development</b>
<ul style="list-style-type: none"> <li>• One regional capacity building seminar in partnership with UNDP</li> <li>• One country roundtable</li> </ul>	<ul style="list-style-type: none"> <li>• Joint ADB/OECD Initiative/APEC capacity building seminar</li> <li>• One sub-regional capacity building seminar</li> </ul>

## Annex 3: Budget estimates for proposed activities for 2007-2008

## 1. Core activities:

2007	in USD	2008	in USD
<b>Policy dialogue</b>		<b>Policy dialogue</b>	
One steering group meeting	77,000	Two steering group meetings*	154,000
One cross-regional thematic review on mutual legal assistance and extradition in corruption matters	96,000	One cross-regional thematic review	96,000
Continual stocktaking of anti-corruption policies in Asia-Pacific	5,000	Continual stocktaking of anti-corruption policies in Asia-Pacific and publication of the outcome	12,000
<b>Capacity development</b>		<b>Capacity development</b>	
Joint ADB OECD Initiative/APEC capacity building seminar	115,000	One regional capacity building seminar in partnership with UNDP and other partners	115,000
<b>Strengthening partnerships</b>		<b>Strengthening partnerships</b>	
		Enhanced regional Anti-Corruption Conference for Asia-Pacific*	188,000
		Business-government dialogue	28,000
Public communications on the work of the initiative (website, brochures, newsletter)	20,000	Public communications on the work of the initiative (website, brochures, newsletter)	20,000
Representation in international fora	29,000	Representation in international fora	29,000
<b>Overhead charges</b>	9,000	<b>Overhead charges</b>	16,000
<b>total expenses (2007)</b>	<b>351,000</b>	<b>total expenses (2008)</b>	<b>658,000</b>

<b>total core activities budget 2007/2008</b>	<b>1009,000</b>
<b>total available</b> (ADB grant; voluntary contributions made to the OECD; in kind contributions by member countries)	<b>602,000</b>
<b>total required to fund the Initiative's core activities in 2007/2008</b>	<b>407,000</b>

\* To save travel costs, the conference will be held back-to-back with a Steering Group meeting; this reduces the expenses for the conference by about 20,000 USD; the table provides this reduced amount.



## 2. Additional activities subject to availability of funding:

<b>2007</b>	<b>in USD</b>	<b>2008</b>	<b>in USD</b>
<b>Policy dialogue</b>		<b>Policy dialogue</b>	
One country review	53,000	One cross-regional thematic review, jointly with APG, on the links between corruption and money laundering	96,000
<b>Capacity development</b>		<b>Capacity development</b>	
One regional capacity building seminar in partnership with UNDP and other partners	115,000	Joint ADB OECD Initiative/APEC capacity building	115,000
One country roundtable	58,000	One subregional capacity building seminar	103,000
<b>total expenses</b>	<b>226,000</b>	<b>total expenses</b>	<b>314,000</b>
<b>total budget 2007/2008 required to fund additional activities</b>			<b>540,000</b>