

## Implementing the Anti-Corruption Action Plan for Asia-Pacific Strategy and 2004–2006 Work Plan

Approved by the Steering Group on July 7, 2004

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## I. INTRODUCTION

1. Over the past 10 years, in light of the Asian financial crisis and in parallel with the globally growing awareness of the negative impacts of corruption on political stability, social welfare, and economic growth, and of the central role that good governance plays in alleviating poverty, countries from the Asia and Pacific region have increasingly attached great importance to fighting corruption. Twenty-one of the region's countries reacted to this concern by endorsing and implementing the Anti-Corruption Action Plan for Asia-Pacific.

2. The call for developing this Action Plan was made by the region's countries in the framework of the ADB/OECD Anti-Corruption Initiative for Asia-Pacific, the region's forum for policy dialogue and cooperation in the fight against corruption. The Action Plan, developed under this umbrella by a regional group of experts from governments, civil society, the private sector and donor institutions, was formally endorsed in Tokyo in November 2001 by 17 countries.

3. Since the Action Plan's endorsement, the ADB/OECD Initiative has rapidly grown in size, impact, and recognition. Now endorsed by 21 industrialized and developing countries of the Asia-Pacific region<sup>1</sup>, its Action Plan enjoys political backing at the highest level. In the region and beyond, the plan is regarded as the central anti-corruption instrument for Asia-Pacific, and is mentioned in line with other regional anti-corruption instruments such as the OAS' and Council of Europe's Conventions on Corruption as well as the OECD Anti-Bribery Convention. Since the adoption of the UN-Convention against Corruption, the ADB/OECD Action Plan with its established implementation and review mechanisms is deemed – including by senior representatives of the UN itself – as the key instrument to assist the Asia-Pacific countries in implementing the Convention.

4. This favorable judgment is essentially due to the Initiative's unique conception. It is marked by regional and country ownership, a focused anti-corruption agenda, and targeted assistance along expressed needs. Countries' reform efforts under the Action Plan, that are based on the results of in-depth studies of their legal and institutional anti-corruption frameworks, are supported by the Secretariat through capacity-building tools, regional policy dialogue, monitoring mechanisms, and technical advice and assistance. Finally, with the experience accumulated by the ADB through its technical assistance projects to improve governance, and by the OECD in the framework of implementing the OECD Anti-Bribery Initiative, the Initiative provides for the exchange of a wide range of experiences accumulated by countries and experts from around the world.

5. Over the past three years, tangible results and progress have been observed in the Steering Group. At the same time, the stocktaking exercise and preliminary results from the Action Plan's implementation have also identified many areas in which additional efforts are required. As outlined in the present strategy and 2004-2006 work plan, the Initiative will help address these critical issues through action on national and regional levels and with a view to assist countries in meeting their commitment under the UN-Convention against Corruption.

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<sup>1</sup> Australia; Bangladesh; Cambodia; Cook Islands; Fiji Islands; Hong Kong, China; India; Indonesia; Japan; Kazakhstan; Korea (Republic of); Kyrgyz Republic; Malaysia; Mongolia; Nepal; Pakistan; Papua New Guinea; Philippines; Samoa; Singapore; and Vanuatu (status as of 31 May 2004).

## **II. BUILDING A FOUNDATION FOR SUSTAINED ANTI-CORRUPTION MEASURES IN THE ASIA AND PACIFIC REGION: PROGRESS TO DATE**

6. Significant results were achieved after the Initiative's December 2000 launch in Seoul. As a forum for regional policy dialogue, the Initiative fostered consensus in the region on the need to combat corruption and to cooperate in this endeavor across borders and social groups. As such, it clearly contributed to increased awareness of corruption's negative effects and to growing public demand for more transparency and accountability on the parts of governments and businesses. The Action Plan, as the Initiative's key instrument to combat corruption in the region, united Asian and Pacific countries in their joint concern to combat corruption and set high standards in this effort. The Action Plan's unique review mechanisms and multilevel approach foster concrete reform and give practical tools to governments helping them to fulfill their commitment to step up the fight against corruption and make measurable progress in this regard.

### **A. Consensus Among Asian and Pacific Countries in the Fight Against Corruption**

7. ADB, OECD, and Asian and Pacific government cooperation was initiated at an October 1999 regional workshop on corruption in Asian and Pacific economies. This workshop brought together ADB's broad development agenda and mandate and OECD's long-standing expertise in building consensus on major issues in regional groups and combating corruption through monitoring of the OECD's Anti-Bribery Convention. The key objective of the two organization's cooperation in support of the growing anti-corruption awareness trend in Asia-Pacific was to assist countries in building knowledge, fostering policy dialogue, and strengthening regional cooperation.

8. From this informal cooperation emerged the desire among the region's countries to develop a comprehensive and coordinated joint strategy against corruption. For this purpose, Asian and Pacific countries formally confirmed the Initiative in December 2000 and tasked ADB and OECD to coordinate related efforts. Born from this process, the Action Plan is the outcome of an intensive consultation process involving government experts and policy makers, and representatives from civil society, business and donor agencies. It assembles the region's goals and standards for transparency in public service, antibribery action, business integrity, and public involvement in fighting corruption. Its endorsement in December 2001 further strengthened the unity of Asia-Pacific countries and testifies to the region's strong commitment to resisting corruption.

### **B. Country Leadership and Reform Commitment**

9. During the Action Plan's initial implementation phase, in 2002 and 2003, a majority of endorsing countries, by selecting priority areas for reform and developing corresponding implementation projects, took concrete steps to translate into national policies their commitment to the Plan's standards and principles. These country reform efforts were regularly discussed in the Steering Group so as to ensure their comprehensiveness and effectiveness. The Steering Group during these discussions reacted where necessary to difficulties encountered by countries in this initial phase and in some cases provided suggestions for the reformulation of certain project components. The Secretariat with the support of the donor community representatives provided technical advice in support of this process.

10. Countries' reform projects in this initial implementation phase included for example amendments to anti-corruption legislation or the concurrent strengthening, through training programs, of law enforcement agencies' capacities. Other projects comprised the development of new codes of conduct for public officials or different types of awareness raising or public education programs.



Training programs on national level were sometimes carried out with Advisory Group assistance. At the same time, the evaluation of these initial reform projects under the Action Plan confirmed that in many areas important anti-corruption measures were yet to be implemented. For instance, in addition to very specific institutional or legal shortcomings, sometimes weak capacity was identified in many participating countries as being of central concern. These issues, as identified by the Steering Group, will be addressed in the group's future efforts under the Initiative.

### **C. Common Understanding of Existing Anti-Corruption Measures in the Asia and Pacific Region**

11. Parallel to this process, the Steering Group in 2003 engaged in a stocktaking exercise that considered, in the context of the Action Plan's principles and standards, the adequacy of participating countries' legal and institutional anti-corruption frameworks. This exercise aimed to provide participating governments with an analytical tool that would help them clearly understand the major challenges, identify gaps in anti-corruption strategies and assist them in developing corresponding remedies.

12. The discussion of results from this exercise by the Steering Group in December 2003 confirmed that laudable efforts were made by a majority of countries on legal and institutional levels. Preventive measures were found to have a tendency throughout the region to focus on human resources management, public officials' conduct, and transparency and scrutiny of public administration. On the enforcement side, many governments chose to complement existing law enforcement institutions with specialized anti-corruption agencies or coordinating units and stepped up the fight against money laundering. The stocktaking exercise also confirmed that some institutional and legal environments are more conducive than others to collaborative relations between civil society and governments. Where such collaboration exists, it often involves a wide range of activities, including awareness raising, education campaigns, institutionalized public scrutiny of selected public administration procedures, or input to legal drafting processes.

13. The exercise also revealed a number of weaknesses of anti-corruption measures, such as inequalities and insufficiencies in relevant penal and criminal provisions and a lack of criminalization of certain forms of corruption. The public's ability to contribute to the fight against corruption has not been acknowledged sufficiently in most countries, and a weak regulatory environment discourages the private sector from enhancing transparency and accountability in business transactions with public officials. Current approaches in this respect tend to emphasize ex post facto legal and institutional enforcement, at the expense of preventive approaches targeting the private sector. The results of this exercise also allowed identifying a number of issues of particular concern to the region, for instance the repatriation of corruption proceeds; these will require increased attention by all participants. Finally, the exercise confirmed that lack of specialized capacity continues to be a significant constraint to the effective implementation of anti-corruption legislation and the functioning of relevant institutions.

### **D. Capacity-Building Support**

14. In support of countries' reform efforts and to assist in building identified capacity deficiencies, the Initiative commenced a series of training seminars. A first seminar in February 2003 focused on practices and techniques for improving the effectiveness of prosecuting corruption, an area repeatedly identified by participating countries as being particularly hampered by a lack of knowledge. The seminar was led by highly experienced and renowned prosecutors from India, Norway, Switzerland and the U.K. and attended by over 30 participants from 14 Asia-Pacific countries.

15. The seminar revealed the region's great need to improve investigative techniques, to enhance understanding of mutual legal assistance procedures, and to develop prosecutors' capacity to deal with

cases of high-level political corruption. So as to widely disseminate the knowledge accumulated during the seminar, the report from this training has been published and made available on the Initiative's web site.

### **E. Transparency and Outreach**

16. To widely share the lessons learned and good practices identified by participating countries in the Action Plan's framework, the Initiative strives throughout its activities to provide a high level of transparency and a far-reaching external communication strategy. These objectives are addressed through the Initiative's web site, biannual conferences, and numerous partnerships.

17. Relevant documents or publications resulting from the Initiative's activities, including the Action Plan's midterm and final implementation assessments, country stocktaking self-assessments, and seminar reports are accessible on the Initiative's web site. The web site further becomes a far-reaching information center on corruption in Asia-Pacific by featuring an extensive list of relevant external resources and a database on key anti-corruption actors and their activities in the region.

18. Policy dialogue and cooperation among anti-corruption actors are particularly fostered by the Initiative's biannual conferences. The December 2003 conference in Kuala Lumpur allowed a broad public to be informed of the endorsing countries' first reform efforts under the Action Plan, to discuss the results from the stocktaking exercise and identify issues of particular concern to the region.

19. Activities undertaken by the Secretariat have also included bilateral and multilateral cooperation with external partners and countries that have not yet endorsed the Action Plan. As a result, four governments—Australia; Cambodia; Hong Kong, China; and Kazakhstan—have endorsed the Action Plan since December 2001. Close collaboration was further developed with the People's Republic of China, which participated as observer in the Steering Group activities in 2003. Interested in learning more about the Initiative's working methods, government representatives from Sri Lanka, Timor-Leste, and Viet Nam attended the Kuala Lumpur conference. Finally, the Secretariat has cooperated with Transparency International for the organization of the 11th International Anti-Corruption Conference in Korea in May 2003 and has actively contributed to other relevant regional activities, such as the Asia-Pacific Group on Money Laundering.

### III. IMPLEMENTING THE ACTION PLAN: 2004–2006 WORK PLAN

20. Asian and Pacific governments clearly recognize the social, political, and economic costs of corruption. In endorsing the Action Plan, and through national reform efforts undertaken by a majority of participating countries since endorsement, governments have shown their commitment to curbing corruption and collaborating with neighboring countries in this endeavor. Since its initial endorsement, the Action Plan has been widely regarded as setting high standards in fighting corruption and bringing about concrete changes in the region's anti-corruption landscape. The Action Plan's endorsement by four additional countries in 2002 and 2003 further testifies to the perceived value of the Initiative. At the same time, while significant results were achieved by the countries implementing the Action Plan over a 2-year period, the Steering Group acknowledges that constant and special efforts are required in many areas to ensure that anti-corruption efforts are sustainable and effective. The priorities and corresponding program components outlined in the 2004–2006 work plan are designed in direct response to the concerns voiced by participating countries and their experiences during the Action Plan's first 2 years of implementation.

#### A. Principles of Action

21. The Initiative's particular strengths lie in its multifaceted and country-specific approach and its capacity through the Steering Group's review procedure to assess progress and challenges in the region's fight against corruption. The principles set out in the Initiative's initial strategy adopted by the Steering Group in May 2002 -country ownership and regional cooperation- remain the basis of the Initiative's activities. The Initiative further recognizes the central role that the fight against corruption has in poverty reduction efforts in that it aims to make governments more accountable and more responsive to the demands of their citizens, to make public services -in particular the judiciary- more accessible, and to reduce the diversion of scarce government resources.

22. The Initiative's central goal is to assist interested countries in building sustainable legal and institutional frameworks to combat corruption by implementing the Action Plan's standards and principles. In this effort, governments continue to have core responsibility for implementing the Action Plan through country-specific and targeted reform projects, as experience shows that country ownership is a key to ensuring national commitment, better project targeting, and greater implementation efficiency. At the same time, and in particular in light of the transnational characteristics of corruption, significant efficiency and enhanced impact gains can be obtained by implementing certain anti-corruption reforms through regional programs rather than individual national programs. The Secretariat and the Steering Group, in cooperation with members of the Advisory Group, will consequently support national anti-corruption efforts through different regional and sub-regional tools and activities.

23. In light of the signature of the UN Convention and the advanced international anti-corruption agenda that resulted from this, regional programs have gained in importance, as they provide for practical and well established frameworks through which signatory states to the UN Convention can be assisted in meeting their related commitments. The ADB/OECD Initiative's Action Plan and the UN Convention have an ideal potential for synergy due to great similarities in terms of involved actors, thematic coverage and goals. Both instruments emphasize the importance of transparency, clear rules of conduct and effective supervision to prevent corruption in public service and they both recognize the key role of civil society and the business sector in these efforts. Closure of remaining loopholes in penal provisions and the empowering of law enforcement authorities are identified in both instruments as crucial preconditions to deterring corruption behavior, and they further both draw attention on improving



international co-operation in preventing and sanctioning alike. The ADB/OECD Initiative will consequently seek close collaboration with UN authorities to assist countries in meeting their commitment under the UN Convention, i.e. through the organization of joint training seminars. The Initiative will encourage its participating countries that have not signed the UN Convention to consider doing so soon, and the signatories to the UN Convention to seek coherence between their respective reform efforts undertaken under the two instruments.

24. These strategic objectives of the Initiative are implemented through the work plan presented in this document. Implementation of the work plan's different components depends on adequate funding. The 2004–2006 budget for regional activities conducted by the Secretariat in support of countries' national reform efforts, is financed from ADB and OECD core budgets and voluntary contributions to the Secretariat from involved donor institutions. Direct support from the international donor community, channeled through national programs, constitutes an important budgetary element.

## **B. Prioritizing Country Reform Areas under the Action Plan**

25. During the 2 years since the Action Plan's endorsement, targeted reform projects were initiated in most participating countries. The Initiative's approach toward national anti-corruption reform thus proved to be effective in bringing about concrete changes in the context of countries' numerous competing priorities and challenges. For the selection and implementation of the countries' second set of Action Plan priority reforms in 2004-2006, the findings of the stocktaking exercise and countries' past achievements under the Action Plan will constitute important starting points. Complementing a country's ongoing strategies to reduce corruption and alleviate poverty, Action Plan reform projects must have clearly defined objectives, outline proposed means to achieve these and identify measurable outcomes and impacts. Projects should further be time-bound and feasible within a country's given institutional setting, and should seek coherence with a country's efforts under the UN Convention against Corruption.

26. To ensure the effectiveness of Action Plan reform projects, the Steering Group, as part of its review function, will maintain a policy dialogue on the progress made by participating countries in the second implementation phase. The discussion by the group of each member's selected priorities and corresponding reform projects, and its midterm review of project implementation are crucial to ensuring that members can prevent or react, where necessary, to problems that countries may encounter during implementation. The Steering Group may in these stages of its review procedure suggest, where necessary, further action or project amendments to its members. The final round of project review, based on self-evaluation reports, will allow Steering Group members to learn about other countries' experiences in implementing Action Plan reform projects and to collect good practices and examples of particularly innovative anti-corruption tools and approaches. The Secretariat will prepare and moderate this review process, provide technical opinions on country projects, and plan the Initiative's regional program components in direct response to countries' reform efforts under the Action Plan.

## **C. Measuring Progress in the Region's Fight against Corruption.**

27. Measuring progress in implementing anti-corruption reform by means of assessment tools and indicators has proven crucial to ensure effectiveness of Action Plan implementation efforts, to assist countries in evaluating progress achieved in their struggle against corruption, and to identify weaknesses of existing anti-corruption measures and institutions.

28. In line with this, the initial stocktaking report, to be finalized in its first version in July 2004, will be regularly updated to take account of new anti-corruption policies and measures implemented by participating countries. Information for these updates will be collected at the Steering Group meetings'

reporting roundtables. In this way, the Steering Group will be able to use the report as a benchmark to evaluate over time the overall progress of the region's commitment against corruption and to identify areas in which its members still lag behind the standards set in the Action Plan. The stocktaking exercise is further a key source of information for those interested in learning in detail about the region's anti-corruption strategies and thereby fosters exchange of experience and dissemination of knowledge.

29. In areas which the stocktaking report identifies as requiring particular attention, the Steering Group will, starting in 2004, develop thematic country reviews. Themes to be addressed by these reviews may include for instance legal instruments for sanctioning bribery and corruption, prosecution of corruption, integrity systems or ethics codes. Based on participating countries' replies to a questionnaire developed by the Secretariat, thematic country reviews will record countries' commitments to concrete reform steps and illustrate how these are in practice matched with concrete policy actions. As such, the thematic country reviews will serve as a tool and indicator that can be used to manage and track in an open and transparent manner the effectiveness of participating countries' individual anti-corruption reform measures.

#### **D. Helping Build Capacity for Effective Implementation of Anti-Corruption Strategies**

30. Countries' past efforts to implement the Action Plan and results from the stocktaking exercise demonstrated a constant and extensive need for capacity building in a majority of participating countries. The Steering Group has in particular identified areas such as mutual legal assistance, forensic accounting, whistle-blower protection, public procurement, money laundering, and UN Convention implementation where capacity needs to be strengthened.

31. In reaction to this need, the Secretariat will aim to provide up to two targeted training seminars per year. Similar to the 2003 India seminar, these events will target senior public officials who can report back and share the accumulated knowledge with their staff members and other public administrators responsible for implementing anti-corruption measures. Reports on the outcomes of each seminar will be published and disseminated through the website so as to expand the seminars' learning effect to the entire region and beyond. As a side effect, the Initiative's training seminars allow experts with similar responsibilities to establish informal contact networks that will facilitate future cooperation and information exchange, particularly in areas with distinct international characteristics.

32. A second key element in reacting to the need for capacity building involves the training tools provided by the Initiative's partners, particularly those provided by Advisory Group members. These tools are implemented mainly at the country level, and -while they are organized in consultation with the Secretariat so as to avoid overlaps and duplication-, they constitute an important element of direct support from partners to countries' Action Plan implementation efforts.

#### **E. Strengthening International Donor Community and Regional Organization Roles**

33. Many bilateral donor agencies and international organizations are actively supporting participating countries' anti-corruption efforts through technical assistance programs at national level. This direct support is an important element in ensuring progress in the region's fight against corruption under the Action Plan. To avoid duplicated efforts and to develop synergies between the Initiative and these programs, the Secretariat works closely with relevant international donor community exponents.

34. From 2004 to 2006, the Secretariat will concentrate on seeking increased support and direct involvement by donor institutions in country's reform efforts under the Action Plan. The participation in Steering Group meetings of key donor agencies provides a first opportunity for participating governments to establish or strengthen bilateral contacts with potential development partners.





Increased donor support will affect the stages of selecting reform priorities, developing corresponding projects, and implementing these at national level and may take, depending on a country's particular needs, the form of in-kind or financial contributions. Participating countries will be strongly encouraged to consult with their local donor communities and other relevant local actors when initiating the Action Plan's second implementation cycle. Where necessary, the Secretariat may provide assistance in establishing local donor consultation groups or ad hoc meetings, will circulate the countries' Action Plan related reform projects to interested institutions and may establish contact with experts that could possibly assist in a country's reform efforts. To facilitate this process, countries should clearly identify and communicate to the Secretariat the type of external support that they may require for the implementation of reform projects under the Action Plan.

35. The Initiative's key partner institutions from the donor community further play an important role in raising the Initiative's profile at local level among government institutions and the local donor community in participating countries. Assistance from the international donor community, particularly those represented in the Advisory Group, will also be sought for the overall implementation of the Initiative's work program as outlined in this document. The type of support sought in this context will be in-kind and financial and can take the form of long-term partnerships and/or ad hoc arrangements involving, for example, training seminars or regional conferences. Finally, partnerships will be strengthened with regional and international institutions that are currently not represented in the Advisory Group but have specific programs dedicated to fighting corruption or closely related themes (i.e., Asia-Pacific Economic Cooperation, Asia-Pacific Group on Money Laundering, International Monetary Fund, and UN agencies).

## **F. Catalyzing Policy Dialogue and Cooperation**

36. In the context of issues with transnational dimension, such as corruption, regional cooperation acts as a catalyst to reinforce bilateral and multilateral cooperation, fosters the exchange of knowledge and experience, and helps build synergies among different actors. The Initiative's biannual anti-corruption conferences, taking place at the end of each Action Plan implementation cycle, are a particularly important program element in this regard. Reaching beyond the Steering Group and the region and attracting a variety of actors, these conferences allow participants to share with a wide range of interested parties experiences and knowledge accumulated under the Action Plan. Moreover, these conferences succeed in increasing the visibility of the region's fight against corruption and Initiative-related achievements and activities.

37. Regional conferences are further excellent opportunities to invite interested nonmember countries to learn more about the Initiative's working mechanism and policy approach. Upon request, such interested parties may be granted, for a limited period of time, observer status by the Steering Group or be invited by the group to participate in other activities (e.g., training seminars). The Secretariat assists the Steering Group in enlarging its field of members from the region by establishing or strengthening bilateral contacts with relevant governmental institutions. Applications from additional Asia-Pacific countries to endorse the Action Plan and become full members of the Initiative are submitted to the Steering Group members for consideration. The group of endorsing countries decides on such application by consensus as for any decision to be taken by the group.

## **G. Bringing the Initiative Closer to the People**

38. From 2004 to 2006, increased attention will be paid to equipping the Initiative with a comprehensive program for external communication. This program will increase the Initiative's visibility and help partners work with each other or the Initiative.



39. Modern tools, specifically the World Wide Web, will play a particularly important role, as they allow for a wide outreach and provide interested parties with easy and free-of-charge access to information. The Initiative's web site, which is recognized as a unique repository of information about fighting corruption in the Asia and Pacific region, will be restructured, updated, and expanded. One important task of the new web site will be to document, with the highest possible degree of transparency, participating countries' efforts under the Action Plan and regional activities under the Initiative. By providing a wide range of additional useful information on key anti-corruption actors in each country, including their programs and activities, and a variety of relevant literature, the web site will become a key tool for capacity building, knowledge sharing, and individual and group networking.

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#### **NOTE**

The term "country" as used in this document also refers, as appropriate, to territories or areas; the designations employed and the presentation of the material do not imply the expression of any opinion whatsoever concerning the legal status of any country or territory on the part of the Asian Development Bank (ADB) board of directors and ADB members or the Organisation for Economic Co-operation and Development (OECD) and OECD member countries.

