

17th Steering Group Meeting
Hanoi, Vietnam, 22-23 October 2012

Minutes of the Meeting

Participants

Member countries and jurisdictions: Australia, Bangladesh; Bhutan; Cambodia; P.R. China; Cook Islands; Hong Kong, China; India; Indonesia; Japan; Kazakhstan; Republic of Korea; Macao, China; Malaysia; Mongolia; Pakistan; Papua New Guinea; Philippines; Samoa; Singapore; Solomon Islands; Sri Lanka; Thailand; Timor-Leste; Vietnam

Advisory Group: American Bar Association – Rule of Law Initiative (ABA); German Agency for International Cooperation (GIZ); Transparency International (TI); United Nations Development Programme (UNDP); United Nations Office on Drugs and Crime (UNODC); World Bank

Observer countries and organisations: Afghanistan; Brunei Darussalam

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

Participants of the consultation with the private sector and civil society: Vietcombank; Hanoi Television Station; Vietnam News Agency; Association Small and Medium Enterprises; Vietnam Union of Science and Technology Association (VUSTA); Auscharm; Ernst & Young; Towards Transparency Vietnam; Vietnam Union of Friendship Organizations; Asia Foundation; Young Entrepreneurs Association; Newspaper and Magazine of the Government Inspectorate of Vietnam.

Chairs of the Meeting

The meeting was chaired by His Excellency Mr. Tran Duc Luong, Deputy Inspector General, Government Inspectorate of Vietnam, except Item 5 which was chaired by Shri Mr. Jagmohan Garg, Vigilance Commissioner, Central Vigilance Commission, Government of India.

Summary of the Discussions

1. Opening and Adoption of Agenda

His Excellency Mr. Huynh Phong Tranh, Government Inspector General, Government Inspectorate of Vietnam delivered an opening speech to the Steering Group. The Secretariat then gave opening remarks. The Chair then started the meeting and the Steering Group adopted the agenda.

2. Welcoming the Membership of Timor-Leste and the Solomon Islands

Prior to the meeting, Steering Group members considered and approved requests by Timor-Leste and the Solomon Islands to join the Initiative. Both countries also formally endorsed the Initiative's Action Plan. The Steering Group welcomed both countries as full members of the Initiative. Both countries made brief statements to the Steering Group.

3. Implementing the Recommendations of the 2010 Thematic Review on Criminalisation of Bribery in Asia-Pacific

In 2010, the Initiative completed a Thematic Review on the Criminalisation of Bribery in Asia-Pacific. The Review included recommendations to each Steering Group member on how to

improve their efforts in this area. At the time the Report was adopted, the Steering Group agreed that it would follow up on each member's implementation of its recommendations in two years' time. Prior to the 17th Steering Group meeting, the following members filed written reports on the efforts that they had made to implement the Thematic Review's recommendations: Bangladesh; Bhutan; Cook Islands; Hong Kong, China; Japan; Korea; Macao, China; Philippines; Samoa; Sri Lanka; Thailand; and Vietnam. During the Steering Group meeting, these and additional Steering Group members gave brief presentations on the implementation of the Thematic Review's recommendations. The Chair concluded the session by noting that many Steering Group members have taken steps since the Thematic Review to strengthen their legal frameworks for criminalising bribery. Nevertheless, more could be done by members in the future.

4. Thematic Review on Corporate Compliance, Internal Controls, Ethics Measures

In 2010, the Initiative decided to conduct a Thematic Review on Corporate Compliance, Internal Controls, Ethics Measures. Originally scheduled to begin in 2011, the Review was postponed to 2012 because initial efforts to hire a national consultant to conduct the review did not yield appropriate and qualified candidates. The Secretariat thus decided to expand its search and seek an international consultant to conduct the review. This necessitated raising more funds which were secured in mid-October 2012. The Secretariat hopes to retain a qualified consultant to conduct the review by 2013 Q1. On behalf of the Initiative, the Secretariat thanked GIZ for providing the funding to retain the international consultant.

5. Implementing Conclusions of the 2011 Regional Anti-corruption Conference in New Delhi, India

The representative of the Government of India, who chaired this session, presented various steps taken by India to implement the Conclusions. Thailand, Japan and Bhutan also described their measures to address the Conclusions. The Steering Group agreed to proposals in a Secretariat discussion paper for implementing the Conclusions through collective action, which included inviting experts to future Steering Group meetings to discuss selected topics, raising specific issues in private sector/civil society consultations, and covering particular issues in future regional seminars and conferences. Given that two of the Conclusions relate to information sharing between jurisdictions in corruption investigations, the OECD undertook to send Steering Group members the internet link to the soon-to-be-released MLA Typology of the OECD Working Group on Bribery.

6. Written and Oral Reporting by Steering Group Members

As agreed in the Initiative's Strategic Principles and Future Activities Plan, members were asked to submit written reports on their recent activities in the anti-corruption field since the previous Steering Group meeting. Those reports were compiled in a document that was circulated prior to the meeting. The Steering Group agreed that members that have not yet submitted a written report prior to this meeting would do so within two weeks after the Steering Group meeting. All written reports received by the Secretariat would be circulated to members again before their publication on the Initiative's website.

During the meeting, the following members made presentations on specific issues and/or activities: Indonesia; Korea; Japan; Macao, China; Malaysia; Mongolia, Sri Lanka; Thailand; Timor-Leste; Vietnam. The Steering Group heard presentations on a range of topics covering new legislation, strategies and plans, preventive measures and initiatives, and institutional developments. Presentations were followed by a question-and-answer session.

7. Revised Country Reporting Template

At the 15th Steering Group meeting, the Initiative decided to revise the country reporting template to be consistent with the principle of supporting UNCAC implementation. In the 16th meeting in 2011, members discussed the revised template and provided new comments and suggestions for improvement. The template was revised accordingly and provided to the Initiative's members to prepare the country written reports prior to this 17th Steering Group meeting. During this session of the meeting, the Steering Group adopted the latest version of the template.

8. Presentations by Advisory Group and Observers

As in previous meetings, members of the Advisory Group and Observers were invited to present their recent and upcoming activities. The following Advisory Group members made presentations: ABA; GIZ; TI; UNDP; and UNODC. Afghanistan and Brunei Darussalam also gave presentations as observers.

9. Initiative's 2013 Activities

The Steering Group considered a Secretariat discussion paper and agreed to engage in the following activities in 2013:

- a) Conduct a thematic review on preventing corruption in the private sector through corporate compliance measures, including accounting and auditing measures. The amended timetable foresees that the review would begin in 2013 and be finalised at the 2014 Steering Group meeting.
- b) Subject to available funding, conduct a voluntary scoping exercise on Bhutan on a specific anti-corruption area chosen by Bhutan, resulting in a report that would be discussed at the 2013 Steering Group meeting.
- c) Hold the 18th Steering Group meeting and 12th Regional Seminar in Dili, Timor-Leste. The events are tentatively scheduled for around June 2013. The Secretariat will make inquiries to ensure that the event does not conflict with events organised by other international organisations in the anti-corruption field.
- d) Deliver a message to the 5th Session of the Conference of States Parties to the UNCAC in Q4 2013. The Steering Group will discuss and finalise the message at its 17th meeting in 2013.
- e) Follow up at the 17th Steering Group Meeting in 2013 the implementation of the Strategic Principles and Future Activities of the Initiative, which were adopted in 2010. The Steering Group will conduct an inventory of their implementation, to determine progress and whether the principles and activities need to be updated.
- f) Use the 12th Regional Seminar in 2013 to provide technical assistance to Steering Group members on cross-cutting issues regarding UNCAC implementation. The specific issues would be identified through a survey sent to members in early 2013.

10. Secretariat Report and Other Business

The ADB reported that in 2012, support has been provided to draft a new public procurement law in Vietnam and to strengthen institutional development of Bhutan's Anticorruption Commission. Initial discussion on supporting capacity assessment of anti-corruption unit of Cambodia is ongoing with ADB's country office in Cambodia. ADB is also in the process of securing supplementary funding for the Initiative for 2013-2015.

The OECD reported that in 2012, one member of the Initiative (Australia) underwent Phase 3 Evaluation under the OECD Anti-Bribery Convention, while two members (Japan and Korea)

provided oral follow-up reports to the OECD Working Group on Bribery on their implementation of the recommendations in their Phase 3 Evaluations. The Working Group has also engaged five Steering Group members that are not Working Group members: China, India, Indonesia, Thailand and Malaysia.

11. Consultation with the Private Sector, Civil Society and Media

In its 16th Meeting in 2011, the Steering Group decided that future meetings should include a separate session to which the private sector, civil society and the media would be invited. This session would be an opportunity for the Steering Group to engage in a dialogue with representatives from these sectors.

Several representatives of the private sector and civil society participated in the consultation. Although they were based in Vietnam, their perspectives could be applied to many members of the Steering Group. The participants focused on a number of concerns about the solicitation of bribes by public authorities, including the following: the need for greater awareness, including through the education system; the need for clearer and more consistently applied rules and regulations; the risks of corruption in a cash-based society; the temptation to engage in corruption when salaries are low; the need for more effective monitoring of informal sources of income; the risks of corruption in state-owned/controlled enterprises; the need for reporting channels, and effective whistleblower protections; and the need for greater civil society involvement and cooperation between the government and media in the fight against corruption. Several Steering Group members asked questions, including regarding the role that the private sector could play in addressing the supply of bribes from the private sector. The Chair concluded that the consultation had been very useful, and thanked the participants for their frank and honest contributions. He also commented that the consultation represented a significant step for the Initiative and that future consultations should be more thematically focused.