

ASIAN DEVELOPMENT BANK

TAR: OTH 37476

**TECHNICAL ASSISTANCE
FOR THE
IMPLEMENTATION OF THE ADB-OECD ANTICORRUPTION INITIATIVE
FOR ASIA-PACIFIC**

November 2004

ABBREVIATIONS

ADB	–	Asian Development Bank
AusAID	–	Australian Agency for International Development
DFID	–	Department for International Development, United Kingdom
DMC	–	developing member country
NGO	–	nongovernment organization
OECD	–	Organisation for Economic Co-operation and Development
RSGR	–	Governance and Regional Cooperation Division
TA	–	technical assistance
UN	–	United Nations
UNDP	–	United Nations Development Programme
USAID	–	United States Agency for International Development

TECHNICAL ASSISTANCE CLASSIFICATION

Poverty Classification	–	Other
Sector	–	Law, Economic Management and Public Policy
Subsector	–	National government administration, law and judiciary, public finance and expenditure management
Theme	–	Governance
Subthemes	–	Public governance, anticorruption

NOTE

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. Corruption harms the economy, undermines the rule of law, and weakens public trust in government. It is estimated that one third of public investment in many Asia-Pacific countries is squandered on corruption. Because of their greater reliance on public services, the poor suffer the most. Corruption imposes a costly burden on businesses and has negative implications for economic growth and the creation of jobs. Because bribery and other unethical behavior undermine development efforts, governments must act against corruption to promote prosperity. Fighting corruption is no longer just a moral issue. It has become a major tool in the fight against poverty.

2. The launching of the Asian Development Bank (ADB)-Organisation for Economic Co-operation and Development (OECD) Anticorruption Initiative for Asia and the Pacific in October 1999 in Manila helped raise awareness of the seriousness of the corruption problem in the region. The OECD has been a partner institution of the ADB in this Initiative since its launching. At the ADB-OECD anticorruption conference in Seoul in December 2000, Asia-Pacific countries urged taking actions to put in place efficient and effective anticorruption strategies. Consequently, experts from 13 countries in the region drafted an Anticorruption Action Plan. Endorsement of the Action Plan for Asia and the Pacific by 17 countries¹ in Tokyo in 2001 signaled the commitment of these countries to fight corruption in the region.

3. The Action Plan is the Initiative's main instrument and has become the region's first tool to unite Asian and Pacific countries in the fight against corruption. An outcome of an intensive consultation process involving subject experts, policy makers, civil society representatives, and business and aid agency representatives from the region, the Action Plan's endorsement by 23² countries as of this date is an indication of the region's commitment to combating corruption and enhancing accountability in the public sector.

4. The Action Plan requires each country to identify a set of actions centering on three pillars and to report on the reforms undertaken within 12 to 18 months. The three pillars are developing effective and transparent systems for public service, strengthening anti-bribery actions and promoting integrity in business operations, and supporting active public involvement. A secretariat from ADB and OECD helps each country finance, develop, and implement the plan. The Initiative supports participating countries in building up the appropriate legislation and efficient institutions for a sustained fight against corruption. By bringing together major stakeholders and by pooling efforts from several countries, the Initiative promotes country ownership and regional cooperation.

5. The steering group discusses which reforms to develop and how to create the capacity to meet reform targets. The steering group is composed of government representatives or national contact persons of endorsing countries, the secretariat, and the advisory group. Each participating government has designated a national contact person with sufficient authority and capacity to oversee the implementation of the Action Plan on behalf of his/her government. The secretariat manages the daily tasks related to the Initiative and takes the lead in monitoring implementation of the Action Plan. The advisory group is composed of concerned aid agencies and international organizations, and provides support to the developing member countries

¹ Bangladesh, Cook Islands, Fiji Islands, India, Indonesia, Japan, Republic of Korea, Kyrgyz Republic, Malaysia, Mongolia, Nepal, Pakistan, Papua New Guinea, Philippines, Samoa, Singapore, and Vanuatu.

² Kazakhstan endorsed the Action Plan in 2002; Cambodia in 2003; and Australia; Hong Kong, China; Palau; and Viet Nam in 2004.

(DMCs) through technical advice on prioritizing reforms and mainstreaming or retargeting existing relevant assistance programs.

6. During the Action Plan's initial implementation phase in 2002–2003, the majority of endorsing countries took steps to translate the Action Plan's pillars into national policies. The steps involved selecting a number of priority reform projects through which the reform goals were to be achieved. The countries' reform efforts were discussed in steering group meetings, thereby ensuring the quality and effectiveness of the implementation of the Action Plan. The steering group in 2003 also engaged in a stocktaking exercise to provide endorsing countries with an analytical tool that would help them in their fight against corruption. A new strategy and work program for 2004–2006 was approved by the steering group in July 2004 (Appendix 1).

7. In support of countries' reform efforts and to assist in building capacity for effective implementation of anticorruption legislation and the functioning of relevant institutions, the Initiative, as requested by the steering group, began a series of training seminars. A training seminar –Prosecution of Corruption– was held in India in February 2003. A second master training seminar –Curbing Corruption in Public Procurement– was held at ADB headquarters, Manila, in July 2004.

II. ISSUES

8. Evaluation of initial reform projects under the Action Plan confirmed that, in many areas, anticorruption measures have not yet been implemented. For instance, in addition to specific institutional or legal shortcomings, weak political will and capacity were identified in many endorsing countries as the main reasons for lack of success in fighting corruption. These issues, as identified by the steering group, will be addressed in future efforts under the Initiative.

9. The stocktaking exercise revealed a number of weaknesses in the region, such as inequalities and insufficiencies in relevant penal and criminal provisions, and noncriminalization of certain forms of corruption. The public's ability to boost the fight against corruption by participatory approaches has not been sufficiently acknowledged in most countries, and a weak regulatory environment does not sufficiently encourage the private sector to adopt measures to enhance transparency and accountability in business transactions with public officials. The stocktaking exercise also identified issues that are of particular concern to the region and require increased attention. Identifying these issues revealed that a significant lack of specialized capacity in many countries seriously hampers the implementation of anticorruption legislation and the functioning of relevant institutions. .

10. The training seminar in India in 2003 highlighted the region's need to improve investigative techniques, including forensic accounting; enhance understanding of procedures for mutual legal assistance within relevant authorities; and develop prosecutors' capacity to deal with cases of high-level political corruption. There is a growing realization among countries in the region that for anticorruption strategy to be effective, there must be a collective and unified effort and this is shown in the growing number of countries that have endorsed the Action Plan. Since the launch of the Initiative, a number of countries have expressed their interest in endorsing the Action Plan, and the Initiative will continue to dialogue and hold consultations with the appropriate senior officials.

11. With the signing of the United Nations (UN) Convention against Corruption in December 2003, regional programs such as the Initiative, have gained importance, as they provide practical frameworks through which signatory states and countries to the UN Convention can be

assisted in meeting their commitments. The Initiative collaborates with UN authorities to assist countries in meeting such commitments under the UN Convention, i.e. through joint training seminars. The Initiative will also encourage endorsing countries to sign the UN Convention to seek coherence between their respective reform efforts undertaken under the two instruments.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

12. The Initiative will start its second implementation phase in mid-2004. For the years 2004–2006, the strategic objectives are to (i) consolidate the results of the preceding first implementation phase of priority areas of reform by shifting the emphasis toward implementation of the second generation of anticorruption reform efforts (ii) collaborate with UN authorities to assist endorsing countries in meeting their commitment under the UN Convention, and (iii) enhance capacity and knowledge for effective implementation of the Action Plan.

13. The goal of the TA is to reduce corruption in the Asia-Pacific region. The TA will seek to (i) encourage more countries in the region to endorse the Action Plan; (ii) increase the implementation of effective anticorruption initiatives by endorsing countries; and (iii) encourage endorsing countries and other DMCs to adopt the UN Convention and assist them in fulfilling their commitments and obligations. The main outputs of the TA will be reports by endorsing countries on their Action Plan implementation obligations, stocktaking reviews, and publications related to capacity building seminars.

14. To achieve these objectives, the TA will provide i) a venue for endorsing countries and interested DMCs to discuss and evaluate progress in implementing the second phase of reforms under the Action Plan; ii) specifically designed capacity-building programs on areas identified by endorsing countries; iii) wider dissemination of lessons learned and good practices in endorsing countries; iv) technical advice, management, and coordination of regional anticorruption activities and network of bilateral and multilateral aid agencies for potential support; and v) a network of countries and interested institutions to promote the Action Plan and its implementation mechanisms (e.g., new regional initiatives under the Asia Pacific Economic Cooperation (APEC). The TA framework is in Appendix 2.³

B. Methodology and Key Activities

15. **Biannual Steering Group Meetings and Project Evaluation Reviews.** To ensure the effective implementation of country reform projects under the Action Plan, the steering group will conduct policy dialogue and monitoring of progress made by endorsing countries in the second implementation phase. The final project review, based on a midterm review and country self-evaluation reports, will allow countries to learn from each other and adopt good practices, tools, and approaches. The steering group will be assisted and supported by the secretariat, which, together with the endorsing countries, will call for joint government and aid agencies meetings, or Action Plan coordination meetings⁴ or both. To further foster learning in steering group meetings, the secretariat, may, over the longer term, work to develop a set of generic indicators.

³ The TA first appeared in *ADB Business Opportunities* (Internet edition) on 4 August 2004.

⁴ It will not be possible to hold meetings in each endorsing country. Selection will be based on need and in dialogue with country teams in ADB.

16. **Stocktaking Exercise and Thematic Country Reviews.** The stocktaking exercise that was established in 2003 reviewed the legislation and institutional anticorruption frameworks that are in place in endorsing countries. The initial report from this exercise will be regularly updated in 2004 and beyond to take account of new policies and measures implemented by endorsing countries under the Action Plan. Thematic country reviews will be launched as practical tools and indicators to be used by endorsing countries to manage and track the effectiveness of their individual reform measures. Themes to be addressed by these reviews include, for instance, legal instruments for sanctioning bribery and corruption, prosecution of corruption, and integrity systems or ethics codes.

17. **Capacity-Building Training Seminars.** The steering group has identified the need to improve investigative techniques in forensic accounting; enhance understanding of procedures for mutual legal assistance within relevant authorities; and develop prosecutors' capacity to deal with cases of high-level political corruption, whistle-blower protection, public procurement, money laundering, and UN Convention implementation issues, among others. The secretariat will aim to provide at least two training seminars per year to further enhance capacity building. The advisory group will also directly support country members. Such training events will be implemented mainly at the country level and will be organized in consultation with the secretariat to avoid overlaps and duplication.⁵

18. **Close Coordination with International Community.** Direct support by many bilateral aid agencies and international organizations, channeled through technical assistance programs at the country level, is an important element in ensuring progress in the region's fight against corruption. To avoid duplicating efforts and to develop synergies between the Initiative and such programs, the secretariat will work closely with relevant international aid communities. Steering group meetings, where key aid agencies such as World Bank, United Nations Development Programme (UNDP), and a number of bilateral agencies are represented (e.g., Department for International Development (DFID), United States Agency for International Development (USAID), Australian Agency for International Development (AusAID), will give endorsing countries an excellent opportunity to establish bilateral contacts with potential development partners. Relations with the UN will also be strengthened.

19. **Promoting Regional Cooperation through a Regional Anticorruption Conference.** Regional cooperation acts as a catalyst to reinforce bilateral and multilateral cooperation, promotes the exchange of knowledge and experience, and helps build synergies among actors. The Initiative's regional anticorruption conference that takes place at the end of each Action Plan implementation cycle allows participants to share with a wide range of interested parties experiences and knowledge accumulated under the Action Plan. Furthermore, A regional conference will provide interested nonmember countries to learn more about the Initiative.

20. **Enlarging Participation in the Action Plan.** To strengthen regional cooperation, the Initiative will encourage countries in the region to endorse the Action Plan. A number of countries have expressed their interest in endorsing the Action Plan, attended steering group meetings as observers, and requested further consultation with the secretariat to clarify issues related to their future endorsement.

⁵ In Mongolia, a workshop to provide a forum for advocates to discuss legal ethics, a system of discipline, and the role of advocates in the legal system was organized in June 2004 by the American Bar Association-Asia Law Initiative (ABA-ASIA), a member of the advisory group.

21. **Wider Dissemination of Information.** The secretariat will continue to publish workshop proceedings of for guidance of countries in the Asia-Pacific region and for dissemination to ADB staff and anticorruption agencies in the world. The Initiative's web site,⁶ which is linked to ADB's web site, will be restructured, updated, and expanded to serve as a tool for capacity building, knowledge sharing, and networking. It will contain information on member countries' reform efforts under the Initiative. OECD's Anti-Corruption Unit is mandated to sustain the web site.

C. Cost and Financing

22. The total cost of the technical assistance (TA) is \$800,000 equivalent for 2004–2006. The amount will cover consulting services, subregional meetings, workshops, airfare and subsistence costs of DMC participants,⁷ and other seminar-related costs. ADB will finance \$250,000 equivalent on a grant basis from ADB's TA funding program. OECD will contribute approximately \$540,000 equivalent, and the Government hosting the annual conference will contribute \$10,000 equivalent. Details of the cost estimates are in Appendix 3. OECD's contribution will fund two full-time international staff consultants as well as contributions toward training events, steering group meetings, the biannual conference, web site maintenance, and dissemination of the Initiative's newsletter.

D. Implementation Arrangements

23. The TA will be implemented by ADB (Regional and Sustainable Development Department) in consultation with OECD. ADB will also consult advisers from aid agencies, including appropriate senior staff from AusAID, DFID, Transparency International (TI), UNDP, and World Bank, among others.

24. The detailed terms of reference of the TA consultants are in Appendix 4. A copy editor and a domestic consultant will be selected and engaged in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for engaging domestic consultants.

25. The TA will begin on 1 December 2004 and will be completed by 31 December 2006.

IV. THE PRESIDENT'S DECISION

26. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$250,000 on a grant basis for the Implementation of the ADB-OECD Anticorruption Initiative for Asia-Pacific, and hereby reports this action to the Board.

⁶ <http://www1.oecd.org.daf/asiacom/publications.htm>

⁷ Officials from DMCs unable to finance their own attendance. The TA will not finance travel of representatives of non- DMCs, nor of developed country participants.

**IMPLEMENTING THE ANTI-CORRUPTION ACTION PLAN FOR ASIA-PACIFIC
Strategy and Work Plan, 2004-2006**

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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.

I. INTRODUCTION

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-three of the region's countries reacted to this concern by endorsing and implementing the Anti-Corruption Action Plan for Asia-Pacific.

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 was formally endorsed in Tokyo in November 2001 by 17 countries. Now endorsed by 23 countries¹, this Action Plan enjoys political backing at the highest level and is regarded as the central anti-corruption instrument for Asia-Pacific.

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.

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.

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

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.

¹ Australia; Bangladesh; Cambodia; Cook Islands; Fiji Islands; Hong Kong, China; India; Indonesia; Japan; Kazakhstan; Korea (Republic of); Kyrgyz Republic; Malaysia; Mongolia; Nepal; Pakistan; Palau (Republic of), Papua New Guinea; Philippines; Samoa; Singapore; Vanuatu, and Viet Nam.

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

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.

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

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 Secretariat with the support of the donor community representatives provided technical advice in support of this process.

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, 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

Parallel to this process, the Steering Group in 2003 engaged in a stocktaking exercise 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. 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.

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. 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

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. A second master training seminar on curbing corruption in public procurement was held at the ADB Headquarters in Manila on 7-9 July 2004. Held back-to-back with the 5th steering group meeting, the seminar provided a clear understanding of the key areas of concerns in public procurement and how these can be addressed. The seminars reports are available on the Initiative's website.²

E. Transparency and Outreach

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.

Policy dialogue and cooperation among anti-corruption actors are particularly fostered by the Initiative's biannual conferences. 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, followed by endorsement of Republic of Palau and Socialist Republic of Viet Nam in July 2004. Close collaboration was further developed with the People's Republic of China, Sri Lanka, and Timor-Leste. 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

² <http://www1.oecd.org/daf/asiacom/publications.htm>

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

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. Since its 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 more countries in 2002, 2003 and 2004 further testifies to the perceived value of the Initiative. The Steering Group also acknowledges that constant and special efforts are required in many areas to ensure that anticorruption 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

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.

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. Likewise, significant efficiency and enhanced impact gains can be obtained by implementing certain anti-corruption reforms through regional programs rather than individual national programs. The Initiative consequently supports national anti-corruption efforts through different regional and sub-regional tools and activities.

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. 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.

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

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.

To ensure the effectiveness of Action Plan reform projects, the Steering Group 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 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

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.

The stocktaking report which was adopted during the 5th Steering Group meeting in Manila 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 to be used 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 a key source of information for about the region's anti-corruption strategies and thereby fosters exchange of experience and dissemination of knowledge.

In 2004, the Steering Group will develop thematic country reviews. Themes to be addressed by these reviews 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. 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

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.

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. 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.

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 are organized in consultation with the Secretariat so as to avoid overlaps and duplication.

E. Strengthening International Donor Community and Regional Organization Roles

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.

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. 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.

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

The Initiative's biannual anticorruption conferences, taking place at the end of each Action Plan implementation cycle reach beyond the Steering Group and the region and attract 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 increasing the visibility of the region's fight against corruption and Initiative-related achievements and activities.

Regional conferences are further excellent opportunities to invite interested countries to learn more about the Initiative's working mechanism and policy approach. Upon request, countries 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. The group of endorsing countries decides on application of countries.

G. Bringing the Initiative Closer to the People

From 2004 to 2006, increased attention will be paid to equipping the Initiative with a comprehensive program for external communication. 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 will be restructured, updated, and expanded. The new web site will document participating countries' efforts under the Action Plan and regional activities under the Initiative and will become a key tool for capacity building, knowledge sharing, and networking.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>A. Goal Reduced corruption in the Asia-Pacific region</p>	<p>Endorsing countries engage in stocktaking.</p> <p>Endorsing countries undertake their Action Plan implementation obligations.</p> <p>Endorsing countries reduce corruption as evidenced on internationally used corruption indices.</p>	<p>Biannual steering group meetings with endorsing countries; periodic project evaluation reviews; stocktaking exercises and thematic country reviews; and regional anticorruption conferences/workshops</p> <p>Reports by nongovernment organizations (NGOs) in endorsing countries and international NGOs</p>	
<p>B. Purpose More countries in the region endorsing the Action Plan and increased implementation of effective anticorruption initiatives by endorsing countries</p>	<p>The number of countries endorsing the Action Plan will increase by 2006.</p> <p>Endorsing countries increase the number of their anticorruption initiatives.</p>	<p>Members of the steering group meetings</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Good practices are disseminated to appropriate government officials. • Appropriate officials participate in training seminars and disseminate and implement training results in their respective countries. <p>Assumptions</p> <ul style="list-style-type: none"> • DMC governments have the political will and sincere willingness to endorse the Action Plan and implement concrete anticorruption reforms. <p>There is willingness to implement priority areas of reform in accordance with the Action Plan</p>

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Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
	The number of countries that adopt the UN Convention increase by 2006.	Declarations by authorities in countries	Assumption <ul style="list-style-type: none"> UN authorities and concerned governments cooperate and show support
C. Outputs Second implementation phase progress reports by endorsing countries on their concrete anticorruption reform projects	Endorsing countries undertake stocktaking exercise and periodic reviews on progress made in implementing anticorruption reforms.	Progress reports and results of evaluation and assessment reports, consolidated progress report of endorsing countries	Assumption <ul style="list-style-type: none"> Endorsing countries cooperate in submitting reports and complying with periodic evaluation and assessment reviews.
Joint government/aid agency meetings and bilateral consultations	Upon the request of DMCs concerned, meetings in DMCs will be held between December 2004 and December 2006.	Feedback reports, aid agency support to anticorruption reform projects	Assumption <ul style="list-style-type: none"> Aid agencies cooperate and give support.
Regional anticorruption conference, policy dialogues, and steering group meetings	Regional anticorruption conferences will be conducted in 2 nd half of 2005, 2 steering group meetings in 2005 and 2 in 2006, and policy dialogues if needed and upon request of DMCs concerned.	Feedback reports, improved regional dialogue, regional cooperation on anticorruption	Assumption <ul style="list-style-type: none"> Endorsing countries, DMC governments, and advisory group actively participate. Risk <ul style="list-style-type: none"> Lack of cooperation in the timely submission of reports.
Specifically designed capacity-building master training programs to address capacity constraints and difficulties in implementing anticorruption reforms	Two targeted training programs each in 2005 and 2006 will be organized.	Capacity-building programs and training courses organized in 2005 and 2006 and participated in by endorsing countries	Assumption <ul style="list-style-type: none"> Appropriate anticorruption officials from endorsing countries participate and properly disseminate information in their respective countries.
Anticorruption publications and workshop proceedings	Proceedings are published after the seminars/conference.	Workshop report/proceedings	Assumption <ul style="list-style-type: none"> Resource persons and facilitators of seminars/conference cooperate.

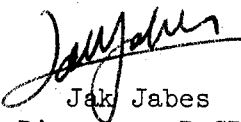
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Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
D. Activities Organize and conduct capacity-building seminars and training workshops	Two training seminars per year.	Specifically designed capacity-building training workshops participated in by 23 endorsing countries	Assumption <ul style="list-style-type: none"> High-caliber experts and resource persons conduct the training seminars and appropriate officials of endorsing countries and DMCs attend.
Conduct steering group meetings, consultations, training workshops, and regional conference	Two steering group meetings per year and one conference in 2005.	Progress report and feedback from DMC government officials Technical advice and recommendations from donor agencies and concerned international organizations	Assumption DMC officials give active and substantial feedback and reports, and aid agencies give relevant advice, support, and cooperation.
Undertake periodic reviews, assessments, and stocktaking exercises	One stocktaking exercise per year.	Self-assessment reports, consolidated stocktaking exercises, and progress reports on second phase implementation of anticorruption reforms finalized, published, and made available on the Internet	Assumption <ul style="list-style-type: none"> Endorsing countries cooperate and comply with the secretariat requirements in submission of evaluation reports and stocktaking exercises. Risk <ul style="list-style-type: none"> Reports are not submitted on time.
Prepare publications	Publications are completed after workshops and meetings. An average of 2 publications per year.	Completed publications	Assumption <ul style="list-style-type: none"> Relevant materials and contributions from participants are available.

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Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
Provide DMC officials, ADB staff, and donors with a valuable input on concrete directions and proposals for reforms in anticorruption	A list of DMCs' priority areas of reform is compiled together with progress reports and disseminated to regional departments concerned, and to donor organizations interested in the Initiative.	<p>Feedback reports from concerned regional departments</p> <p>Memorandum and, if needed, meeting with appropriate ADB staff</p> <p>Feedback from donor organizations</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • DMC governments are prepared to make decisions about introducing reforms in priority areas, with support from concerned regional departments. • List is relevant to ADB staff and merits support from regional departments. <p>Risk</p> <ul style="list-style-type: none"> • DMC governments lack political will to implement reforms.
<p>Inputs</p> <p>ADB engages a domestic consultant and copy editor to provide technical expertise and administrative assistance in regional conference, steering group meetings, workshops and training seminars, and assistance in the day-to-day activities of the secretariat; and preparation and copyediting of publications</p> <p>OECD engages consultants to provide assistance to Secretariat and support to the Initiative's activities</p>	<p>Contract 24-person-months of domestic consulting services.</p> <p>Contract 20 person-days of editing services.</p> <p>Contract of 2 full time consultants from OECD-member countries.</p>	<p>Completed domestic consulting services</p> <p>Completed copyediting services</p> <p>Completed consulting services</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • An experienced and knowledgeable domestic consultant is engaged. • A high-caliber copyeditor is engaged. <p>Assumptions</p> <ul style="list-style-type: none"> • Experienced consultants are engaged.


 J.P.M. van Heeswijk
 Director General, RSDD


 Jak Jabes
 Director, RSGR

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Cost
A. Asian Development Bank (ADB) Financing^a	
1. Consultants	
a. Remuneration and Per Diem	
i. Copy Editor	10.0
ii. Domestic Consultant	48.0
b. International Travel	12.0
c. Reports and Communications	10.0
2. Workshops, Training/Seminars, and Conferences ^b	
a. Facilitators/Resource Persons	40.0
b. Training Program	100.0
3. Miscellaneous Administration and Support Costs	5.0
4. Contingencies	25.0
Subtotal (A)	250.0
B. Organisation for Economic Co-operation and Development (OECD) Financing	540.0
Subtotal (B)	540.0
C. Government Financing^c	
Office Accommodation and Transport	10.0
Subtotal (C)	10.0
Total	800.0

^a Financed by ADB's technical assistance (TA) funding program.

^b This is ADB's expected contribution, which will be matched or surpassed by OECD. Number of participants, duration, and costs are in parenthesis – four training seminars (160, 16 days, \$50); two steering group meetings (50, 6 days, \$50); annual conference (50, 3 days, \$40). Source: ADB-OECD estimates.

^c To be contributed by the Government hosting the annual conference/meeting
Source: ADB and OECD estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

- A. Copy Editor (international, 20-person days)**
1. The consultant should have editorial expertise and a thorough knowledge of usage and style in publishing in the Asian Development Bank (ADB). The consultant will
 - (i) copy edit the selected conference papers to improve their overall presentation and enhance readability by ensuring consistency in style and format among the various sections in accordance with ADB's usage and style;
 - (ii) incorporate the comments and required corrections in the text;
 - (iii) edit the book's preliminary and other materials (foreword, executive summary, list of participants); and
 - (iv) prepare the manuscripts in Word format, ensuring readiness for final typesetting and formatting by ADB.
 2. The copyeditor will be engaged on an intermittent basis for a maximum of 20 calendar days from 1 January 2005 to 31 December 2006.
- B. Governance and Anticorruption Specialist (domestic, 24-person-months)**
3. The consultant must have a technical background and familiarity with, and relevant experience in governance and anticorruption activities of ADB and in the Asia-Pacific region to be able to provide professional, research, and administrative support to the director of Governance and Regional Cooperation Division (RSGR) managing the Initiative. The specialist will
 - (i) organize and provide logistical support to steering group meetings, regional conferences, and training seminars of the Initiative;
 - (ii) provide technical and administrative assistance in organizing and coordinating with development agencies and partner institutions on anticorruption initiatives in the Asia-Pacific region;
 - (iii) coordinate with ADB resident missions and heads of governments of development member countries (DMCs) to identify DMC participants in regional policy dialogues, in-country consultations, steering group meetings, and anticorruption workshops;
 - (iv) communicate with proposed resource speakers, participants, and representatives of international organizations to bilateral meetings; ensure their availability; and coordinate their papers for presentation;
 - (v) assist the director of RSGR in preparing speeches, papers, presentation materials, and seminar tool kits for steering group meetings, conferences, and training seminars;
 - (vi) assist DMC participants and ADB-invited resource persons in preparing their travel arrangements and other matters related to their participation in the Initiative's meetings, dialogues, and workshops;
 - (vii) coordinate with partner institutions and be a part of the secretariat that will oversee logistics and other administrative matters related to the holding of

- anticorruption meetings, workshops, dialogues, and consultations in selected countries in Asia;
- (viii) provide research assistance relating to anticorruption issues and prepare responses to queries and concerns of DMC governments, anticorruption agencies, and international institutions;
- (ix) provide initial editing and coordinate with the copy editor and contributors regarding the editing, revision, and finalization of the training seminar papers and proceedings; review the editing of the seminar papers; prepare the necessary requirements; and supervise the typesetting and final printing of the publication; and
- (x) give technical and administrative assistance to the director of RSGR, in coordinating and organizing the next steps of ADB's anticorruption initiatives in the Asia-Pacific region.

4. The consultant will be engaged for 24 months, and may participate on a selective basis in workshops, meetings, and dialogues in selected Asian countries, as determined by the director of RSGR, managing the Initiative.