Welcoming Remarks

Shomei Yokouchi

Ladies and gentlemen, distinguished participants, in my capacity as senior vice-minister of justice, whereby I am responsible for all matters related to the Ministry of Justice, including planning criminal legislation to deal with corruption, and also on behalf of the government of Japan, I would like to convey to all of you participating in this conference my heartfelt welcome.

Corruption clandestinely erodes the sound foundations of civil society. It derails decisionmaking and policymaking, thereby impeding sound social and economic development. In this sense corruption is the most serious obstacle to democracy and sustainable development.

Complete freedom from corruption is difficult for any country to achieve. The fight against corruption has now become an international issue, and the search for ways to tackle this malaise has resulted in many initiatives being taken on a global level. Today here in Tokyo, representatives from Asia-Pacific countries are assembled to show their collective will to eradicate corruption. This clearly testifies to the region's determination to join in the global efforts against corruption. Eradicating corrupt practices may not be an easy task; however, given a strong and steadfast political will, it is not an impossible one.

In response to growing awareness about the problem of corruption, the OECD and the ADB have been playing an important role in this field. Their successes include the December 2000 Conference on Combating Corruption in the Asia-Pacific Region held in Seoul, Republic of Korea. The baton has been passed from Seoul to Tokyo. Therefore we should take further, steady steps to build confidence that corruption cannot survive our collaborative efforts to eliminate it.

Let me assure all our colleagues gathered here that the government of Japan is willing to align itself with you to reinforce our fight against corruption by strengthening the rule of law and justice throughout the region. To this end we will continuously participate in this initiative.

The success of this conference depends on you. Your active involvement in and contribution to the discussion will be of vital importance in seeking effective and practical measures against corruption in the Asia-Pacific region.

In concluding, let me reiterate my sincere hope that this conference will result in success and with your cooperation will establish a cornerstone of anti-corruption strategy in the region.

Keynote Address

Toshio Kojima

Excellencies, ladies, and gentlemen: I would like to join Vice-Minister Yokouchi in extending my heartfelt welcome to all of you.

I am pleased to see the solidarity among Asian-Pacific countries in addressing a serious challenge: combating corruption. I would like to commend the regional partners, as well as the ADB and OECD, for their efforts and dedication. This conference gives momentum to our achievements to date.

At the first and second conferences in Manila and Seoul we examined "best policy measures" taken in the Asia-Pacific region, and we also discussed how we could most effectively apply such anti-corruption measures in this region. Through these discussions we have been able to achieve a greater understanding that corruption has been an obstacle to economic and social development, and that in the face of strengthening economic globalization, the continued presence of corruption in any given country should be addressed not as a national issue, but as a global one. This is because the existence of corruption anywhere could hinder efforts by international society to achieve sound development on a global scale. We have also come to share the view that if we wish to succeed in our fight against corruption, we must establish a chain of collaboration among the players—public officials, business communities, civil societies, and international organizations—in addition to enforcing legal measures.

We are now entering a new stage: taking action. In this regard I am pleased to note that the Asia-Pacific countries have taken initial anti-corruption measures. Japan, for its part, is pursuing its role domestically by enacting the National Public Service Ethics Law, and internationally by ratifying and implementing the OECD Convention on Combating Bribery of Foreign Public Officials and participating in the ongoing negotiations on the United Nations Convention against Corruption.

The important mission of this conference is to encourage all the participants to renew their determination to tackle the eradication of corruption head on and to pursue concrete actions. To propel this unique initiative forward, the conference will include discussions of the regional Anti-Corruption Action Plan, prepared by the expert group in consultation with the region's countries. The Action Plan details the primary actions with a

focus on three pillars: (a) effective and transparent public services, (b) effective anti-bribery actions and corporate responsibility, and (a) active public involvement. Each pillar specifies concrete measures that will provide us with a guide to developing our own strategies.

I hope that the conference will inspire discussions leading to the endorsement of the Action Plan on Friday. Then, by implementing the Action Plan, we can demonstrate our firm determination to work toward the ambitious goal of strengthening a reliable, transparent, and competitive economic system, thereby recharging the growth engine of the Asia-Pacific region while encouraging the inflow of foreign direct investment. This bold initiative will surely lead us to our long-awaiting goal: making the 21st century the century of the Asia-Pacific region.

Opening Remarks

Seiichi Kondo

Your Excellencies, distinguished guests, it is an honor for me to welcome you to Tokyo for the third annual conference of the Asian Development Bank/Organisation for Economic Co-operation and Development (ADB/OECD) Anti-Corruption Initiative for Asia-Pacific.

I would like to take this opportunity to thank the ADB for its excellent collaboration in the organization of this conference and our other joint projects undertaken in the framework of the ADB/OECD Initiative. I would also like to extend our sincere gratitude to the government of Japan for hosting this event and to the Initiative's partner organizations, which include the Department for International Development of the United Kingdom, the Pacific Basin Economic Council, the United Nations Development Programme, and the World Bank. The support and advice of these institutions and individuals has contributed significantly to this conference.

The presence of so many key players, experts, and leaders from across the Asian and Pacific region, as well as from OECD countries and international organizations, attests to the importance of the issues that we are here to discuss. Through continuous dialogue between the private and public sectors, governments and civic organizations, and countries both within and outside the region, we are not only advancing the fight against corruption, but also building mutual understanding and confidence while learning from each other's experience. I am therefore extremely pleased to see that, as with the two previous conferences—in Manila in 1999 and Seoul in 2000—this year's annual conference of the ADB/OECD Initiative has again become a rallying point for Asian and Pacific leaders eager to curb corruption.

WHY DOES TAKING A STAND AGAINST CORRUPTION MATTER?

We all know that corruption undermines social and economic development. We know that it poses a serious threat to the development and preservation of democratic institutions. We acknowledge that corruption distorts the allocation of resources. Political leaders around the world recognize the importance and urgency of combating corruption. Observing the progress many countries of Asia and the Pacific have made is encouraging, particularly

in their efforts to increase people's understanding of the negative impacts of corruption and in raising awareness of the need to combat it. In recent years governments have launched various anti-corruption programs, many of them in close collaboration with nongovernment actors. Actions to combat corruption are on the rise throughout the region.

However, we are far from having won the battle. Corruption remains pervasive throughout much of the world. Today, knowledge and awareness must be combined with political will to achieve an impact through more concrete action. Seen from this perspective, we clearly still have much to do. The ADB/OECD Initiative can continue to contribute to the strengthening of these efforts.

THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The development of one of the world's most important anti-bribery instruments—the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions—shares a similar history with your efforts in Asia and the Pacific. After analyzing the nature of corruption in international business practices, OECD countries reached consensus on developing a framework for more effective action. Thus in 1997, 29 OECD countries and 5 nonmembers signed the OECD Anti-Bribery Convention. Since that time almost all the signatories have transposed it into national law. Today, the convention contributes to prevailing high standards for anti-bribery legislation and encourages meaningful preventive measures. As such, it is one of the most effective international anti-bribery tools currently in force.

ADB/OECD ANTI-CORRUPTION INITIATIVE FOR ASIA-PACIFIC: DEVELOPING A REGIONAL ACTION PLAN

Last year at this forum, representatives of more than 30 Asian and Pacific countries expressed their wish to accelerate their efforts and signaled their readiness to undertake concrete and coordinated action. The Anti-Corruption Action Plan for Asia-Pacific is the response to this demand.

The Action Plan has two main objectives: (a) to give a decisive impetus to the fight against corruption in the Asian and Pacific region; and (b) to focus anti-corruption actions on key priority areas in each country, while

following a common approach and a joint agenda. To this end the Action Plan proposes a comprehensive set of actions structured according to three pillars:

- Pillar I: developing effective and transparent systems for public management
- Pillar II: strengthening anti-bribery actions and promoting integrity in business operations
- Pillar III: supporting active public involvement.

While the Action Plan is not a legally binding instrument, it is a commitment at the highest political level to tackle corruption. It sets out principles and standards for policy reform under each of its three pillars of action. By endorsing the proposed Action Plan, participating countries in the region will commit to undertaking legal and institutional reforms that aim to diminish opportunities for corruption and increase transparency and accountability in the public and private sectors.

Implementation will be designed in a manner that takes account of the diversity of cultures and economic and political systems in the region. Each participating country will be invited to identify priority areas under the three pillars for which it will then determine its reform strategies. The international donor community, the private sector, civil society, and other partners are expected to support the Asian and Pacific countries in these efforts in various ways.

Eleven of the region's countries have answered the call to jointly develop a draft Action Plan and have actively participated in two ADB/OECD expert meetings that served this purpose. Many others have provided expertise and expressed their support. In addition to countries from the region, a number of key actors from the international community, bilateral aid agencies, and civil society were involved in this process. The text that will be proposed for endorsement on the last day of this conference is thus the result of an intensive consultation process with and between governments and other actors in the region. As such, it reflects the combined ideas of these stakeholders on how to design and engage in concrete actions against corruption.

Later this morning participants will discuss the Action Plan in more detail. The different plenary sessions and focus groups will produce helpful input for countries in focusing on their anti-corruption strategies.

CONCLUSION

Let me conclude by saying that the Action Plan is a unique instrument in this region. It is the result of active and constructive dialogue with and between governments and all other partners involved in the fight against corruption in the region. As such, it combines, in a comprehensive manner, the needs and wishes of all key stakeholders.

The Action Plan is based on three principles that are, in my view, key to a successful fight against corruption: cooperation, coordination, and country ownership. I am certain that it will make an important contribution in the transition from analysis to action.

I would like to express my sincere appreciation to all those that have been involved in the development of the Action Plan for their valuable contributions, in particular, the countries that have worked together in a cooperative and effective manner.

I hope that this conference will indeed guide us toward well-targeted and concrete actions. By further enhancing our knowledge and understanding of the problems underlying corruption in this region, it can help all those anxious to fight corruption to do so in an effective way. I am convinced that your active participation here today will give rise to fruitful exchanges. Let us help each other to find the right solutions and hands-on responses to the new challenges in the fight against corruption.

I wish you a successful conference.

Opening Remarks

Gerald Sumida

Your Excellencies, distinguished guests, ladies and gentlemen, we are all pleased to be here in Tokyo for the Third Annual Conference of the ADB/OECD Anti-Corruption Initiative for the Asia-Pacific Region. Let me also take this opportunity to thank the OECD for its excellent collaboration on this conference and the government of Japan for hosting this important meeting.

The OECD has long been at the forefront of the fight against bribery in international business dealings with its Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Our host, the government of Japan, has been a strong supporter of the ADB/OECD Initiative since the beginning. As we know, one of the major matters before us is the Action Plan presented to this conference. We thank all our partners for their help in preparing this plan, including Transparency International, the Pacific Basin Economic Council, the United Nations Development Programme, the Department for International Development of the United Kingdom, and the World Bank.

In a few countries, according to the Transparency International Corruption Index, corruption is virtually absent. These countries have extremely productive economies and their citizens enjoy high standards of living, with little or no corruption. We know that strong and transparent institutions are key to high standards of living. These societies have become prosperous because economic and social incentives reward peoples' productivity based on their skills and creativity.

However, recognizing that a corruption-free environment is primarily the result of affirmative efforts to reduce, if not eliminate, opportunities for corruption is important. Strong laws and effective police and judicial systems are essential elements of such an environment. But economies fundamentally work because of institutions that provide strong incentives for individuals and society as a whole to adhere to society's rules.

Combating corruption requires strong and enduring political commitment and leadership. The political leadership can send important signals that corruption is not tolerated. I could cite numerous approaches and proposals; however, much of this is incorporated in the Action Plan, which I urge you to review in detail.

From the ADB's standpoint, I am pleased to share with you a brief summary of some of the ADB's most recent projects and activities in this area.

In Pakistan the ADB is providing a US$350 million loan for a program to strengthen the judiciary, as well as legal enforcement mechanisms and institutions. Among other things, the program will establish a federal judicial academy, provide better budgetary support for the judicial mandate to introduce innovations in legal education, create ombudsmen to handle public legal grievances, and establish institutions for consumer protection. The program is designed to remove the constraints that a weak legal framework and the unpredictable performance of judicial institutions in Pakistan impose on the economy.

In Nepal, an ongoing governance reform program supported by the ADB contains a significant element to reduce corruption through improved and revised legislation and compliance with audits.

In addition to providing technical and financial support to its developing member countries in their anti-corruption efforts, the ADB also

- Adopted a good governance policy in 1995
- Adopted an anti-corruption policy in 1998
- Reiterated its commitment to these policies through its long-term strategic framework adopted in 2001.

The world has changed dramatically since 11 September. The attacks on the United States have demonstrated the importance of fighting money laundering, bribery, and corruption. They underscore, in particular, the need for strong, unwavering, and broadly based commitment to combat corruption in all its pernicious forms and the importance of our joint efforts in preparing the Action Plan.

The ADB looks forward to implementing the Action Plan in cooperation with the countries that endorse it. The ADB will continue to support anti-corruption initiatives in the Asia-Pacific region through its loans and technical assistance.

Again, we would like to express our sincere appreciation to all those who have been involved in the development of the Action Plan. We also wish you the best in your coming deliberations in this vitally important challenge facing all of us.