



**Asia-Pacific
Economic Cooperation**

2013/SOM3/ACT/002

Agenda Item: 2

Summary Record – 16th Anti-Corruption and Transparency Experts’ Working Group Meeting

Purpose: Information
Submitted by: ACT Chair



**17th Anti-Corruption and Transparency Ex-
perts’ Working Group Meeting
Jakarta, Indonesia
25 June 2013**

Summary Record
APEC Anti-Corruption and Transparency Expert's Working Group Meeting
26th-27th January, 2013. Jakarta, Indonesia (SOM 1)

Executive Summary

The 16th meeting of the APEC Anti-Corruption and Transparency Expert's Working Group (ACTWG) was held in Jakarta, Indonesia, on 26th-27th January, 2013 followed by the ACTWG Workshop "Strengthening Anti-Corruption Authorities in APEC Member Economies", held on 28th January in Jakarta, Indonesia.

The plenary meeting was chaired by the ACT Chair, Mr Bambang Widjojanto, Commissioner of the Corruption Eradication Commission of Indonesia (KPK). Indonesia.

The meetings were attended by 19 of the 21 APEC member economies (all except Mexico and New Zealand) as well as representatives from Transparency International, Indonesia and the World Bank.

Key outcomes of the plenary 16th ACTWG meeting include:

ACT members endorsed 15th ACT Meeting Summary Record drafted by the Secretariat.

ACT members discussed and endorsed the 2013 ACT Work Program drafted by the ACT Chair. The 2013 ACT Work Program will be submitted to SCE-1.

ACT members welcomed the briefing on Indonesia priorities 2013 conducted by the SOM Chair 2013 representative, Mr Wahid Supriyadi, alternate Senior Officer (Mofa).

ACT members welcomed the briefing conducted by the ACT Vice Chair Mr Anatoly Sementsov on activities and achievements which constitute the main deliverables of ACTWG during 2012. Members of thirteen economies reported on progress and developments on implementing the UN Convention against Corruption (UNCAC), as well as other initiatives related to Anti-corruption and Transparency undertaken by these economies.

ACT members welcomed activities programmed for 2013, ongoing and proposed projects and ACT initiatives and related synergies with other relevant international fora. Members encouraged the participation of members in the upcoming workshops.

Members welcomed the interventions of representatives of Transparency International and the World Bank.

Members agreed to send written feedback to ACT Chair on the Independent Assessment Recommendations by mid February 2013.

Members welcomed Strategic Planning briefing conducted by TATF and agreed to start the drafting. Australia volunteered to assist the Chair in drafting the strategic plan.

The next ACTWG plenary meeting will be held in Medan, Indonesia in at SOM 3 (tbc).

The ACTWG Workshop on Challenge and Strategy of Strengthening Anti-Corruption Authorities to Combat Corruption in a Modern World held on 28th January in Jakarta.

Participants from nineteen economies of the region, representatives of anticorruption agencies and representatives of UNODC, OECD, World Bank and, UNDP Asia-Pacific Regional shared their views and experience, best practices, challenges and strategies to remain independent and work effectively in combating corruption.

The workshop hosted by the Corruption Eradication Commission (KPK) of the Republic of Indonesia had three sections:

1. Anti-Corruption Authorities (ACAs) Independence: Case Studies & Lessons Learned, chaired by Ms Rebecca Li, Director of Investigation, ICAC, Hong Kong;
2. Effectiveness of the Anti-Corruption Authorities: Challenges and Best Practices, chaired by Mr. Erry Riyana Hardjapamekas, former Commissioner of the Corruption Eradication Commission (KPK), Republic of Indonesia, and
3. Strengthening Anti-Corruption Authorities: An International Experience, chaired by Mr. Giri Suprapdiono, Director of Gratification, the Corruption Eradication Commission (KPK), Republic of Indonesia.

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Opening Remarks

The ACT Chair, Mr Bambang Widjojanto, welcomed all the participants to the 16th ACTWG meeting in Jakarta. He remarked that during this year ACTWG will conduct important activities to promote and strengthen the implementation of existing APEC commitments and aligned with the APEC priorities for 2013.

Agenda Item 2- Adoption of the Agenda

ACT members adopted the agenda of the 16th ACT Meeting and the Summary Record of the 15th ACT meeting held in Kazan, Russia in May 26-27, 2012.

Agenda Item 3 – APEC Secretariat Report

The Secretariat provided an update on APEC Project Management Issues and the ACT Strategic Planning Process. Regarding this process the Steering Committee on ECOTECH (SCE) is looking forward to receiving an update on progress at SCE-2 meeting in April this year, and the submission of final plans by SOM 3. The Secretariat also briefed on recommendations of the Independent Assessment report conducted during 2012. The SCE, chaired by China, will seek a report from the ACT by SCE-2 meeting in April on the work undertaken in this regard. The Secretariat encouraged members to discuss the recommendations and provide feedback in time for SCE-2. The Secretariat also outlined some Key Developments of APEC since last meeting in 2012 up to January 2013.

Members welcomed the presentation made by the representative of the APEC Communications and Public Affairs Unit (CPAU) on the value of communications work to APEC and ACT, and APEC's 2013 operational plan for communications and outreach.

Agenda Item 4 – Direction of ACT Work during 2013

ACT Chair remarked that in 2013 APEC will strive to achieve three priorities: (1) attaining the Bogor Goals, (2) achieving sustainable growth with equity and (3) promoting connectivity. And that the 2013 ACT work plan will be developed accordingly to achieve these priorities. ACT Chair invited the distinguished members to discuss on the 2013 Work Plan draft circulated prior the meeting inviting them to make suggestions and develop ideas for the ACT work during 2013.

ACT members received a presentation on Indonesia's priorities 2013 by the SOM Chair 2013 representative Mr Wahid Supriyadi, Alternate Senior Officer (MOFA). The three main priorities are:

- i. Attaining the Bogor Goals: support for the multilateral trading system; enhancing regional economic integration; and intensifying development cooperation.
- ii. Sustainable Growth with Equity: the four pillars or work streams are SME competitiveness; food security; financial inclusion; and health.
- iii. Promoting connectivity: the focus areas for promoting connectivity are infrastructure development and investment; education; and emergency preparedness in order to create the APEC framework on connectivity, which will include physical, institutional and people-to-people connectivity;

The United States applauded the leadership of the Government of the Republic of Indonesia as the APEC Host Economy in 2013 and the Indonesian Corruption Eradication Commission (KPK) as Chair of this year's ACTWG. The United States also thanked the Government of the Russian Federation for its leadership during 2012. The United States then spoke on the need for the ACT to work together to achieve the three core objectives outlined in the ACT five-year strategy: 1) to minimize impunity and kleptocracy by preventing and prosecuting public corruption; 2) to level the playing field for all businesses by fighting foreign bribery; and 3) to shut down the illegal economy and criminalized markets by combating corruption and illicit trade.

ACT members reviewed the proposed ACT Work Plan for 2013 and endorsed a revised version of the plan.

Australia supported the activities included in the work plan and highlighted another dimension of the work plan interesting to explore such as the cooperation among anti-corruption authorities in the region. In this regard Australia is willing to cooperate with KPK in strengthening the international cooperation through practical workshops and activities. He also noted and supported Expert Group on Illegal Logging and Associated Trade EGILAT's efforts to seek outreach and cooperation with ACTWG through a joint meeting at SOM3. Indonesia thanked the U.S. and Australia for their support on the proposed work plan.

ACT Chair spoke on the ACT 5-year Mid-term Work Strategy, and highlighted the ACT commitments regarding implementing the UN Convention against Corruption (UNCAC). ACT Chair encouraged members to fully comply with the UN Convention against Corruption (UNCAC) and other APEC anticorruption commitments, including the ACT Santiago Commitment to Fight Corruption and Ensure Transparency and the APEC Course of Action on Fighting Corruption and Ensuring Transparency. He also mentioned that ACT will commit to implement the Vladivostok Declaration on Fighting Corruption adopted by APEC Leaders last year in Russia. The ACT Chair underlined that Indonesia encouraged ACT members to support the creation of the Regional Network of Anticorruption Authorities as a strong platform of cooperation against money laundering and corruption.

ACT Chair reviewed the ACT expected outcomes and deliverables for 2013 as stated in the 2013 Work Plan, such as the programmed workshops to be held during the year, as well as the Strategic Plan and the developing of the Law Enforcement Authority network under the ACTWG.

Agenda Item 05: Reports on 2012 ACT Russia activities and achievements

Members welcomed the briefing conducted by the ACT Vice Chair Mr Anatoly Sementsov on ACT activities and achievements of the Russian APEC year 2012 which constitute the main deliverables of ACTWG during that year:

- The ACT-OECD Workshop Fighting Foreign Bribery in APEC Economies (27 May, Kazan)
- The ACT/ABAC Dialogue on Combating Corruption to Promote Economic Growth and Competitiveness (28 May, Kazan).
- The Vladivostok Leader's' Declaration on Fighting Corruption.
- The Interim Reports on implementation of APEC Anti-Corruption commitments

Agenda Item 06: Members' reports on development on implementing the UN Convention against Corruption (UNCAC) and other Initiatives related to Anti-corruption and Transparency

Members of thirteen economies, Canada, P.R. China, Indonesia, Japan, Korea, Malaysia, Papua New Guinea, the Philippines, Russia, Chinese Taipei, Thailand, the United States, and Viet Nam, reported on developments in implementing the UN Convention against Corruption (UNCAC) and other Initiatives related to Anti-corruption and Transparency undertaken by their economies.

The United States updated on its implementation of UNCAC, the OECD Anti-Bribery Convention, and other initiatives relating to anti-corruption and transparency, including its participation in the Open Government Partnership (OGP). Specifically, the United States reported on its experience in implementing UNCAC articles 7-9 (relating to conflicts of interest, reporting acts of corruption, and asset declaration); article 12 (relating to the private sector, including the use of public-private partnerships); articles 5, 7, 12 and 13 (including initiatives and good practices related to the public sector and prevention of corruption); and articles 51-59 (relating to asset recovery). The document circulated by the United States included a link to a guide on its asset recovery tools and procedures: see <http://www.state.gov/documents/organization/190690.pdf> (English); see <http://star.worldbank.org/star/ArabForum/country-guides-asset-recovery-0> (for links to the guide in all six UN languages).

On implementation of the OECD Anti-Bribery Convention, the United States reported on the publication of *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, a detailed compilation of

information about the FCPA, its provisions, and enforcement. (The FCPA is the primary source of legal authority that the United States uses to meet its obligations under the OECD Anti-Bribery Convention.) See

<http://www.sec.gov/spotlight/fcpa/fcpa-resource-guide.pdf>

Under other initiatives, the United States noted its use of financial disclosure reports to prevent conflicts of interest for high level officials. The United States also reported on its participation in the Open Government Partnership (OGP), a multi-stakeholder initiative launched in 2011 to promote transparency, enhance accountability, and fight corruption.

In addition, the United States shared a non-paper on “Combating Impunity and Exposing Illicit Wealth: Towards an APEC Network on Prosecuting Bribery and Corruption and Tracking Illicit Financial Flows (Dirty Money).”

P.R. China reported on the preparations for the upcoming review on its implementation of UNCAC in 2013-2014 that will be conducted by Afghanistan and Sri Lanka. China also implemented a major amendment to the Constitution that criminalises the bribery of foreign public official, which allowed issuing additional standards in investigating and prosecuting the cases related to giving bribe to foreign public officials or international organisation officials. China has also participated in bilateral and international cooperation in fighting bribery, including regular contacts and mutual briefings with the United States on specific corruption cases during 2012.

Indonesia reported on the drafting of the amendment of Anti-Corruption Law which includes the criminalisation of Foreign Bribery in compliance with article 16 Chapter III of UNCAC. Regarding Article 36 Chapter III, Indonesia hosted a workshop on Principles for Anti-Corruption Agencies in 2012. In order to strengthen international cooperation in combating corruption in compliance with Chapter IV, Indonesia has signed Bilateral Agreement on Mutual Legal Assistance and Extradition with several countries, and improve multilateral collaboration by being involved in Regional and International Networks. Regarding Chapter II of the convention, KPK started the Electoral Integrity program for the election of DKI Jakarta Governor. For public awareness and education KPK launched the Integrity Buds Program, and conducted a workshop for parents and teachers to implement anti-corruption values through children daily activities. Additionally in 2012 KPK developed anti-corruption campaign through social media and an educational movie called “Kita vs Korupsi” (Us vs Corruption).

In its report **Japan** spoke on the OECD Working Group on Bribery Phase 3 Evaluation conducted in December 2011. Japan is now considering the appropriate response to the recommendations. Japan is supporting the Asia-Pacific Anti-corruption Initiative which is an outreach activity of OECD. In 2012, Japan contributed with significant financial support to enhance the out-reach activities of OECD and to support the thematic review of the ADB/OECD Asia-Pacific Anticorruption Initiative.

Korea stated that its government has fully implemented the UNCAC since its ratification in 2008. Korea is under review of the third year of the first cycle, and it is actively participating in the review process for Chapter 3 "Criminalization and Law Enforcement" and Chapter 4 "International Cooperation" of the convention with the peer reviewer countries Bulgaria and India.

Anti-Corruption & Civil Rights Commission (ACRC) of Korea has actively participated in the International Anti-Corruption Academy, IACA, particularly with financial contribution. The former ACRC Chairperson Young-ran, Kim was elected member of the Board of Governors. Under the MoU with IACA the ACRC Korea will contribute in developing the Academy's education curriculum and secondment of lecturers to the Academy. Korea reported on the ACRC Integrity Assessment, which received the first prize in the UNPSA, as well as on the Bill on the prohibition of improper solicitation and the prevention of the conflict of interests of public officials, and finally on the newly opened Anti-Corruption Training Institute, which is planning to provide collective educations for 4,000 trainees and cyber educations for 90,000 in 2013.

Malaysia reported that given the development reached by the Malaysian economy fighting against corruption is a high priority. In this regard key national development initiatives are the Economic Transformation Program (ETP) and the Government Transformation Program (GTP). Regarding UNCAC Malaysia will be reviewed by the Philippines and Kenya in February, 2013. It was also reported implementations of Article 45 of the UNCAC. Malaysia recently hosted the 6th International

Association of Anti-Corruption Authorities (IAACA) Annual Conference and General Meeting 2012 in October 2012. Additionally the Chief Commissioner of MACC was elected as a member of the Board of Governors to the International Anti-Corruption Academy (IACA) for a six-year term during IACA 1st Assembly of Parties in Vienna, Austria in November 2012. Under other International Cooperation Malaysia highlighted the signing of two Memoranda of Understanding (MoU) in 2012, one with National Anti-Corruption Commission of Thailand and the second with the International Anti-Corruption Academy, Vienna.

Papua New Guinea reported on its active participation in the peer review conducted by Malawi and Tajikistan during late 2011 and early 2012. The peer review is now completed for Chapter III and Chapter IV is being translated. Papua New Guinea together with China will conduct the peer review of Sri Lanka. Papua New Guinea has developed a 20 year national framework for addressing corruption, the 'National Anti-Corruption Strategy 2010 – 2030', which entails eight broad key activity areas ranging from financial, administrative and legislative measures in combatting corruption. To implement these eight key areas of the national AC strategy the government has developed a Plan of Action (alternatively an implementation plan).

Regarding implementation of UNCAC **the Philippines** reported on the country review report after the country visit of reviewing states parties Egypt and Bangladesh last August 2012 and has finished the review for the first cycle. The Philippines has fully complied with 8 Articles (Articles 17, 19, 28, 33, 35, 39, 45 and 46), and partially complied with 23 Articles out of the 34 articles under review. In December 2012 the government conducted a Multi-Sectorial National Dialogue and Action-Planning on the UNCAC which purpose was to validate the Philippine Country Report and craft a five-year National Anti-Corruption Action Plan to address the identified gaps and challenges. To implement the Action Plan, the Government Sector together with the CSOs and private sector committed to a 21-Point Action Agenda. The Philippines included in its report figures and charts that show the status of UNCAC implementation by the Philippines under the current review cycle.

The Russian Federation reported on the implementation of chapters III and IV of UNCAC observed by peer reviewers Ukraine and Ecuador in 2012, and the review is now in its final stage. From its part, in 2012 Russia observed the implementation of the Convention by Latvia and Nigeria and the reviews will be finished soon. Regarding the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transaction, which came into force in Russia in 2012, the OECD Working Group on Bribery is monitoring the 3 phases of implementation of the Convention by the Russian Federation. Phase 1 (evaluation of the adequacy of a country's legislation to implement the Convention) was completed in March 2012 and the final evaluation on phase 2 (assessment of whether a country is applying this legislation effectively) is scheduled for October 2013 with an on-site visit to Moscow in May. After this the OECD working group on bribery may deliver an informed assessment of Russia's readiness to fully meet the OECD anti-corruption standards.

Chinese Taipei reported on recent measures implemented in 2012 related to Article 8 of the UNCAC, namely a regulation for civil servants on obligation to disclose and report any illegally or improper personal contacts. Acknowledging a strong link between fighting corruption and improving governance and transparency Chinese Taipei conducted last year many administrative and judicial investigations on different areas of government procurement finding a number of unfair procurement or corruption. In line with the provision of Article 3 of the UNCAC Chinese Taipei adopted a medium-term campaign from 2009 to 2012 compelling all levels of Prosecutors' Offices to establish their own special teams to deal with asset recovery. Finally, in order to integrate departments resources, Chinese Taipei created a cross-department collaboration mechanism to facilitate asset recovery activities. All these measures are helping to increase year by year the amount of recovered assets.

Thailand conveyed the government's efforts to accelerate the domestic legislation amendment process to ensure the full compliance with the UNCAC. In its report on international ACT initiatives and involvement, Thailand mentioned the 1st Assembly of Parties to the IACA held in Vienna, Austria; the Thai financial and technical support to the Academy over the past two years, the election of Thai Ambassador to Austria, as Vice President of the Assembly. Thailand represented the Asia & Pacific region as a member of the Board of Governor, alongside our Malaysia and Korea. Thailand will host the 2nd Assembly of Parties of the IACA in Bangkok in the last quarter of 2013. Thailand collaborated with the IACA to host the Greater Mekong Sub-region's first anti-corruption capacity building workshop in Bangkok to enhance the capacity of anti-corruption practitioners of the 6 countries to work on par

with international standards in the areas of cross-border anti-corruption investigation, money laundering and mutual legal assistance. Thailand assisted Myanmar to ratify the UNCAC (20 December 2012), with this all ten ASEAN countries are parties of the Convention. Thailand also organized the APEC-sponsored capacity-building workshop in Phuket, Thailand (reported later).

Regarding Thailand's effort to fulfill Article 48 of the UNCAC, the National Anti-Corruption Commission NACC signed MoU with the Malaysian Anti-Corruption Commission on the sidelines of the 6th IAACA seminar in Kuala Lumpur and another MoU with the World Bank. NACC will ink a similar agreement with the KPK. Finally Thailand invited ACT members to participate in the 2nd Assembly of Parties of the IACA in early December as well as the 4th Meeting of the StAR/INTERPOL Asset Recovery Focal Points Platform to be held in Bangkok in late June.

Viet Nam updated members on some recent progresses in anti-corruption domestic and international commitments. In its report Vietnam mentioned recent steps made by the government agencies, the Communist Party and the National Assembly highlighting key areas such as High-level political commitment to the comprehensive anti-corruption work; to promote the role and responsibility of the society in the fight against corruption, Advance quality of officials in the clean and strong, and Strengthen prevention measures.

Regarding International Cooperation and the implementation of the UN Convention against Corruption, Vietnam hosted the 17th Steering Group Meeting and 11th Regional Seminar of the ADB/OECD Anti-corruption Initiative for the Asia-Pacific. Vietnam reported also on its UNCAC implementation Plan which identifies a roadmap for the implementation of the Convention in three phases: Phase 1: From the issuance of the Plan to the end of 2011; Phase 2: From 2012 to 2016; Phase 3: From 2016 to 2020. Vietnam has finished the first review cycle conducted with experts from Italy and Lebanon which focused on Chapter III and IV of UNCAC, consisting of 35 articles, 180 specific questions, including 145 questions about the level of compliance, 35 questions on technical assistance needs. Vietnam included in its report figures and results that show its status of UNCAC under the current review cycle.

Agenda Item 07: Reports on Ongoing and Proposed Projects and ACT Initiatives and Related Synergies with Other Relevant International Fora

ACT members welcomed the activities programmed for 2013, as well as the updates on ongoing and proposed projects and ACT initiatives and related synergies with other relevant international fora. Members were encouraged to participate in the upcoming workshops such as:

The ACTWG Workshop "Strengthening Anti-Corruption Authorities in APEC Member Economies", to be held on 28th January 2012 in Jakarta, Indonesia;

The APEC-ASEAN Pathfinder Project on Combating Corruption and Illicit Trade, led by the United States, to be held in June 2013, in Siem Reap, Cambodia; [Update: The workshop to launch the Pathfinder Project will be held in September 2013 in Bangkok, Thailand.]

The "Capacity-Building Workshops on Designing Best Models on Prosecuting Corruption and Money Laundering Cases Using Financial Flow Tracking Techniques and Investigative Intelligence for Effective Conviction and Asset Recovery to Promote Regional Economic Growth", to be held in June 11-13, 2013 in Santiago of Chile, and

The APEC Experts Group on Illegal Logging and Associated Trade, Proposal for a Law Enforcement Cooperation Workshop, led by USA to be held at SOM III: Conduct workshop in conjunction with EGLAT and ACT meetings.

ACT members received reports on ACT workshops implemented during 2012:

The Workshop on Effectively Combating Corruption and Illicit Trade through Tracking Cross-Border Financial Flows, International Asset Recovery and Anti-Money laundering Efforts: It's Impact on Poverty Reduction and Economic Growth held on 10th and 11th July, 2012 in Phuket, Thailand, and

The workshop on Implementation of the APEC Code of Conduct for Business; Integrity and Transparency Principles for the Private Sector, held on 20-21 September 2012 in Manila, the Philippines.

Chinese Taipei presented to members the Concept Note: 2013 APEC International Conference for Promoting Open and Transparent Government Procurement. This concept will be submitted to the Secretariat to seek APEC funding.

Agenda Item 08: Report from International Organizations on their Anti-Corruption activities and Synchronizing with ACT

Members welcomed the participation of Mr. Peter Rooke representative of Transparency International and Ms. Natalia Soebagjo, Chair of the Executive Board of Transparency International Indonesia, as well as the participation of Mr. Jim Brumby, World Bank Policy Manager of the Good Governance Section.

Agenda Item 09: Expected Outcomes and Deliverables for ACT in 2013 and Beyond

The ACT Chair conducted a final round of discussion on the 2013 Work Program to fine the expected APEC ACT Outcomes and Deliverables in 2013.

Indonesia presented a concept paper on Developing Anti-Corruption and Transparency Network (ACT-Net) under the auspices of ACT. The objectives included to encourage networking and foster relationship-building among law enforcement officials; to facilitate APEC economies in dealing with corruption case as appropriate, including opportunity to share investigation and prosecution of corruption, money laundering and illicit trade cases and to facilitate expertise and experience sharing in dealing with corruption and bribery cases in different legal systems through a regular meeting back to back with the ACT meeting.

Expected outputs of the initiative include to achieve: Guidance of international assistance among ACTWG member economies, which include the contact among the anti-corruption authorities, central authority, FIU, etc; Particular policy regarding law enforcement, investigation, or prosecution of corruption crime and/or money laundering crimes; Develop a common strategy for the investigation and prosecution of bribery cases; Enhancing cooperation, information exchanges and intelligence sharing between ACT members in supporting investigation and prosecution of corruption and money laundering crimes;

The initiative included deliverables such as: to conduct special meeting for law enforcement among ACTWG member economies back to back with the next ACTWG meeting; to develop Terms of Reference of the Law Enforcement meeting; to develop special mechanism under ACTWG to maintain sustainability of the network; and to promote in the higher level joint commitment within the APEC framework.

Members welcomed the briefing on the Strategic Planning Process conducted by a TATF's representative and agreed to start the drafting the ACT Strategic Plan, for which Australia volunteered to assist the Chair in this process.

Next Meeting and final remarks

The ACT Chair thanked all ACT members for their active participation and contribution to the meeting as well as the Secretariat for its support.

The next ACTWG meeting will be held in Medan, Indonesia in June 2013 (tbc).