

Southeast Asia Anti-Corruption and Business Integrity Project

SEACAB Project

Concept Note
September 2019



Southeast Asia is one of the most dynamic and diverse regions in the world. To maximise sustainable and inclusive growth, and respond to foreign investors' preference for jurisdictions and business partners with perceived lower corruption risk, Southeast Asian economies have committed to strengthening business integrity. In particular, several governments from the region have acknowledged the urgent need to tackle corruption in high-risk areas of the public-private interface such as public procurement, business licensing and inspections or sensitive sectors¹. The OECD's relationship with Southeast Asia is considered of strategic importance to OECD economies. More than half of FDI in ASEAN countries is from OECD countries—business integrity is therefore a key part of OECD's engagement in the region.

Through targeted regional and in-country engagement, **the OECD Southeast Asia Anti-Corruption and Business Integrity (SEACAB) Project aims to support the region in strengthening public-private sector engagement on business integrity issues**, with a focus on gender and inclusiveness. This four-year Project (2018-2021) will leverage mutual longstanding engagement between the OECD and governments, stakeholders, and institutional partners in the region. The SEACAB Project will also draw on the OECD's expertise in combating the bribery of foreign public officials in international business transactions, which has developed over 20 years of monitoring the implementation of the OECD Anti-Bribery Convention.

The SEACAB Project is part of the OECD Anti-Corruption & Integrity Project, an initiative financed by the United Kingdom's Prosperity Fund. It will be implemented in cooperation with governments, companies and business organisations from the region, as well as NGOs and partner organisations such as the United Nations Development Programme (UNDP), the United Nations Office on Drugs and Crime (UNODC), the Asian Development Bank (ADB), the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC).

The SEACAB Project Activities

- ✓ The OECD will build on its existing networks in Southeast Asia, including the Anti-Corruption Initiative for Asia-Pacific, to **foster public-private sector dialogue in regional thematic workshops** on the role of business in combating corruption and promoting integrity.
- ✓ **National workshops in Indonesia, Malaysia and Viet Nam** will mirror the regional approach by promoting public-private sector dialogue and providing capacity building

¹ See for example: Indonesia: [National Long-Term Development Plan](#) (RPJPN 2005-2025); Malaysia: [Government Transformation Programme](#) (2010-2020), Chapter 7; Thailand: [Twelfth National Economic and Social Development Plan](#); or Viet Nam: [Socio-economic development plan for 2016-2020](#)

to business. Workshops will focus on each country's specific needs, as assessed by the OECD in consultation with national stakeholders.

- ✓ The SEACAB Project will contribute to **building the anti-corruption and integrity evidence base** in Southeast Asia. The OECD will review the **anti-corruption compliance landscape** in the region and in the three target countries. Based on desk-based research, questionnaires to stakeholders and direct consultations, the OECD will compile information on relevant legislation and guidance tools; initiatives to promote business integrity; business practice and challenges; and corruption risks faced by companies. The information is to contribute to identifying needs and areas for intervention under the Project, but is also expected to support any other future initiatives on promoting to promote business integrity in the region.
- ✓ The Project will conduct a **regional corruption risk assessment**, which will include guidance for companies to identify and assess their own exposure to corruption risks.
- ✓ The Project will develop **regional anti-corruption compliance guidance tools** for companies operating in the region, based on a comprehensive consultation process that will include the private sector and SOEs, as well as governmental and non-governmental bodies involved in combating corruption.

The SEACAB Project

Upcoming

- ✓ The Project's **inaugural regional event** will convene representatives from the regional and global business community, national governments, NGOs and international organisations in **Hanoi, Viet Nam on 3 December 2019** to discuss challenges and ways forward in 'Supporting integrity efforts in infrastructure projects in Southeast Asia'. It will be held under the auspices of the Anti-Corruption Initiative for Asia-Pacific.
- ✓ In **early 2020**, the Project will launch of a **comprehensive survey on companies' integrity efforts and challenges** in Southeast Asia.
- ✓ In **March-April 2020**, national workshops on country-specific integrity issues will take place in Indonesia, Malaysia and Viet Nam.

Please contact the SEACAB Secretariat to find out how you can participate by emailing Solène PHILIPPE at: Solene.PHILIPPE@oecd.org or Tuong Dung NGUYEN at: TuongDung.NGUYEN@oecd.org.

The OECD is an intergovernmental organisation comprising 36 member-countries. It promotes policies and the exchange of good practices to find solutions for common challenges to improve the economic and social well-being of people around the world.

10th Regional Conference on

**PREVENTING AND COMBATING CORRUPTION
IN INFRASTRUCTURE PROJECTS IN ASIA -
PACIFIC**

DRAFT AGENDA

3-6 December 2019

Hanoi, Viet Nam

Anti-Corruption Initiative for Asia-Pacific

PREVENTING AND COMBATING CORRUPTION IN INFRASTRUCTURE PROJECTS IN ASIA - PACIFIC

In order to drive socio-economic growth, facilitate domestic and cross-border trade, and mitigate the effects of climate change, countries in the Asia-Pacific region are investing heavily in large infrastructure projects, such as roads, railways, mass transportation systems, marine ports, airports, health care and education infrastructure, water supply systems, and waste treatment facilities. At the same time, these projects are highly susceptible to corruption risks due to their complexity and high costs, as demonstrated by a multitude of cases around the world and in the Asia-Pacific region. As a result, the need for managing corruption risks in large infrastructure projects and developing holistic measures for fighting corruption in the infrastructure sector has never been greater.

In response, the Anti-Corruption Initiative for Asia-Pacific will bring countries together to sharpen their policies and instruments to fight corruption in large infrastructure projects. More specifically, the 10th Regional Conference, hosted by the Government of Viet Nam on 3-6 December 2019 in Hanoi, will feature the following meetings:

- The inaugural meeting of the Business Integrity Network (BIN), which will explore corruption risks in infrastructure projects, along with the anti-bribery compliance climate in the region.
- The Public Integrity Network (PIN), which will explore solutions to curb undue influence, strengthen risk management and improve corruption prevention; and
- A joint session of the Law Enforcement Network (LEN) and Public Integrity Network (PIN) which will focus on measures for preventing, detecting and investigating corruption in infrastructure projects.

The results of these meetings will be presented by regional leaders in the High Level Segment. In addition the Regional Conference will host the 23rd Steering Committee meeting of the Initiative.

	Tuesday 3 December	Wednesday 4 December	Thursday 5 December	Friday 6 December
09:00-12:30	Business Integrity Network	Public Integrity Network	Public Integrity Network Joint Public Integrity / Law Enforcement Session	High Level Segment – Closing Ceremony
14:00-17:00	Business Integrity Network	Public Integrity Network	23rd Steering Group Meeting 13:30 – 18:00	

Meeting of the Business Integrity Network

■ Tuesday 3 December 2019

09:00-09:30 Welcome and introduction

Objectives	Introducing the meeting. Opening speech by chair and co-chair(s)
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09:30-10:30 Roundtable discussion: Corruption risks in infrastructure projects in Southeast Asia

Objectives	<p>This session will bring together government and private sector representatives to discuss and identify the principle corruption risks involved in infrastructure projects in Southeast Asia. With reference to case studies, this session seeks to identify the main challenges, faced by companies—both large and small, foreign and local—participating in infrastructure projects in the region.</p> <ul style="list-style-type: none">• Infrastructure procurement officials• Regional business organisations• SOE from the region• SME from the region• Infrastructure company from the region• Perspective of foreign company or investor when engaging with local companies
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10:30-10:45 Coffee break

10:45-12:30 Roundtable Discussion: The compliance climate in Southeast Asia

Objectives	<p>This session will explore and identify challenges in implementing effective anti-corruption compliance systems in the infrastructure sector. It will delve into the challenges of conducting corruption risk assessments and due diligence in the context of government infrastructure contracting in Southeast Asia. Speakers will describe the uptake of anti-bribery compliance guidance among companies operating in the region, as well as implementation of relevant international standards, such as ISO 37001.</p> <ul style="list-style-type: none">○ Mr. Francesco Checchi, UNODC○ Mr. Kim Loi, Malaysia○ Corruption Practices Investigation Bureau (CPIB) Singapore○ Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)○ Business association from the region
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14:00-16:00 Breakout Session: Understanding how to better equip business in Southeast Asia to combat bribery and corruption

Objectives	<p>The audience will be divided into separate discussion groups, to be moderated by each of the speakers from the morning roundtables. The discussion groups will be assigned specific topics in the context of corruption risk and anti-bribery compliance needs in Southeast Asia. Following the allocated time for discussion, speakers will report to the plenary on the conclusions reached by their discussion group. This session will inform a baseline study of the compliance landscape in Southeast Asia which will then be used to develop practical and targeted ethics and compliance tools for companies doing business in the region.</p> <p>Moderator to present the format of the breakout session (OECD) (10min)</p> <p>Breakout discussions (75mn)</p> <p>Presentation of conclusions (35min)</p>
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16:00-16:15 Coffee break

16:15-17:00 Roundtable discussion – Exploring a Business Integrity work stream

Objectives	<p>Format and objectives of the Business Integrity work stream?</p> <p>- Room discussion on the following issues:</p> <ul style="list-style-type: none"> • How such a Business Integrity Network could benefit from and add value to ongoing business integrity projects in Southeast Asia • Who should participate in the Network? • Initial discussion of terms of reference, topics and activities for an ongoing work programme <p>Participants: (previous guest speakers, the Secretariat, and the Southeast Asian delegations, below are some suggestions)</p> <ul style="list-style-type: none"> • OECD • VCCI • UNDP Asia Pacific • UNODC • ASEAN BAC • BIAC • Transparency International • Country anti-corruption agency (GIACC, MACC, GI, KPK etc.) • Thailand CAC
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17:00-17:15 Wrap-up

Objectives	<p>Summary and conclusion by the Chair:</p> <ul style="list-style-type: none"> • Presentation of work plan for approval by the BIN • Future work
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Public Integrity Network (PIN):

Preventing Corruption in Public Infrastructure Projects in Asia-Pacific

■ Wednesday 4 December 2019

08:30-09:00 Registration

09:00-09:15 Welcome and introduction

Objectives	Introducing the agenda of the Public Integrity Network (PIN) meeting and the topic "Preventing Corruption in Public Infrastructure Projects in Asia-Pacific"
	Speakers: Chair, Government Inspectorate, Viet Nam OECD Korea Policy Centre

09:15 – 10:30 Opening Session: Corruption Risks and Challenges related to Infrastructure Projects in Asia-Pacific

Objectives	<p>Infrastructure investment is a driver for sustainable economic growth and development, and it is a catalyst for the provision of basic services. However, infrastructure projects are exposed to high risk for capture and collusion, jeopardising the return on public investments and the benefits of infrastructure projects for citizens and economies. The large sums of money, the complexity of the projects in terms of stages and stakeholders, and the extent of discretion by politicians and public officials over investment decisions, make these projects susceptible to undue influence and corruption.</p> <p>Guided by the OECD Integrity Framework for Public Investment and the G20 Compendium of Good Practices for Promoting Integrity and Transparency in Infrastructure Development, this session will look into the corruption risks at the various stages of the public investment cycle and at the challenges that governments in the Asia-Pacific face in mitigating corruption risks.</p> <p>Speakers:</p> <ul style="list-style-type: none">• Indonesia/Malaysia/Viet Nam/Japan• ADB• Cost Asia- Pacific
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10:30-10:45 Coffee break

Objectives

Policy capture and undue influence are a key integrity risks in infrastructure projects, especially in the early stages of the project. Decisions on the infrastructure needs, the type of project, the budget and the location can be influenced by narrow interests, jeopardising the feasibility and cost of the project. Pressure by vested interests may result in negative returns of productivity or excessive infrastructure, resulting in the creation of “white elephant” projects. This has a visible negative impact on citizens. At a global level, a country with high levels of corruption tends to invest less in education and health systems and more in prestigious infrastructure projects that do not always have obvious benefits for society.

Based on cases from the Asia-Pacific region, this session will examine how undue influence and corruption in infrastructure can be limited throughout the whole project cycle, from needs identification to contract closure. During this session, the OECD will also present its recent work on averting policy capture in infrastructure investments.

Speakers:

- Indonesia/Malaysia/Viet Nam/Japan
- Bhutan
- OECD

12:30 - 14:00 *Lunch break*

14:00 – 15:30	Session 2: Auditing of Large Infrastructure Projects: from Oversight and Insight to Foresight
Objectives	<p>Audits are a critical tool for ensuring the integrity and value for money of large-scale public infrastructure projects. However, the audit environment of infrastructure projects is often very complex, requiring multiple types of technical expertise. This complexity is aggravated by the dependence on a high number of contractors, subcontractors and suppliers of materials. Despite the challenges, audits allow for more than just identifying mistakes already made; they provide foresight of risks that may occur in the future, and can help governments prepare for unforeseen developments and future projects. Based on good practices from the region, this session will explore how audits contribute evidence for more informed governance and corruption-proofing of infrastructure project.</p> <p>Proposed speakers:</p> <ul style="list-style-type: none"> • State Audit Office of Viet Nam • Office of the Auditor General of Thailand • The Institute of Internal Auditors • JICA
15:30– 17:00	Session 3: Promoting integrity in large scale infrastructure projects: The case of Malaysia
Objectives	<p>In response to recent cases of corruption and mismanagement in public investment projects in Malaysia, the Malaysian government has committed to extensive governance reforms to enhance accountability and transparency. The National Anti-Corruption Plan (NACP) 2019-2023 was launched in January 2019 envisioning to make Malaysia a corruption-free country, and outlines measures to address corruption in all government's administration and business sector, including measures to strengthen effectiveness of public service delivery, increasing the efficiency and transparency in public procurement and good governance of corporate entities.</p> <p>In continuation of its reform efforts, the government of Malaysia has partnered with the OECD in order to examine the current policy framework for preventing corruption in infrastructure projects. This session will present the initial findings and results of this cooperation.</p> <p>Speakers:</p> <ul style="list-style-type: none"> • MACC, Malaysia • GIACC, Malaysia • OECD

Public Integrity Network (PIN): Preventing Corruption in Public Infrastructure Projects in Asia-Pacific (continued)

■ **Thursday 5 December 2019**

9:00 - 10:30 Session 4: Clean infrastructure projects as a catalyst for achieving SDGs	
Objectives	<p>Infrastructure projects are a catalyst for socio-economic development of a country or region, and hold benefits for society in terms of trade, employment, health, education, mobility, etc. Given these range of benefits, multilateral banks and development partners are keen on partnering with governments in the Asia-Pacific region on ambitious infrastructure investments. Based on examples and good practices from the region, this session will explore how development actors and governments can cooperate in mitigating corruption risks.</p> <p>Speakers:</p> <ul style="list-style-type: none"> • MPI Viet Nam • Donor community in Viet Nam • UNDP/ADB
10:30 – 10:45 Coffee break	
10:45 – 12:00 Joint Public Integrity/Law Enforcement Session: Preventing, detecting and investigating corruption in infrastructure projects	
Objectives	<p>The session will highlight lessons learned from concluded cases of corruption in infrastructure projects, to emphasise best practices in prevention. Drawing on these case studies, the session will discuss practical tools for law enforcement, procurement and anti-corruption agencies and investment implementation institutions to better prevent, detect, and investigate corruption in infrastructure projects. This session will also highlight the importance of international cooperation and informal networks of law enforcement officials to facilitate exchange of information in bribery investigations.</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Procurement officials • Relevant anti-corruption agency representatives • Law Enforcement Officials • OECD
12:00 – 12:30 Wrap-up	
Objectives	<ul style="list-style-type: none"> • Conclusions and next steps • Group discussion on possible themes for next PIN meeting

Regional Conference on PREVENTING AND COMBATTING CORRUPTION IN INFRASTRUCTURE PROJECTS IN ASIA-PACIFIC

High Level Segment: Closing Ceremony

Friday 6 December 2019

09:00 – 09:30 *Registration*

9:00 - 10:00 High-Level Ceremony	
	<p>Remarks by the host country</p> <ul style="list-style-type: none">• Prime Minister of Viet Nam <p>Photo Session with Prime Minister of Viet Nam and Heads of Delegations</p> <p>Remarks by the organising partners</p> <ul style="list-style-type: none">• ADB• OECD• Caitlin Wiesen, UNDP Resident Representative (tbc) <p>Remarks by the donor partner</p> <ul style="list-style-type: none">• UK – Prime Minister's Anti-Corruption Champion
10:00	Group picture
10:15 – 10:30	Coffee break

10:30 - 12:00

High-Level Panel on envisioning the future of preventing and fighting corruption in infrastructure projects in the Asia-Pacific Region

Objectives

Investment in public infrastructure allows governments to respond to policy challenges, foster sustainable economic growth, and ultimately improve the well-being of citizens. Yet, infrastructure projects are notoriously vulnerable to corruption and fraud. With investment constituting 20% of gross domestic product (GDP) in OECD countries, governments are expected to identify effective solutions that will ensure resources are used effectively, and projects are implemented to the highest standards of quality and integrity. To do so, clear leadership and vision are necessary.

In this high level panel, leaders will share their views on developing a holistic approach to address corruption in infrastructure, combining prevention, law enforcement and business integrity perspectives. They will also reflect on the role of international cooperation to support governments, businesses and society in building robust systems for healthy and sustainable investments in public infrastructure.

Speakers:

- Leadership of Government Inspectorate, Viet Nam
- Leadership of MACC/GIACC, Malaysia
- Leadership of the Ministry of National Development Planning, Indonesia
- OECD

12:00 – 12:15

Closing Remarks by the host country

