



**Asia-Pacific  
Economic Cooperation**

**International Symposium  
“Anti-Corruption And Administrative Reform”**

*Hanoi, Vietnam 25 - 26 June 2008*

**ANTI-CORRUPTION AND TRANSPARENCY EXPERTS TASK FORCE (ACT)**

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# AGENDA

## Tuesday, 24 June 2008

AM-PM	Arrivals of delegates
15.00 – 17.00	Delegate registration
18.30 – 21.00	Welcome dinner hosted by Vietnam Government Inspectorate

## Wednesday, 25 June 2008

8.30 – 9.00	Delegate registration
9.00 – 9.10	Opening address <b>H.E. Mr. Mai Quoc Binh</b> , Vice Minister, Deputy Inspector General, Government Inspectorate of Vietnam
9.10 – 9.20	Remarks by ACT chair representative <b>Mr. Ramiro Del Carpio</b> , Advisor on Transparency and Anticorruption policies, Peruvian National Anticorruption Office
9.20 – 9.30	Introduction presentation by Vietnam Government Inspectorate <b>Mr. Tran Duc Luong</b> , Director General, Anti-corruption Bureau, Vietnam Government Inspectorate
9.35 – 10.05	Tea break - Photo session

### Session 1

#### Administrative reform for effective anti-corruption

*(Chair: H.E. Mr. Mai Quoc Binh, Deputy Inspector General,  
Government Inspectorate of Vietnam)*

10.05 – 10.25	<b>Mr. Tin Yeow Cheng</b> , Head Investigation, Corrupt Practices Investigation Bureau (CPIB), Singapore
10.25 – 10.45	<b>Mr. Le Van Lan</b> , Deputy Director, Department for Research – Synthesis – International Relations, The Office of the Central Steering Committee on Anti-corruption, Vietnam.
10.45 – 11.05	<b>Mr. Jairo Acuna-Alfaro</b> , Policy Advisor, Anti Corruption and Public Administration Reform, UNDP Vietnam.
11.05 – 11.25	<b>Mr. Nguyen Hoa Binh</b> , Deputy Director, Administrative Reform Department, Ministry of Home Affairs, Vietnam
11.25 – 12.00	Discussion and session sum-up
12.00 – 14.00	Lunch hosted by Vietnam Government Inspectorate

## Session 2

### Role of inspection/anti-corruption agencies in boosting up administrative reform

*(Chair: Mr. Andrew Boname, Regional Anti-Corruption Advisor, American Bar Association - Rule of Law Initiative (ABA-ROLI), Asia Division)*

14.05 – 14.25	<b>Hon. Dato' Abu Kassim Mohamed</b> , Deputy Director General I, Anti-corruption Agency, Malaysia
14.25 – 14.45	<b>Mr. Dinh Van Minh</b> , Deputy Director, Inspection Research Institute, Government Inspectorate, Vietnam
14.45 – 15.05	<b>Mr. HyunSun Hong</b> , Standing Commissioner, Anti-corruption and Civil Rights Commission, South Korea
15.05 – 15.25	<b>Mr. Ramiro Del Carpio</b> , Advisor on Transparency and Anticorruption policies and ACT chair representative, National Anti-corruption Office, Peru
15.25 – 15.45	<b>Mr. Wanlop Yuthidhammadamrong</b> , Director of Foreign Affairs Bureau, National Counter Corruption Commission, Thailand
15.45 – 16.00	Tea break
16.00 – 16.35	Discussion and session sum-up
Evening	Free

**Thursday 26<sup>th</sup> June 2008**

## Session 3

### Administrative procedure reform for effective prevention of corruption

*(Chair: Mr. Ha Trong Cong, Director General, Department for International Cooperation, Vietnam Government Inspectorate)*

9.00 – 9.15	<b>Mr. Ngo Hai Phan</b> , Deputy Director, Deputy Head of the Prime Minister's Working Group on Administrative Procedure Reform, Vietnam.
9.15 – 9.30	<b>Mr. Jun Lung Chow, Carmel</b> , Group Head, Independent Commission Against Corruption, Hong Kong – China
9.30 – 09.45	<b>Mr. Xavier Comas</b> , Chief of the Institutional Capacity of the State Division, Inter American Development Bank (IADB)
09.45 – 10.00	<b>Mr. Kong Xiangren</b> , Deputy Director General, Foreign Affairs Department, Ministry of Supervision, China
10.00 – 10.30	Discussion and session sum-up
10.30 – 10.45	Tea break

(Change panel)

## Session 4

### Public finance reform for effective anti-corruption

*(Chair: Mr. Ramiro Del Carpio, Advisor on Transparency and Anticorruption policies and ACT chair representative, Peruvian National Anticorruption Office)*

- |               |  |
|---------------|--|
| 10.45 – 11.00 | <b>Mr. Dang Ngoc Tuyen</b> , Vice Chief Inspector, Ministry of Finance, Vietnam                      |
| 11.00 – 11.15 | <b>Ms. Jennifer Thomson</b> , Senior Financial Management Specialist, World Bank Vietnam             |
| 11.15 – 11.30 | <b>Mr. Roni Ihram Maulana</b> , Director of Monitoring, Indonesian Corruption Eradication Commission |
| 11.30 – 12.05 | Discussion and session sum-up  |
| 12.05 – 14.00 | Lunch hosted by Vietnam Government Inspectorate  |

## Session 5

### Private sector with administrative reform for the purpose of anti-corruption

*(Chair: H.E. Mr. Mai Quoc Binh, Deputy Inspector General, Government Inspectorate of Vietnam)*

- |               |  |
|---------------|--|
| 14.00 – 14.20 | <b>Mr. Michael Ahrens</b> , Executive Director, the Australian Chapter of TI   |
| 14.20 – 14.40 | <b>Mr. Andrew Boname</b> , Regional Anti-Corruption Advisor, American Bar Association - Rule of Law Initiative (ABA-ROLI), Asia Division |
| 14.40 – 15.00 | <b>Mr. Tran Huu Huynh</b> , Director of Legal Affairs Department, Vietnam Chamber of Commerce and Industry                               |
| 15.00 – 15.15 | Tea break  |
| 15.15 – 15.35 | <b>Ms. Molly Lien</b> , Counselor, Deputy Head of Development Cooperation, Economist, Embassy of Sweden in Vietnam                       |
| 15.35 – 15.55 | <b>Mr. Ha Huy Cuong</b> , Policy Advisor, Vietnam Competitiveness Initiative   |
| 15.55 – 16.30 | Discussion and session sum-up  |
| 16.30 – 17.00 | Symposium sum-up and closing remarks   |
|               | <b>H.E. Mr. Mai Quoc Binh</b> , Deputy Inspector General, Government Inspectorate of Vietnam   |
| Evening       | Free   |

## **Friday, 27<sup>th</sup> June 2008**

8.30 – 11.30

City tour (for international delegates)

PM

Free

## LIST OF PARTICIPANTS

No.	Economy/ Organization	Name of delegate	Position
1	Brunei	Mr. Haji Abd Raub bin Haji Mohd Yassin	Acting Assistant Director, Anti-Corruption Bureau, Prime Minister's Office
2		Mr. Leslie Dominic Ho Pau Chiang	Acting Chief Special Investigator Anti-Corruption Bureau, Prime Minister's Office
3	Chile	Mr Alvaro Guzman	Global Affairs Department, Ministry of Foreign Affairs. Email: <a href="mailto:aguzmans@minrel.gov.cl">aguzmans@minrel.gov.cl</a>
4	China	Mr. Kong Xiangren	Deputy Director General Foreign Affairs Department, Ministry of Supervision Email: <a href="mailto:kongxiangren@mos.gov.cn">kongxiangren@mos.gov.cn</a>
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11		Mr. Ganeson al Periathamby	Assistant Commissioner Anti-corruption Agency Malaysia
12		Mr. Mohd Azman Yahaya	Senior Assistant Superintendent Anti-corruption Agency Malaysia
13	Peru	Mr. Ramiro Del Carpio	Advisor on Transparency and Anticorruption policies and ACT chair representative Peruvian National Anticorruption Office Email: <a href="mailto:ramirodelcarpio@gmail.com">ramirodelcarpio@gmail.com</a>
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18		Mr. Vladimir Buyanovskiy	Service of Economic Security, Federal Security Service
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34		Mr. Nguyen Hoa Binh	Deputy Director Administrative Reform Department Ministry of Home Affairs
35		Mr. Dang Ngoc Tuyen	Vice Chief Inspector Ministry of Finance
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40	STAR Vietnam	Mr. John Bentley	Chief Legal Advisor
41		Ms. Helle Weeke	Legal Advisor
42		Ms. Cam Tu	Lawyer
43	TI Australia	Mr. Michael Ahrens	Executive Director of the Australian Chapter of TI Email: <a href="mailto:mca@zeta.org.au">mca@zeta.org.au</a>
44	UNDP Vietnam	Mr. Jairo Acuna-Alfaro	Policy Advisor, Anti Corruption and Public Administration Reform Email: <a href="mailto:jairo.acuna@undp.org">jairo.acuna@undp.org</a>



45		Ms. Constance Hybsier	Program Officer Email: <a href="mailto:constance.hybsier@undp.org">constance.hybsier@undp.org</a>
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47		Mr. David Brunell	Director of Economic Growth Program USAID
48		Ms. Anne Ho	Legal Intern
49	World Bank	Ms. Jennifer Thomson	Senior Financial Management Specialist Email: <a href="mailto:jthomson@worldbank.org">jthomson@worldbank.org</a>
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51	Embassy of Brunei Darrussalam	Mr. Sia Ai Ching	Second Secretary
52	Embassy of Canada	H.E. Mr. Gabriel M. Lessard	Ambassador
53		Mr. Robert Burley	Political Counselor
54	Embassy of Chile	H.E. Mr. Fernando Ayala	Ambassador
55	Embassy of Indonesia	Mr. Herianda Latief	Counselor
56	Embassy of Japan	Ms. Rika Mori	Second Secretary
57	Embassy of Korea	Mr. YeonChul Yoo	Counselor
58	Embassy of Malaysia	Mr. Zamrykhan	Second Secretary
59	Embassy of Mexico	Mr. Carlos Klein Gonzalez	Attaché
60	Embassy of the Philippines	Mr. Pamela Durian	Third Secretary
61	Embassy of Russia	Mr. Mania 6. Aūzonox	Second Secretary
62	Embassy of Sweden	Ms. Molly Lien	Counselor, Deputy Head of Development Cooperation
63	Embassy of Thailand	Mr. Tawatchai Koopirom	Deputy Chief of Mission
64	Embassy of the United States	Mr. Bird Mattingley	Economic Section
65		Mr. Ben Klay	Economic Section

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## **OPENING ADDRESS**

**By H.E. Mr. Mai Quoc Binh, Vietnam Deputy Inspector General**

Hanoi, 25<sup>th</sup> June 2008

*Distinguished Guests,  
Distinguished Colleagues,  
Ladies and Gentlemen,*

Today, in the fine weather of the early summer days of Hanoi, we are greatly honored to greet you all - the representatives of anti-corruption agencies of the Asia-Pacific region. On behalf of the Government Inspectorate of Vietnam (GIV), I would like to extend the warmest welcome to all distinguished guests and delegates attending the International Symposium “Anti-corruption and Administrative Reform”.

The International Symposium “Anti-corruption and Administrative Reform” is a project under the capacity building framework of the APEC Task Force on Anti-corruption and Transparency (ACT). We would like to express our deep gratitude to all APEC member economies as well as the APEC Secretariat for your strong support to the hosting of the Symposium by GIV. GIV will do our best to make the Symposium a successful one which achieves the pre-set targets. At the same time, I believe that apart from participating actively and making contributions to the success of the Symposium, delegates will have time and chances to meet and contact with the people of Vietnam to learn more about the country and witness the achievements recorded in the course of country renovation, industrialization and modernization.

*Distinguished Delegates,  
Ladies and Gentlemen,*

The Symposium serves to create a forum for representatives of anti-corruption agencies from APEC member economies, local and international experts and scholars on anti-corruption and administrative reform and private sector’s representatives to discuss, exchange views, share information and practical experiences in order to draw out effective ways to foster the interactive relationship between anti-corruption and administrative reform, especially in the areas of personnel management, public finance management, administrative apparatus structure and administrative procedures.

The Symposium is also a chance for us to further discuss about the private sector's role and activities regarding public administration reform for the purpose of anti-corruption. We will together listen to the voice of the private sector's representatives on the conveniences as well as the troubles relating to administrative procedures that they encounter in daily business activities. We, at the same time, will discuss deeply about the adoption of the Code of Conduct for Business by enterprises – an important outcome of ACT 2007, in order to develop a “no bribe culture” in the business community for an effective fight against corruption.

The Symposium is also an opportunity for us to further strengthen the mutual understanding, establish or develop the bilateral and multilateral relationships, bringing member economies closer to each other in a dynamic Asia – Pacific region.

*Distinguished Delegates,*

*Ladies and Gentlemen,*

With the spirit of openness, friendship and cooperation, I believe that delegates will analyze and discuss deeply the five sub-topics to ensure the fulfilment of the Symposium's objectives. The success of this Symposium will continue to raise the position, roles and operations' efficiency of ACT in general and of the anti-corruption agencies of all member economies in particular.

With that spirit, I declare the International Symposium “Anti-corruption and Administrative Reform” open.

I wish all the distinguished guests and delegates good health, happiness and success.

Thank you!

## **Remarks by ACT Chair representative**

*Mr. Ramiro Del Carpio, Advisor on Transparency and Anticorruption policies,  
Peruvian National Anticorruption Office  
Hanoi, 25<sup>th</sup> June 2008*

HIS EXCELLENCY, MISTER MAI QUOC BINH, VICE MINISTER, DEPUTY  
INSPECTOR GENERAL OF THE GOVERNMENT INSPECTORATE OF VIETNAM,

MISTER TRAN DUC LUONG, DIRECTOR GENERAL, ANTICORRUPTION BUREAU,  
VIETNAM GOVERNMENT INSPECTORATE

LADIES AND GENTLEMEN, ACT REPRESENTATIVES AND DELEGATES TO THE  
SYMPOSIUM ON ANTICORRUPTION AND ADMINISTRATIVE REFORM,

MEMBERS OF THE APEC SECRETARIAT;

I AM HONORED TO ADDRESS YOU IN THIS OCASSION ON BEHALF DR.  
CAROLINA LIZARRAGA, CHIEF OF THE PERUVIAN NATIONAL ANTICORRUPTION  
OFFICE AND 2008 CHAIR OF THE APEC ANTICORRUPTION AND TRANSPARENCY  
TASK FORCE.

IN THE LINE OF THE RECOMMENDATIONS AND PROPOSALS MADE BY OUR  
ECONOMIES' LEADERS AND MINISTERS IN 2004 AND 2006, THE OBJECTIVES

OF OUR TASK FORCE SHOULD BE ORIENTED TOWARDS THE STRENGTHENING OF THE FIGHT AGAINST CORRUPTION AND THE PROMOTION OF TRANSPARENCY IN THE PACIFIC BASIN REGION, GIVEN THE FACT THAT CORRUPTION IS A PROBLEM THAT DISRUPT ECONOMIC AND SOCIAL ADVANCE, DETERS INVESTMENT AND IMPEDES DEVELOPMENT AND PROSPERITY.

TAKING INTO ACCOUNT THAT PART OF THE MANDATE INCLUDES THE CARRYING OUT OF WORKSHOPS, SEMINARS AND DIFFERENT COURSES DESIGNED AND PREPARED TO ENHANCE THE ABILITIES OF ANTICORRUPTION AGENCIES AND BODIES IN CHARGE OF THIS COMBAT, EVENTS SUCH AS THE ONE WE HAVE BEEN INVITED TO PARTICIPATE IN A CITY AS WARM AS HANOI, REPRESENT A UNIQUE OPPORTUNITY TO OBTAIN EXTRAORDINARY INPUT THAT SHALL BE AN IMPORTANT ASSET FOR OUR FUTURE ACTIVITIES.

PERU, THE ECONOMY I AM HONORED TO REPRESENT, IS ALSO ENGAGED IN THE LINE OF THESE EVENTS, AND HAS ALSO PROGRAMMED THE PREPARATION OF A SEMINAR ON ASSET RECOVERY, AN ISSUE OF GREAT IMPORTANCE, AND HOPEFULLY THIS PROJECT SHALL BE APPROVED SHORTLY AND WE WILL HAVE THE HONOR OF COUNTING WITH THE PRESENCE OF MOST PARTICIPANTS TO THIS EVENT.

IN THE COURSE OF ACTION OF OUR NEXT MEETING IN AUGUST, DIFFERENT BRIEFINGS AND REPORTS WILL BE PRESENTED, AND WE ARE SURE THE OUTCOMES OF THIS SYMPOSIUM SHALL HAVE PREDOMINANCE AND WILL SERVE TO INFORME OF OUR ADVANCES AND THE LESSONS LEARNT FROM THE DIFFERENT PRESENTATIONS DURING THE FIVE SESSIONS THAT WILL TAKE PLACE IN THE FOLLOWING DAYS.

THE AGENDA PREPARED BY THE VIETNAM GOVERNMENT INSPECTORATE IS AMBITIOUS AND IT INCLUDES THE PARTICIPATION OF SEVERAL ECONOMIES AND INTERNATIONAL ORGANIZATIONS, WHICH WILL ENRICH THE VISION AND THE SCOPE OF THE WHOLE EVENT. I AM SURE THAT WE ARE ALL EXCITED AND EAGER TO HEAR THEM.

I WOULD LIKE TO FINISH THIS SHORT PRESENTATION BY FIRST, THANKING ONCE AGAIN, THE REPRESENTATIVES OF VIETNAM FOR THEIR GENEROSITY IN ASKING THE CHAIR TO ADDRESS THE PARTICIPANTS AND FOR WELCOMING US WITH SUCH GRACE AND FRIENDLINESS IN HANOI, A CITY THAT EVOKES SO MANY BEAUTIFUL THOUGHTS.

ON BEHALF OF CAROLINA LIZARRAGA, 2008 ACT CHAIR, IT IS MY PLEASURE AND MY GREAT HONOR TO WELCOME ALL ECONOMY REPRESENTATIVES,

GUESTS AND PARTICIPANTS IN GENERAL TO THIS 2008 SYMPOSIUM ON  
ANTICORRUPTION AND ADMINISTRATIVE REFORM.

THANK YOU VERY MUCH.



## **INTRODUCTION PRESENTATION**

By the Government Inspectorate of Vietnam

*Hanoi, 25 June 2008*

Warmly welcome all distinguished guests and delegates attending the International Symposium “Anti-corruption and Administrative Reform” in Hanoi, Vietnam.

Distinguished Guests,

Ladies and Gentlemen,

Anti-corruption and public administration reform (PAR) are the issues concerning not only a particular country but the globe also. For the developing countries like Vietnam, anti-corruption and PAR are both urgent and complicated issues.

PAR plays a positive role in improving the state apparatus and making the administration transparent and efficient. This is very meaningful because such an administration will help prevent and constrain corruption effectively. At the same time, effective anti-corruption will contribute to make the administration cleaner; transparency in operations of government, of the public sector and of the whole society will help minimize opportunities for bribes or for any other forms of corruption. It can be said that PAR is one of the practical measures for preventing and combating corruption.

In Vietnam in recent years, corruption has become complicated; many corruption cases caused great damages, thus reducing the people’s confidence in the state administration. Being aware of this, the National Assembly of Vietnam has affirmed its determination to combat corruption and promulgated the “Law on Preventing and Combating Corruption”; the Government of Vietnam has actively participated in various international and regional fora and conferences on anti-corruption. Vietnam was also among the first countries signing the United Nations Convention against Corruption. Besides this, the Government of Vietnam has also actively carried out the PAR in the core areas of legal frameworks, organizational structure, quality of cadres and public officials, public finance and step by step modernization of the administration and has gained remarkable results.

Thus, anti-corruption and PAR are the two closely related and interactive issues; effective PAR helps prevent and combat corruption well, and effective anti-corruption, in its turn, helps to get a clean administration.

Therefore, at this Symposium, we, the representatives of APEC member economies together with specialists of international institutions and organizations, will exchange and share the practical experiences and results in anti-corruption and PAR, and actively discuss in order to draw out the most practical and effective measures for promoting the interactive linkage between anti-corruption and public administration reform, contributing to effective anti-corruption and an efficient public administration and heading to the development goals.

To obtain the Symposium's objectives, we focus on five sub-topics as follows:

- 1- Administrative reform for effective anti-corruption;
- 2- Role of inspection/anti-corruption agencies in bootsting up administrative reform;
- 3- Administrative procedure reform for effective prevention of corruption;
- 2- Public finance reform for effective anti-corruption;
- 3- Private sector with administrative reform for the purpose of anti-corruption.

We hope that at each session, besides discussing and clarifying the theoretical points of the topic, speakers and participants will share the latest progress and practical lessons of their own economies and particularly, discuss and determine the effective measures in anti-corruption and public administration reform.

We strongly believe that our Symposium will be a successful one with valuable experiences and ideas on anti-corruption and administrative reform shared and inspired.

I wish all delegates good health and happiness! I also wish the Symposium a great success!

Thank you!



**Asia-Pacific  
Economic Cooperation**

**International Symposium  
"Anti-Corruption And Administrative Reform"**

*Hanoi, Vietnam 25 – 26 June 2008*

*Session 1*

**Administrative reform for  
effective anti-corruption**

## Administrative Reform and Anti-Corruption – Singapore’s Experience

2008 APEC Administrative Reform  
and Effective Anti-Corruption  
Symposium

Tin Yeow Cheng  
Head Investigation, CPIB

## Four Pillars

Singapore combat corruption through four Pillars:

- Tough laws
- Strict enforcement
- Effective court adjudication
- **Government administrative efficiency**

## Administrative Reforms

Past 20 to 30 years:

- Performance budgeting
- Management accounting/activity-based costing
- Corporatisation
- National technology master planning
- **Public Service for the 21<sup>st</sup> Century (PS 21)**

## What is PS 21?

- PS21 was introduced in 1995 to nurture a culture of change in the Public Service
- PS21 has 2 key objectives:
  - To foster an environment which induces and welcome change
  - To nurture an attitude of service excellence

## Why PS21?

- Singapore – a small island state with no natural resources
- We face a rapidly changing world
  - Globalisation
  - Technological advancement
  - Environmental threats
  - Terrorism
- Demographic changes and better educated citizens
  - Need to change in order to be at the leading edge



## Areas of Focus

- Empowering and Enabling Officers for Continuous Improvement
- Employee Engagement and Recognition
- Service Excellence



## Empowering and Enabling Officers for Continuous Improvement

- **Excellence through Continuous Enterprise and Learning (ExCel)**
  - encouraging change and innovation
  - formal framework for generation of ideas from bottom-up
    - Staff Suggestion Scheme (SSS)
    - Work Improvement Teams (WITS)
    - The Enterprise Challenge (TEC)
- **Developing our officers**
  - Mandatory service-wide training
  - 100 training hours per year



## Service Excellence

To have a Public Service that:

- Delights customers
- Engages citizens
- Serves Singapore



## Delighting Customers

Delivering Services with CARE:

- **C**ourtesy
- **A**ccessibility
- **R**esponsiveness
- **E**ffectiveness



## Delighting Customers

e-government initiatives

- e-services a major mode of public service
- Access services from home/office
- Systems of work/processes changed in tandem with technology implementation



## Delighting Customers

### e-government initiatives

- e-Citizen
- access government services from comfort of home



The screenshot shows the eCitizen website interface. At the top, it says "eCitizen - Your Gateway to All Government Services" and "Microsoft Internet Explorer". Below the navigation bar, there are links for "Government Links", "About eCitizen", and "Feedback on eCitizen". The main content area features a "Welcome to eCitizen" message with the tagline "Helping you find government services you need". There is a search bar for "Search Government Websites with Google" and a "Did you know?" section. The "HIGHLIGHTS" section includes "Second Lot of Economic Restructuring Shares (ERS)" and "All it takes to win S\$15,000 on eCitizen is your Visa". The "VOICE YOUR OPINIONS" section mentions "Public Consultation on Amendments to the Publicity Rules for Healthcare Institutions". The "Government Services — Do it Online!" section lists categories like "ARTS & HERITAGE", "RECREATION", "SPORTS", "DEFENCE • SAFETY & SECURITY", and "ELECTIONS • LAW". A "MY.eCITIZEN" sidebar offers "Get email and SMS alerts for:" and "Who can login?" information.

## Delighting Customers

### e-government initiatives

- business.gov.sg
- Online Business Licensing Service (OBLS)
- 2005 UN Public Service Award



The screenshot shows the business.gov.sg website interface. At the top, it says "BUSINESS.gov.sg" and "LICENCES". Below the navigation bar, there are links for "Apply Now", "Update", "Renew", "Terminate", "Retrieve Draft", "Check Status", and "Make Payment". The main content area features the "Online Business Licensing Service" title. A "United Nations Public Service Award 2005" badge is displayed, along with a text box explaining the award. Below this, there is a section for "New Application" with links for "Register Business or Limited Liability Partnership (LLP) or Incorporate a Company (Local/Foreign), and Application of New Licences". There is also a section for "Update Information" with links for "Update Existing Licences" and "Update or Change Business Particulars at ACRA's (or BCD) BizFile". Finally, there is a "Renewal" section with a link for "Renew Existing Licences".

## Delighting Customers

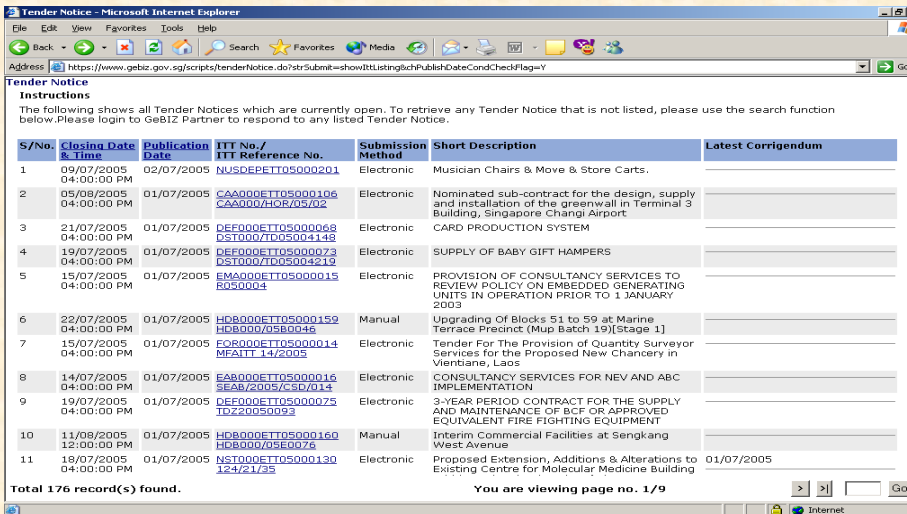
### e-government initiatives

- Government e-Procurement Centre on the Internet (Gebiz)
  - process efficiency
  - transparency
  - value for money
  - fair/open competition



The screenshot shows the Gebiz website interface. At the top, there is a navigation menu with links for 'Login Area', 'Registration', 'GEBIZ Partner', 'Billing Information', and 'Others'. The main content area features several news items: 'Government Procurement Guide for SMEs' dated 29 Jun 2005, 'Relocation of GEBIZ Service Centre to HarbourFront Centre' dated 14 Jun 2005, and 'Our New Singapore HarbourFront Centre'. A large image of the HarbourFront Centre building is displayed. Below the image, contact details for the GEBIZ Service Centre are provided, including the address (1 Marina Square, #10-40 HarbourFront Centre), phone numbers, fax number, and email addresses. On the right side, there are sections for 'Procurement Information', 'Tendering Information', and 'Quotation Information', each with a list of links to various services and notices.

## Delighting Customers



The screenshot shows a Microsoft Internet Explorer browser window displaying the 'Tender Notice' page. The address bar shows the URL: <https://www.gebiz.gov.sg/scripts/tendernotice.do?strSubmit=showAllListing&chPublishDateCondCheckFlag=Y>. The page content includes instructions for viewing tender notices and a table listing 11 tender notices. The table has columns for S/No., Closing Date & Time, Publication Date, ITT No./ITT Reference No., Submission Method, Short Description, and Latest Corrigendum. Below the table, it states 'Total 176 record(s) found.' and 'You are viewing page no. 1/9'. The browser's status bar at the bottom shows 'Internet'.

S/No.	Closing Date & Time	Publication Date	ITT No./ITT Reference No.	Submission Method	Short Description	Latest Corrigendum
1	09/07/2005 04:00:00 PM	02/07/2005	NUSDEPETT05000201	Electronic	Musican Chairs & Move & Store Carts.	
2	05/08/2005 04:00:00 PM	01/07/2005	CAA000ETT05000106 CAA000/HOR/05/02	Electronic	Nominated sub-contract for the design, supply and installation of the greenwall in Terminal 3 Building, Singapore Changi Airport	
3	21/07/2005 04:00:00 PM	01/07/2005	DEF000ETT05000068 DST000/7D05004148	Electronic	CARD PRODUCTION SYSTEM	
4	19/07/2005 04:00:00 PM	01/07/2005	DEF000ETT05000073 DST000/7D05004919	Electronic	SUPPLY OF BABY GIFT HAMPERS	
5	15/07/2005 04:00:00 PM	01/07/2005	EMA000ETT05000015 R050004	Electronic	PROVISION OF CONSULTANCY SERVICES TO REVIEW POLICY ON EMBEDDED GENERATING UNITS IN OPERATION PRIOR TO 1 JANUARY 2003	
6	22/07/2005 04:00:00 PM	01/07/2005	HCB000ETT05000150 HCB000/05B0046	Manual	Upgrading Of Blocks 51 to 59 at Marine Terrace Precinct (Map Batch 19)[Stage 1]	
7	15/07/2005 04:00:00 PM	01/07/2005	FOR000ETT05000014 MEAITT_14/2005	Electronic	Tender For The Provision of Quantity Surveyor Services for the Proposed New Chancery in Vientiane, Laos	
8	14/07/2005 04:00:00 PM	01/07/2005	EAR000ETT05000016 SEAB/2005/C-50/014	Electronic	CONSULTANCY SERVICES FOR NEV AND ABC IMPLEMENTATION	
9	19/07/2005 04:00:00 PM	01/07/2005	DEF000ETT05000075 TD220050093	Electronic	3-YEAR PERIOD CONTRACT FOR THE SUPPLY AND MAINTENANCE OF BCF OR APPROVED EQUIVALENT FIRE FIGHTING EQUIPMENT	
10	11/08/2005 12:00:00 PM	01/07/2005	HDB000ETT05000160 HDB000/05E0076	Manual	Interim Commercial Facilities at Sengkang West Avenue	
11	18/07/2005 04:00:00 PM	01/07/2005	NST000ETT05000130 124721/05	Electronic	Proposed Extension, Additions & Alterations to Existing Centre for Molecular Medicine Building	01/07/2005

## Delighting Customers

Trading Partner Area - ITD Award Notice - Microsoft Internet Explorer

Address: <http://www.gebiz.gov.sg/scripts/itq-awd-view.jsp?sessionid=0M/RVZMCDccLpLacN/Wen9C/vyeZTu#ANk1XG006702ey4017766425741-16042753517001-11-104511>

**View Quotation Award Notice**

**Instructions**  
The following are the latest Quotation Award Notices for the past 7 days. If you would like to retrieve any Quotation Award Notice that is not listed, you may use the Search function below. Please note that only Quotation Award Notices for the past 7 days can be found. Awarded Trading Partners should deliver the goods and services upon receiving the electronic Purchase Orders. To view Quotation Award Notice details, please login to GeBiz Partner first. If you are not a Trading Partner, please [register](#) as a GeBiz Trading Partner.

S/N	Publication Date	Quotation Reference	Short Description	Awarded To
1	25/08/2005	CAA000ETQ05001009	Supply & deliver 190 drums (25 litre packaging) of Oil Dispersant for AES Changi.	PROACT CHEMICALS (S) PTE LTD
2	25/08/2005	NYP000ETQ05001022	Supply & Delivery of Projector Lamp	DEAL SYSTEMS PTE LTD
3	25/08/2005	NYP000ETQ05000992	Electronic Components	ACE-TONE SOLUTIONS
4	25/08/2005	NUSDEPETQ05002783	Table top refrigerated centrifuge	RAINBOW INSTRUMENTS
5	25/08/2005	MOMLINETQ05000033	Supply & Delivery of Instant 'Spectra' Polaroid Film	POLWEL Co-operative Society Limited
6	25/08/2005	MOESCHETQ05010893	Chinese Dance Instructor	Tay Poh Soon
7	25/08/2005	MOESCHETQ05010562	P/s see attached.	DELL SINGAPORE PTE. LTD.
8	25/08/2005	MOESCHETQ05010104	To supply & install projector screen (18ft x 18ft - Heavy Duty) in the school hall. Consideration will be given to vendors who	AV Media PTE LTD

Total 786 record(s) found. page 1 of 36

## Delighting Customers

Enterprise EPPU Query - Microsoft Internet Explorer

Address: [http://intranet.gebiz.gov.sg/scripts/ent\\_es/index\\_it\\_oppu\\_debar\\_company\\_query.jsp](http://intranet.gebiz.gov.sg/scripts/ent_es/index_it_oppu_debar_company_query.jsp)

**EPPU Query Menu**

**Debarred Company / Individual Firm Search**

**Instructions**  
Enter relevant information below and specify whether the debarment has been lifted. Then click **Search** to display the results.

**Search By**

Trading Partner Ref. No. (Supplier Code)

Company Name

Debarment Lifted

**Search Result**

S/No.	Supplier Code / Trading Partner Ref. No.	Company Name	Debarment Period	
			From	To

## Delighting Customers

### No Wrong Door

- Public feedback directed to wrong agency
- Issues fall across purview of more than one agency
- First receiving agency responsible for ensuring timely/satisfactory reply to feedback



## Engaging Citizens

Four levels of Public Participation:

- **Describe** – informs about its public policy
- **Explain** – explains reasons and objectives of policies; and responds to queries/feedback
- **Consult** – seeks views when developing public policies
- **Connect** – fosters a network who pro-actively offer views and suggestions, helps explain public policies to others



## Engaging Citizens

### Online Consultation Portal

- “Consultation Papers” channel; and
- “e-Polls” channel



## Cut Red Tape Movement

### “More Vision, Less Bureaucracy” (MVLB) Movement

- Aims to reduce bureaucracy and cut red tape in public agencies.
- The movement includes:
  - Pro-Enterprise Panel and Speed Teams for Enterprise (STENT)
  - Zero-In-Process (ZIP)
  - Public Officers Working to Eliminate Red-tape (POWER)



## Public Service in the 21<sup>st</sup> Century



Improve efficiency and effectiveness in provision of public services

PS 21:

- Engaged Public Officers
- Efficiency
- Transparency

## Administrative Reforms

- Reforms continuous in response to changing time and circumstances
- New Phase:
  - “Whole of Government” approach

Contributes to Corruption Prevention and not a cure-all for Corruption

# CONCLUSION

# Thank You

# **SPEED UP PUBLIC ADMINISTRATION REFORM TO PREVENT AND COMBAT AGAINST CORRUPTION**

*Le Van Lan, M.A, Deputy Director,  
Department on Research – General Affairs – International Relations  
Office of the Central Steering Committee on Anti-corruption*

Public Administration Reform (PAR) and Anti-corruption are two sides of the same coin with a dialectical relationship. Creeping and ineffective PAR would usually nurture corruption, and on the contrary, good PAR would minimize corruption in the state apparatus. Amongst many solutions to curb corruption raised by the Communist Party of Vietnam (CPV) in its 3<sup>rd</sup> plenum's Resolution (10<sup>th</sup> tenure), or set forth by the state and the government of Vietnam in the Law against Corruption and its implementation programs, intensifying PAR is considered crucial.

This presentation includes 3 following contents:

*First*, some issues relating to the anti-corruption work in Vietnam;

*Second*, the impact of PAR on anti-corruption; and,

*Third*, some recommendations towards intensifying PAR with a view to raising the effectiveness of anti-corruption work.

## **1- Some issues relating to the anti-corruption work in Vietnam**

In recent years, the Central committee of the Communist Party of Vietnam, the National Assembly, and the Government of Vietnam have promulgated many anti-corruption policies and resolutions, of which some are of critical significance and incorporated in: The Law against Corruption (passed by the National Assembly on the 29 November, 2005), the Resolution of the 3<sup>rd</sup> plenum (10<sup>th</sup> tenure) of the CPV Central Committee on Enhancing the leadership of the Party in the work of prevention of and combating against corruption, wastefulness (Resolution No. 04-NQ/TW, dated Aug 21<sup>st</sup>, 2006), Resolution No. 1039/2006/NQ-UBTVQH11 dated Aug 28<sup>th</sup>, 2006 of the Standing Committee of the National Assembly on the organization, duties, powers, and operating regulations of the Central Steering Committee against Corruption (CSCAC); Resolution No. 294A/2007/UBTVQH12 dated Sept 27<sup>th</sup>, 2007 on the organization, duties, powers, and operating regulations of the Provincial level Steering Committee against Corruption; Decision No. 13/2007/QĐ-TTg dated Jan 24<sup>th</sup>, 2007 of the Prime Minister on the establishment, functions, duties, powers, organization, and operating regulations of the Office of the Central Steering Committee against



Corruption (OCSCAC), etc., In addition, the Government, Prime Minister, relevant ministries and branches have promulgated bylaws to guide the implementation of the Law against Corruption.

The mentioned documents have been serving as necessary legal and political backgrounds for the fight against corruption in Vietnam. These documents have been implemented by agencies of the CPV, the Government and the whole political system in Vietnam, contributing significantly to curbing corruption. It is fair to say, the fight against corruption in Vietnam has never been as strengthened as it is at the present.

However, in recent time, the fight against corruption has bared certain shortcomings and demerits, such as:

- The delay in promulgation of documents to guide the implementation of the CPV's Central Committee 3<sup>rd</sup> plenum's Resolution on Enhancing the leadership of the Party in the work of prevention of and combating against corruption, and the Law against Corruption;

- The implementation of some regulations against corruption of the Party and the State at many agencies, organizations and units are facing confusion, with low quality and effectiveness, particularly is the implementation of regulations on transparency, access to information, accountability of heads of agencies where corruption occurred, and regulations to strengthen public asset management, public finance management, etc,.

- The handling of some high-profile corruption cases, though there has been significant effort, takes longer time than scheduled;

- The role of civil society and citizens in curbing corruption has not been adequately promoted;

Hence, though there have been important achievements, the fight against corruption in Vietnam hasn't achieved a breakthrough, and the corruption still develops complicatedly and seriously.

With a view to promote the fight against corruption, Vietnam needs to overcome the shortcomings, surmount demerits, continue to implement strictly policies, regulations of the CPV, the state, particularly regulations that further explain and guide the implementation of the law against corruption, toward achieving the goal set by the CPV (10<sup>th</sup> tenure) 3<sup>rd</sup> plenum's Resolution which says: "Gradually curbs corruption, wastefulness; develops remarkable improvement so as to maintain political stability, promote social-economic development; consolidates people's trust; builds a strong and accountable Party and State; and develops an integrity corps of civil servants"

## **2- The impact of PAR on anti-corruption**

At the 3<sup>rd</sup> plenum of the CPV's Central Committee (10<sup>th</sup> tenure), the party pointed out main causes of corruption, and causes of shortcomings, demerits in the fight against corruption, wastefulness, including:

- Management mechanisms, policies, and laws are incomplete, inadequate; there remain loopholes, which are not timely amended and supplemented;

- There remain shortcomings in the structure and operation of the political system in general and the state apparatus in particular, the quality of operation is still poor; the functions, duties, and powers of some agencies haven't been defined clearly, many of them are still overlapping, or scattering;

- Personnel work in general, the management and education of cadres, party members, and public servants in particular remain weak. Not a small number of party members, cadres, and public servants degrade in terms of political views, moral quality, and way of life. Many key leaders, including high-ranking leaders, fail to play as a role model in maintaining moral quality, and fail to lead the fight against corruption, wastefulness as well.

After studying the above contents, conclusion is those are causes and are shortcomings, weaknesses of the public administration, including institutional, organizational weaknesses, and poor quality of cadres, public servants. In other words, the weakness of the public administration is not only one of the main causes that breed corruption but also generate difficulties and obstacles for the detection and handling of corruption.

There have been many documents and opinions discussing about the causes and effects between the weaknesses of the public administration and the complicated development of corruption. However, we need to recognize some difficulties and obstacles in detecting, handling corruption cases as a result of the weaknesses of the public administration, for instance:

- Some regulations on public finance management, public asset management, and land management are unclear, unspecific, and therefore causing confusion in implementation, creating a situation in which it is difficult to define clearly right and wrong, and it is also difficult to recognize acts exploiting loopholes to corrupt. The supervising activities of legislative bodies, social- political organizations, and citizens on the implementation of such regulations, therefore, face difficulties.

- Procedures to report violations of laws, including corruption, are not simple and convenient enough to encourage people to do so. Regulations on receiving and handling denunciations of corruption, particularly are regulations on coordination between relevant agencies in this field, remain irrational and loose, leading to the situation where there exist both overlaps and gaps in handling corruption cases. Therefore, many people claim that the number of detected corruption cases is far less than the number of actual corruption cases that have taken place.

- Regulations on functions, duties, powers and administrative relations between anti-corruption agencies themselves and between anti-corruption agencies with other agencies show loose and irrational factors which undermine the effectiveness in detecting and handling corruption cases. For instance, there are overlaps in functions, duties and scope of activities of inspectorates, the State Audit, and investigation agencies, particularly is the inspectorates and the State Audit.

- Since the functions, duties, powers, and operational structures of some agencies, organizations, units and official titles are not clearly defined yet, it is difficult to measure responsibility of heads of agencies, organizations, or units where corruption cases have occurred. It is also difficult to measure responsibility of each person who has committed corruption offences.

Therefore, PAR and anti-corruption are closely related and impact on each other. Speeding up PAR is an important ground to raise the effectiveness of anti-corruption work. Besides, according to the Overall PAR Program and the contents of the 3<sup>rd</sup> and the 5<sup>th</sup> plenum's Resolutions of the CPV's Central Committee (10<sup>th</sup> tenure), PAR and anti-corruption share a common objective, which is to build a strong and accountable State, and develop an integrity corps of civil servants.

### **3- Some recommendations to speed up PAR in order to raise the effectiveness of anti-corruption work**

Since PAR is one amongst important solutions to prevent and combat against corruption, the CPV's Central Committee 3<sup>rd</sup> plenum Resolution (10<sup>th</sup> tenure) stressed solutions closely related to PAR, such as: amending, supplementing regulations on public personnel work, so as to ensure transparency and democracy; revising regulations to make party members, cadres, and public servants' assets and income transparent; promulgating and implementing a code of conduct to ensure public servants, cadres, and CPV's members' integrity; ensuring the transparency in operation of public agencies and organizations. The Law against Corruption reserved the whole chapter 2 to prescribe the prevention of corruption, specifically this chapter prescribes many solutions related to PAR, such as: transparency in public procurement, capital construction

projects, management of state budget, promulgation and implementation of standard norms; declaration of asset, income, etc., Article 56 of the Law prescribes “the State implements PAR to promote the independence and accountability of public agencies and organizations; speeds up the decentralization; clearly defines duties and functions of public agencies; make transparent, simplified, and improve administrative procedures; defines specifically responsibility of each public official titles in public agencies and organizations”.

In recent years, the implementation of the Overall Program on PAR period 2001-2010 has brought about important achievements on all of the four pillars, which are: institutional reform; structural reform; strengthening capacity of public officials; public financial management reform. Laws and policies continued to be revised, supplemented and adjusted in line with the adjustment to the market economy with socialist orientation and international economic integration. Functions, duties, and organizational structure of public administrative agencies continued to be adjusted and rearranged to fit in new situation; capacity of public servants has been improved; regulations on public financial management has also been improved; relations between public administrative agencies and the public, enterprises has been improved significantly thanks to administrative procedural reform such as implementing one door- one seal mechanism, reducing the use of licenses, etc., those improvement has contributed to raising the effectiveness and efficiency of public administration management. The public administration has been made more transparent more accessible, and thereby, contributing significantly to curbing corruption within the public administration.

However, besides the achievements, we can all see that the public administration still lags behind the social – economic development, there remains shortcomings and demerits. Hence, speeding up PAR, including the breakthrough of public administrative procedural reform, is an objective requirement in the current context of social-economic development.

The specific activities are provided in the Overall Program on PAR period 2001-2010, in the CPV’s resolution of the 5<sup>th</sup> plenum (10<sup>th</sup> tenure) on speeding up PAR, raising the effectiveness and efficiency of public administration management (Resolution No. 17-NQ/TW, dated August 1<sup>st</sup>, 2007), and also in the Action Plan of the Government (tenure 2007-2011). In conclusion, I would like to propose some recommendations:

*First*, closely coordinate the implementation of PAR and the work against corruption, and strictly implement provisions on PAR with a view to preventing corruption prescribed in CPV 3<sup>rd</sup> plenum’s Resolution and the Law against corruption, including:

- Transparency in operation of public agencies and organization (in public procurement, capital construction projects, management of investment projects, finance, state budget; in management of state owned enterprises; in management of land, houses; in education, public health care, science and technology; sports; inspection, handling of citizens' complaint and denunciation; in daily business of public agencies, organizations; in law enforcement; and in management of personnel work). Supplement regulations on transparency of decision making process, including policies, laws, and decisions on individual case of state agencies at various levels. Consider and revise the lists of state confidentialities so that more can be made open to the public. Conducting research toward promulgating the Law on access to information.

- Promulgate and implement standard norms; code of conduct; code of professional ethics; job rotation; making public servants' assets and incomes transparent; renew management technology and method of payment; continue to reform remuneration policies.

*Second*, there should be close coordination between PAR executing agencies and anti-corruption agencies, such as the coordination between the Steering Committee on PAR and the Steering Committee against corruption; between Ministry of Home Affairs, the Secretariat of the Steering Committee on PAR and the Office of the Steering Committee against corruption, the Government Inspectorate.

*Third*, give priority to reform administrative procedures fields that are corruption prone, such as: capital construction; land management; state budget management, and public finance management, etc.,...

*Fourth*, strengthen the work on inspection, examination over public servants and cadres. The Government Inspectorate in particular, the inspectorate sector in general needs to focus on public duty inspection, with a view to contributing to the assurance of a qualified and ethical corps of public servants and cadres./.



*Public Administration Reform and Anti-Corruption:*  
**Pushing the limits or understanding its dynamics?**

**Jairo Acuña-Alfaro**  
**Policy Advisor, UNDP, Ha Noi**

APEC International Symposium  
June 24-26, 2008, Viet Nam

This is a draft of work in progress with initial ideas/hypothesis for discussion  
Comments and feedback is highly welcome to [jairo.acuna@undp.org](mailto:jairo.acuna@undp.org).



**Structure of the presentation**

- Background and objectives of the presentation
- Five guiding questions
- Overview: From Governance to PAR and AC
- The importance of data and information
  - Three examples
- Conclusions

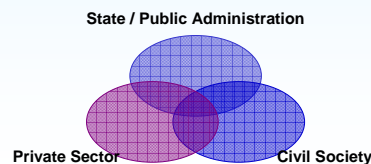
## Guiding Questions

- Is anti-corruption important to public administration reform?
- Or is public administration reform important for the fight against corruption?
  
- How are anti-corruption and public administration reform inter-linked?
  
- How can public administration reform areas be prioritized in order to push up anti-corruption agenda?
- How to prioritize and sequence reform/strategies in these two broad and complex policy areas?

- Background
- **Guiding Questions**
- Overview
- Data & Information
- Conclusions

## Overview (i) Governance

- Exercise of economic, political and administrative authority to manage a country's affairs at all levels.
  - It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.
  - Unlike government, governance is not characterized by specific structures, but rather a series of procedures and practices which distinguish it from the traditional forms of government.



- Background
- Guiding Questions
- **Overview**
- Data & Information
- Conclusions



## Overview (ii) Public Administration Reform

- ***The ultimate objective of Public Administration is to provide and deliver better quality public services to the citizens, especially the poor.***

*PAR refers to:*

- *Aggregate machinery* (policies, rules, procedures, systems, organizational structures, personnel, etc.) funded by the state budget and in charge of the management and direction of the affairs of the executive government, and its interaction with other stakeholders in the state, society and external environment,
- *Management* and implementation of the whole set of government activities dealing with the implementation of laws, regulations and decisions of the government and the management related to the provision of public services (UNDP Practice Note)

- Background
- Guiding Questions
- **Overview**
- Data & Information
- Conclusions



## Overview (iii) Corruption

- The misuse of public power, office or authority for private benefit – through bribery, extortion, **influence peddling, nepotism, fraud**, speed money or embezzlement

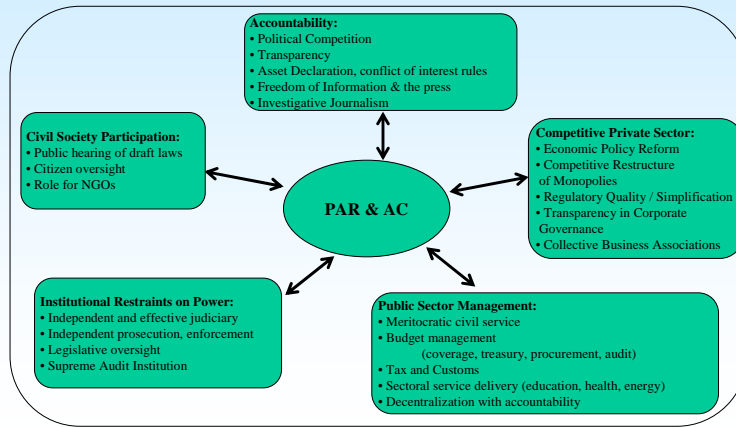
» UNDP (1998) Fighting Corruption to Improve Governance

- Three levels:
  - Petty Corruption
  - Grand Corruption
  - State Capture

- Background
- Guiding Questions
- **Overview**
- Data & Information
- Conclusions

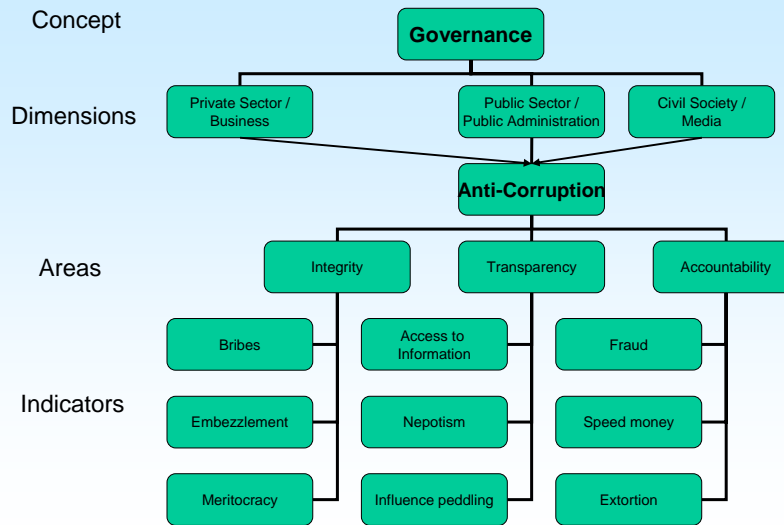


## Reforms for Improving Governance A multi-pronged approach



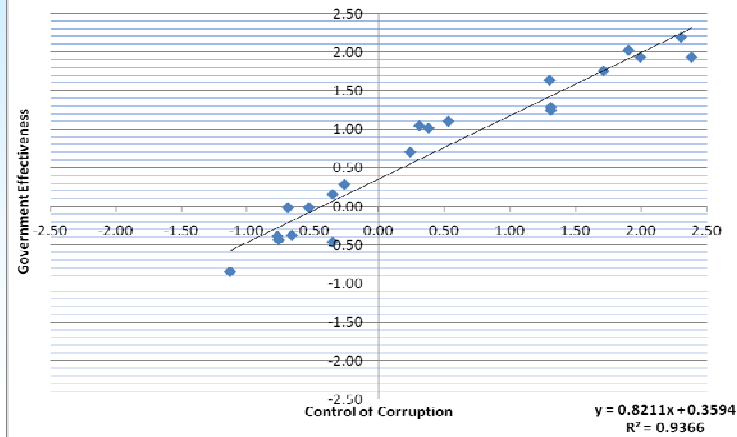
- Background
- Guiding Questions
- **Overview**
- Data & Information
- Conclusions

Source: Adapted from Kaufmann and Dininio, 2006



- Background
- Guiding Questions
- **Overview**
- Data & Information
- Conclusions

### Control of Corruption and Government Effectiveness (APEC economies, 2006)



- Background
- Guiding Questions
- Overview
- **Data & Information**
- Conclusions

## Hong Kong

- Since 1992, has been conducting opinion surveys on an annual basis with the objectives to obtain an update public perceptions and attitudes towards corruption, and to identify changes in public perception and attitudes over time.
- The survey findings provide a useful reference for the ICAC on policy formulation and strategic planning.
  - Nearly one in three respondents considered corruption a common problem in 2007 (lower than in 2005 and 2006, but slightly higher than in 2004).
  - When asked about corruption in government departments in specific, 19.3% of respondents considered it common (lower than in 2006, but higher than 2004 and 2005), as opposed to 46.8% who considered corruption common in the private sector.
  - Additionally, the major reason for considering corruption common in government departments was “many corruption cases were reported in the media” (43.9%), highlighting the important role media places in tackling corruption.

- Background
- Guiding Questions
- Overview
- **Data & Information**
- Conclusions



## New South Wales

- Surveys provide detailed findings from community attitudes, perceptions of corruption, attitudes to reporting corruption and awareness and perception.
  - In 2006 for example, respondents were asked to define corruption, and just over 50% defined it as involving some form of personal and usually financial gain.
    - Some of the examples given included accepting money, gratuities or bribes and “lining their own pocket”.
  - A greater proportion of participants felt corruption was a problem for local councils than the rate for the public sector overall.
  - Overall, 19% of respondents claimed to have personally witnessed corruption acts/behavior in the NSW public sector.
  - Approximately 40% indicated that they had heard about such activities from people they knew.

- Background
- Guiding Questions
- Overview
- **Data & Information**
- Conclusions



## New South Wales

- Respondents were asked to indicate if they believed each of a list of nominated activities commonly occurred within the NSW public sector.
  - The three activities which were thought to be common by the largest number of participants were favoritism, misuse of public resources and failure to disclose a conflict of interest.
  - In another section, respondents were asked to indicate which, if any, of a list of activities they felt might constitute corruption.
  - While there was general agreement regarding whether or not some activities involved corrupt behavior, views were divided about whether or not it was wrong to use work time and resources for some specified activities.

- Background
- Guiding Questions
- Overview
- **Data & Information**
- Conclusions



## Mexico

- In 2002, the Congress passed a Law on Access to Public Information, creating a new Federal Institute on Access to Information which can demand information from any public institution and distribute it to citizens and the media.
- Since then, the Federal Institute for Access to Information (IFAI) has played a key role in carrying out this mandate of openness. It guarantees access to information law, protects citizens' personal information held by the government, and investigates and resolves cases where public agencies refused to provide information
- What is relevant from this public administration reform process is that several civil society organizations have taken up the challenge to promote transparency, increase governmental accountability, and fight the culture of corruption and secrecy of the public sector.
  - For example, *Transparencia Mexicana (TM)*, a local NGO, has developed and implemented the National Survey on Corruption and Good Governance (NSCG).

- Background
- Guiding Questions
- Overview
- **Data & Information**
- Conclusions



## Mexico

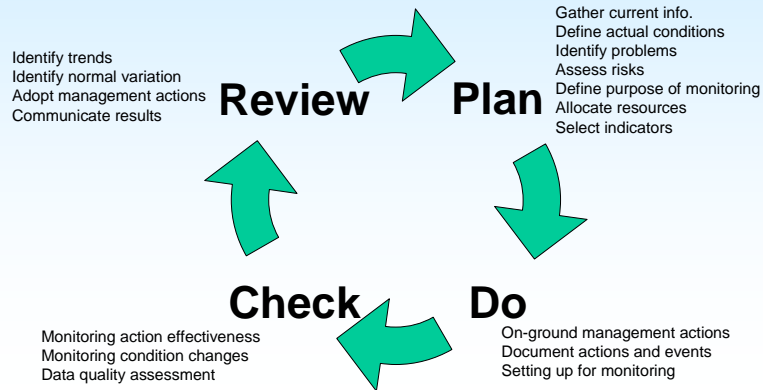
- National Survey on Corruption and Good Governance (NSCG).
  - The NSCG is an analytical tool that enables household experiences and perceptions of corruption to be measured in a single instrument.
  - The NSCG records, among other things, the frequency with which acts of corruption are recorded in requesting or receiving different public services over the course of one year for each of the 32 federal states in Mexico.
  - The main objectives are to develop a tool with the aim to record the frequency with which acts of corruption occur in public services; to identify the attitudes, values and opinions of Mexican households about corruption; to identify a temporal benchmark to record progress in the fight against corruption, and to create a map marking out responsibilities and competencies in terms of corruption in public services and for the federal entities (three levels of government and private parties).

- Background
- Guiding Questions
- Overview
- **Data & Information**
- Conclusions



## Why and how to monitor?

- The major reason for monitoring is to detect change
  - Improves our understanding of dynamics (critical part of scientific research)
  - It is essential to monitor changes caused by human activities



- Background
- Guiding Questions
- Overview
- **Data & Information**
- Conclusions



## Conclusions: Policy scenarios and priorities

Corruption Incidence	Governance		Suggested policy priorities for effective PAR and AC
High	Poor		Establish rule of law; strengthen institutions of participation and accountability; implement economic policy reforms
Medium	Fair		Decentralize and reform economic policies and public management; introduce accountability for results; strengthen civil service by introducing merit-base principles
Low	Good		Establish AC agencies; strengthen financial accountability; raise public and official awareness; engage anti-bribery pledges; conduct high profile prosecutions

- Background
- Guiding Questions
- Overview
- Data & Information
- **Conclusions**

Source: Adapted from Shah 2007

## Conclusions: Policy scenarios and priorities

Corruption Incidence	Governance	Public Administration	Suggested policy priorities for effective PAR and AC
High	Poor	Weak	Establish rule of law; strengthen institutions of participation and accountability; implement economic policy reforms
Medium	Fair	Moderate	Decentralize and reform economic policies and public management; introduce accountability for results; strengthen civil service by introducing merit-base principles
Low	Good	Strong	Establish AC agencies; strengthen financial accountability; raise public and official awareness; engage anti-bribery pledges; conduct high profile prosecutions

- Background
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- Overview
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- **Conclusions**

Source: Adapted from Shah 2007

## Conclusions

- Governance, PAR and anti-corruption are interlinked
- Anti-Corruption is an intrinsic component of the overall governance reform process
- Anti-Corruption needs to be both:
  - Comprehensive
  - Targeted
    - Need to monitor and measure at different levels and by different stakeholders
- Monitoring is an ongoing process
  - Tracks implementation, progress and setbacks
  - Detects changes and bottlenecks

- Background
- Guiding Questions
- Overview
- Data & Information
- **Conclusions**



*Public Administration Reform and Anti-Corruption:*  
**Pushing the limits or understanding its dynamics?**

**Jairo Acuña-Alfaro**  
**Policy Advisor, UNDP, Ha Noi**

APEC International Symposium  
June 24-26, 2008, Viet Nam

This is a draft of work in progress with initial ideas/hypothesis for discussion  
Comments and feedback is highly welcome to [jairo.acuna@undp.org](mailto:jairo.acuna@undp.org).

## **PUBLIC ADMINISTRATION REFORM CONTRIBUTING TO COMBATING CORRUPTION**

*Nguyễn Hoà Bình*  
*Deputy Director General,*  
*Department for Public Administration Reform,*  
*Ministry of Home Affairs*

Public Administration Reform (PAR) in Vietnam has made some initial important progress, contributing positively to achievements in socio-economic development of the country. Through the reform, legal frameworks on economics and organization, operation of state agencies have gradually been renewed and perfected in harmony with factual situation of Vietnam and international laws and practices; the roles and functions of macro management of the Government in the market economy are more and more improved and appropriated. Organizational structure, functions and mandates of administrative agencies from the central to local level have gradually been reformed and arranged more and more properly and reflected a more open and transparent public administration.

PAR and anti-corruption have a close relationship. Good PAR is an effective solution to preventing and fighting against corruption; preventing and combating corruption well will strengthen PAR progress. Corruption, harassment and misconduct are threats and diseases of all administrations as well as a challenge to socio-economic development. Corruption and misconduct originate both from the deterioration of cadres and public officials and loose, ineffective management mechanism. Such acts of abusing public powers, positions for undue individual benefits as public asset misappropriation, harassment to solicit bribes can only be committed easily in a bulky, ineffective and opaque administration. A weak administration can be regarded as an unhealthy human body, so there are chances for diseases to develop.

Accordingly, it can be said that corruption originates from the problems in legal frameworks, personnel management apparatus, cadres, public officials and mechanism and policies. Acts, expedients and implementation modalities of corruption are diversified and complicated, thus difficult to detect. In order to prevent and fight against corruption effectively, it is necessary to solve all above problems. Through carrying out, summarizing the implementation of PAR in Vietnam in reality, PAR results especially on organization of State apparatus and quality improvement of cadres and public officials have positive effects which can be considered as important measures to prevent and fight against corruption, as follows:



## **1. Organizational structure, functions and mandates of the Government, ministries and localities are more and more streamlined, ensuring better state management functions and better services to society**

- The number of Government agencies were 70 in 1986 has reduced to 30 in 2007. Similarly, the number of provincial and district professional agencies also reduced much in comparison with past time. The dispersal, multi-stops and multi-tier management situation has been overcome. The multi-tier administrative engine makes working procedures complicated, unclear, not transparent and creates opportunities for unqualified cadres and public officials to abuse and distort policies for undue individual benefits.

- Functions, mandates of administrative agencies have been continuously reviewed, clearly identified and adjusted in order to make them harmonize with factual situation and overcome overlapping. In the past time, in some working fields, state management responsibilities of agencies were not clearly identified, and there existed the overlapping in competence, management responsibilities between agencies, which resulted in embarrassment and delay in management and negativity-prone.

According to the new organizational structure, the Government and ministries focus on and implement better the function of macro level state management such as to build legal frameworks, strategies, projects and plans, to organize the implementation and to examine and inspect. On the basis of strengthening the decentralization, responsibilities and competence of local administrative agencies at different levels in each field are clearly defined. Accordingly, tasks in each field should be allocated to clear persons who bear responsibilities. The decentralization promoted activeness, creativeness, and self-responsibility in official dealings with citizens, organizations and enterprises. However, this decentralization increases powers and self-control rights, which can also run the risk of negativity and harassment if professional skills, capacity and ethics of cadres, public officials directly performing the official dealings with people and enterprises are not good. Therefore, in order to carry out the decentralization well, it is necessary to strengthen the monitoring, oversight by people and responsibilities of ministries, sectors in their direction and monitoring activities. Carry out good inspections, monitorings and supervisions will reduce arbitrariness, position and power abuse by cadres and public officials when performing their official duties and at the same time, ensure the united state management in administrative system.

## **2. Strengthening the simplification of administrative procedures and implement one-stop mechanism**

Reform of administrative procedures, implementation of one-stop mechanism are contents directly related to legal framework reform, rearrange

organization apparatus and use of cadres and public officials. Agencies must always continuously check to reject incorrect and unnecessary competent procedures and simplify them for easy implementation. Beside that, when agencies make laws, decrees, they have already minded to simplify administrative procedures which will be issued afterwards.

Operation effectiveness and transparency of administrative agencies depend not only on the clear identification of functions and mandates but also on administrative procedures, task implementation process, task allocation and coordination among departments and agencies when dealing with issues of people and enterprises. If administrative procedures are too complicated and difficult to implement, they will cause difficulties to people and enterprises, and at the same time, create opportunities for harassment. Therefore, people and enterprises will have to spend much time moving around as well as have to cover many other unofficial costs. Delays in problem solving and negative costs in completing administrative procedures may result in loss of business opportunities, dissatisfaction and distrust in State policies. Therefore, administrative procedure reform and the implementation of one-stop mechanism are regarded as a breakthrough step of administrative reform. Through administrative procedure reform and the implementation of one-stop mechanism, shortages in organizational structure as well as weaknesses of cadres and public officials will be detected so that they can be overcome.

Up to now, many administrative procedures have been simplified, facilitating people and enterprises such as procedures for passport granting, tax, customs...For example, business registration has been following the one-stop mechanism since February 2007. In stead of having to come to three different agencies as in the past, now enterprises need to come to one agency only to complete all procedures. Since January 2008, administrative procedures continued to be more simplified such as procedures for stamp carving permit were omitted, enterprise code being the tax code, therefore, files also continued to be simplified.

In the past, carrying out one-stop mechanism of some localities were formalism. After nearly one year of one-stop mechanism implementation according to the Decision of the Prime Minister, there are some good signals when many localities have paid attention to qualification, organization of request receipt and feedback section following the modern and rather good-quality one-stop mechanism model. In each working area, requirements, administrative procedures and forms are clearly publicized; there is also electronic transaction portal for people to find declaration forms as well as other forms and monitor, oversight the process of dealing with administrative procedures easily. Good implementation of the publicization and transparency of administrative procedures, processes and responsibilities to complete administrative procedures has prevented and reduced the acts of misuse by

cadres and public officials when having official dealings with people and enterprises.

### **3. Enhancing quality of cadres and public officials is a decisive measure for the success of PAR and fighting against corruption.**

Slackness and harassment in administrative agencies are due to low capacity and bad ethics of cadres and public officials. If capacity and ethics of cadres and public officials are not good, even though the Government's policies are good, these policies will hard to implement in the real life, this administration can not operate and serve people properly and is likely to cause many troubles and negativeness. Vietnam has many efforts, in general qualified and competent cadres and public officials performed their mandates better than before, but there are still challenges for requirements of development and international economic integration. Beside some limits of policy-making capacities, duty performance, modern administrative skills, effective thinkings in accordance with market economy, there are still some cadres and public officials who are unaccountable and have bad ethics and merits. Therefore, reforming the public administration to have cadres and public officials with high professionalism and accountability is an urgent requirement. Basic measures of PAR to build cadres and public officials with professionalism and high accountability include:

*- Reform personnel management works*

+ Clearly identify positions, structures, and standards for each title in each state agency to make a basis for proper recruitment, arrangement and use.

+ Reform recruitment, salary and treatment policies aiming to attract talent people.

+ Reform cadre, public official assessment on the basis of outcomes of their task implementation; declare and build assessable criteria; avoid subjectivism, preconception and individualism.

*- Reform the training of cadres and public officials*

+ Training content and methods are suitable for each position and title.

+ Training mechanism is suitable with each person.

*+ Enhance accountability and ethics of public officials*

- Enhance accountability, ethics of cadres, public officials and especially for heads of State administrative agencies.

The Ordinance on cadres, public officials issued in 1998 and amended in 2000 and 2003 provides important legal frameworks for building cadres and public officials and defines accountability of public officials when performing official duties.

Beside that, responsibilities of cadres and public officials are regulated in many other documents. Just only in 2007, the Government issued some Decrees on regulating responsibilities of heads of State agencies, organizations, units when performing official duties; regulating responsibilities of heads of State agencies, organizations, units and accountability of cadres and public officials when performing in thrift practice and anti-waste; regulating list of cadres, public officials' positions and time period for position rotation; regulating on time period within which a public official leaving a managing position is not allowed to do business in that management field; The Law on Civil Services is now being drafted.

+ Regarding each position, each cadre or public official, it is necessary to:

- . Clearly regulate standards for positions, assign specific task and accountability to specific position and individual;
- . Frequently monitor and oversight by higher levels of management;
- . Detect and handle violations properly and timely;
- . Determine to change a cadre or public official's position if his or her capacity does not suit to the assigned tasks; and
- . Assess personnel properly; provide remuneration mechanism to encourage cadres and public officials.

#### **4. Improvement of organization, operation of State apparatus ensured the supervision of the people, the effective participation of the people to State administrative operations**

The active participation of the people will create consensus on legal frameworks, policies, etc., and is an important element to build a clean and transparent administration. To well solve relations between the State agencies and the people, mobilize the supervision and active participation of the people with the spirit "the people know, the people discuss and the people check", it is necessary to properly implement solutions as follows:

- Set up legal foundations ensuring the supervision rights of the people over operations of administrative apparatus, strengthen the forms of direct democracy for people to participate in the State works in an effective and true manner; ensure for people to be able to participate in law-making process and law implementation.

- Clearly define functions, mandates, powers of each State administrative agency and carry out regulations on publicizing and declaring competence and responsibilities of State administrative agency. The draft Decree on regulations on publicizing and declaring competence and responsibilities of State administrative agency is being drawn up.

- Continue to boost up the administrative procedure reform, properly implement regulations on publicizing administrative procedures, State agencies' process on handling with works. At present, many administrative agencies have applied one-stop mechanism and clearly publicized administrative procedures of file requirements, installed cameras to monitor, set up electric transactional portal and emergency telephone line, suggestion mailbox for people, etc., which has prevented and reduced the acts of misuse by cadres and public officials when having official dealings with people and enterprises.

## **5. Some lessons from practical implementation of state apparatus reform and improvement of cadres and public officials' qualifications**

5.1. Strengthen accountability of heads and leaders of agencies from central to local, drastically direct the administrative reform implementation, put administrative reform as the central task of all ministries, sectors and localities. Through the implementation in reality, good achievements belong to the agencies of which the leaders pay attention to this PAR implementation process.

5.2. Administrative reform, apparatus rearrangement are complicated works, therefore, it is necessary to study and set up plan with a scientific implementation itinerary so that ineffectiveness, wastefulness of assets and human resource can be avoided.

5.3. The education and propaganda in order to raise awareness and drive back conservative and slackness ideas remained from former management mechanism must be strengthened. In the reform process, it is necessary to continuously adjust, rearrange administrative apparatus in accordance with requirements of development; working ways, especially related and directly influenced to partial interests of some working positions, must be changed. Hence, the ones who must have right concepts, give up their partial interests for the common objectives of reform and change themselves first are the cadres and public officials.

5.4. The cadres and public officials management mechanism, from recruitment, usage to assessment, must be renovated in order to create a competitive and learning environment and attract talent people. To have qualified human resource, while still renovating training programs, contents and methods for cadres and public officials, it is necessary to innovate the educational and training system of university.

In conclusion, administrative reform, reform of State operational and organizational apparatus have contributed to the publicity and transparency of State operations and are effective solutions to prevent and fight against corruption.



**Asia-Pacific  
Economic Cooperation**

**International Symposium  
"Anti-Corruption And Administrative Reform"**

*Hanoi, Vietnam 25 – 26 June 2008*

*Session 2*

**Role of inspection/anti-corruption  
agencies in boosting up  
administrative reform**

## THE NEED FOR PUBLIC ADMINISTRATIVE REFORM (PAR)

AN EFFICIENT , RESPONSIVE,  
TRANSPARENT AND ACCOUNTABLE  
PUBLIC ADMINISTRATION IS OF  
PARAMOUNT IMPORTANCE FOR THE  
PROPER FUNCTIONING OF A  
NATION

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

1

## The need for PAR

Public administration is one of the main vehicles through which the relationship between the state and civil society and the private sector is realised, supporting PAR is a means towards achieving higher-order development goals – particularly equitable growth, poverty reduction, peace and stability.

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

2

“PUBLIC SECTOR REFORM. REDUCE  
CORRUPTION AND  
INCREASE EFFICIENCY...WILL BE THE  
ESSENTIAL

INGREDIENT FOR MALAYSIA”

DATUK SERI ABDULLAH AHMAD BADAWI

FT INTERVIEW JULY 15, 2004

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

3

### PUBLIC ADMINISTRATION:

#### 1. THE AGGREGATE MACHINERY

(POLICIES, RULES, PROCEDURES,

SYSTEMS, ORGANIZATIONAL

STRUCTURES, PERSONNEL, etc) FUNDED BY

THE STATE BUDGET AND IN CHARGE OF

THE MANAGEMENT AND DIRECTION OF

THE AFFAIRS OF THE EXECUTIVE

GOVERNMENT AND ITS INTERACTION

WITH OTHER STAKE HOLDERS IN THE

STATE, SOCIETY AND EXTERNAL

ENVIRONMENT.

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

4



2. THE MANAGEMENT AND IMPLEMENTATION OF THE WHOLE SET OF GOVERNMENT ACTIVITIES DEALING WITH IMPLEMENTATION OF LAWS, REGULATIONS AND DECISIONS OF THE GOVERNMENT AND THE MANAGEMENT RELATED TO THE PROVISION OF PUBLIC SERVICES.

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

5

## **PUBLIC ADMINISTRATION REFORM**

INCLUDE PROCESS CHANGES IN AREAS SUCH AS ORGANISATIONAL STRUCTURES, DECENTRALISATION, PERSONNEL MANAGEMENT, PUBLIC FINANCE, RESULT-BASED MANAGEMENT, REGULATORY REFORMS etc. AND TARGETED REFORMS SUCH AS REVISION OF CIVIL SERVICE STATUE.

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

6

## PAR: FOUR MAIN AREAS

1 CIVIL SERVICE REFORM WHICH IS CONCERNED WITH HUMAN RESOURCES IN THE PUBLIC SECTOR SUCH AS CAPACITY, WAGES AND CONDITIONS

2. INCREASING THE EFFICIENCY AND RESPONSIVENESS OF THE POLICY-MAKING SYSTEM

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

7

3. REFORMING THE MACHINERY OF GOVERNMENT WHICH IS CONCERNED WITH THE RULES, INSTITUTIONS AND STRUCTURE OF THE ADMINISTRATION NECESSARY TO CARRY OUT GOVERNMENT POLICY, INCLUDING NEW TOOLS FOR PUBLIC ADMINISTRATION, NOTABLY E-GOVERNANCE AND E-GOVERNMENT

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Boosting Up Administrative Reforms

8

## 4.REFORMING THE PUBLIC SECTOR REVENUE AND EXPENDITURE MANAGEMENT SYSTEM

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Boosting Up Administrative Reforms

9

## PART I- ADMINISTRATIVE MECHANISM

A.SPECIAL CABINET COMMITTEE ON  
GOVERNMENT MANAGEMENT  
INTEGRITY

B.MANAGEMENT INTEGRITY  
COMMITTEE (PM Directive No.1/88)

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

10

## Objective of Management Integrity Committee

- To create a Government Administration and Public Service which is competent, disciplined and of the highest integrity through promoting the practice of noble values simultaneously overcoming the problems and weaknesses in the government financial management, public administration, the handling of disciplinary cases, corruption and abuse of power and malpractices .

## Terms of Reference of Management Integrity Committee

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>● Laws/regulations</li><li>● System and work procedures</li><li>● Code of Ethics</li><li>● Recognition</li></ul> | <ul style="list-style-type: none"><li>● Detection and Punitive Action</li><li>● Internal Controls</li><li>● Remedial Action</li></ul> |
|--|---|

## Achievements of Management Integrity Committee (2000-2006)

1	Service Circular 3/1998	Guidelines on Giving and Receiving of Gifts in Public Service
2.	1999	Integrity Pledge
3.	General Circular 4/1999	Module on Integrity Management

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

13

## Achievements of Management Integrity Committee (2000-2006)

4.	Prime Minister's Directive 1/2000	Guide Lines on Implementation and Mechanism for Supervision of Universal Value Program
5.	Service Circular No.4/2000	Honorary /Nominee Membership of Public Servants in Private Golf and Recreational Club

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

14

## Achievements of Management Integrity Committee (2000-2006)

6.	Parliamentary Act 2000	Statutory Bodies Act(Discipline and Surcharge)2000
7.	Service Circular 7/2003	Cash compensation for Annual Leave
8.	Service Circular 3/2004	Guidelines on Transfer of Public Servants

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

15

## Achievements of Management Integrity Committee (2000-2006)

9.	Treasury Circular 4/2000	Special Allocation for Social, Welfare and Sports Activities by Govt. Depts.
10.	Dress Code Directive	Directive on Wearing of Scarf by Women Police Personnel
11.	Directive on ICT Security 2007	Security Measures on usage of Mobile Phones & ICT hard wares

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

16

## Other Administrative Improvements by Management Integrity Committee Mechanism

1.	Client's Day
2.	Amendment to Money Lender's Act
3.	Regulations on Rock Material Extraction and Removal
4.	Integrity Vetting

Role of Anti-Corruption Agencies in Boosting Up Administrative Reforms

17

## Other Administrative Improvements by Management Integrity Committee

6.	Circular on Fire Safety, Building Maintenance and Cleanliness
7.	Ethics & Value Auditing
8.	Campaign on Universal Values and Mannerism

Role of Anti-Corruption Agencies in Boosting Up Administrative Reforms

18

## PART II-USAGE OF LEGAL POWERS

### EXAMINATION AND CONSULTANCY DIVISION (ECD)

### ANTI-CORRUPTION ACT 1997 THE LEGAL PARAMETERS OF ECD

8 (c) examine the practices, systems, and procedures of public bodies in order to facilitate the discovery of offences under this act and to secure the revision of such practices, systems or procedures as in the opinion of the Director General may be conducive to corruption;



ANTI-CORRUPTION ACT 1997  
THE LEGAL PARAMETERS OF ECD

8 (d) instruct, advice an assist any person, on the latter's request, on ways in which corruption may be eliminated by such person;

ANTI-CORRUPTION ACT 1997  
THE LEGAL PARAMETERS OF ECD

8 (e) advise heads of public bodies of any changes in practices, systems or procedures compatible with the effective discharge of the duties of the public bodies as the Director-General thinks necessary to reduce the likelihood of the occurrence of corruption;

## FOCUS AREAS –OF ECD

- A. **PROCUREMENT/CONTRACTS**
- B. **LICENSING/PERMITS**
- C. **LAND ADMINISTRATION**
- D. **ACCREDITATION (LOCAL AND INTERNATIONAL)**
- E. **PHYSICAL DEVELOPMENT PROJECTS**
- F. **LOCAL AUTHORITIES-SYSTEMS AND PROCEDURES**
- G. **ENFORCEMENT**
- H. **NATURAL DISASTER FUNDS/ RELIEF AIDS/ SUBSIDY**

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

23

## ACHIEVEMENTS OF ECD-1

A nation-wide examination on system and procedures of District **Land Offices** (in regards to land alienation/acquisition and transfer of titles) and **Local Government authorities** (in regards to issuance of license to hawkers)-2003

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

24

## ACHIEVEMENTS OF ECD-2

NATION WIDE EXAMINATION TOWARDS  
STREAMLINING OF ENFORCEMENT  
PROCEDURES OF MOTOR VEHICLE  
TINTED WIND SCREEN by  
Road Transport Department &  
Royal Malaysian Police Department

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

25

## ACHIEVEMENTS OF ECD-3

AN EXAMINATION INTO THE PHENOMENON  
OF ABANDONED AND PROBLEMATIC  
GOVERNMENT DEVELOPMENT PROJECTS  
UNDER THE SECOND MALAYSIA PLAN(1971-  
1975) 2006;

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

26

## ACHIEVEMENTS OF ECD-4

EXAMINATION INTO THE PRACTICES,  
SYSTEM AND PROCEDURE FOR DIESEL  
SUBSIDY BY MALAYSIAN FISHERIES  
DEVELOPMENT BOARD (MFDB)-2006

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

27

## ACHIEVEMENTS OF ECD-5

EXAMINATION INTO RELIEF AIDS FOR  
TSUNAMI VICTIMS –2005

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

28

## ACHIEVEMENTS OF ECD-6

### EXAMINATION INTO FINANCIAL PROCEDURE AND PROCUREMENT OF THE RESCUE AND FIRE BRIGADE DEPARTMENT -2005

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

29

## ACHIEVEMENTS OF ECD-7

### EXAMINATION INTO PROCEDURE AND PRACTICES OF THE ENFORCEMENT DIVISION OF DEPARTMENT OF ENVIRONMENT-2005

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

30

## ACHIEVEMENTS OF ECD-8

EXAMINATION INTO THE ACCOUNTING AND FINANCIAL PROCEDURE AND PRACTICES OF **PRIMARY SCHOOLS** WITH REGARDS TO ABUSE OF MONETARY AIDS AND PRIVATE DONATIONS/FUND COLLECTION TO NEEDY STUDENTS-2006

## PART III-INSTITUTIONAL MECHANISM

- National Integrity Plan-23 April 2004 to address the 4<sup>th</sup> challenge of Vision 2020 i.e. to mould a moral and ethical society with strong religious and spiritual values and high ethical standards
- Malaysian Institute of Integrity –to coordinate and monitor the implementation of NIP

## Objectives of NIP

- To continuously and effectively combat and reduce the incidence of corruption, malpractices and abuse of power
- To enhance efficiency in the delivery system of the civil service and to reduce unnecessary bureaucracy
- To improve corporate governance and business ethics
- To improve the quality of life and the well-being of the society

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

33

## Functions of MII

- To undertake research and conduct training and education pertaining to community and institutional integrity
- To develop database on ethics and integrity
- To formulate policies to enhance ethics and integrity as well as advising the government on programs to enhance integrity
- To continuously monitor and ensure implementation of NIP

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

34

**THE END**

Role of Anti-Corruption Agencies in  
Boosting Up Administrative Reforms

35



# **ROLE OF VIETNAMESE INSPECTORATES IN STRENGTHENING PUBLIC ADMINISTRATION REFORM, CONTRIBUTING TO PREVENT AND FIGHT AGAINST CORRUPTION**

**ĐINH VĂN MINH**  
*Vietnam Government Inspectorate*

At present, corruption is regarded as one of the great threats and obstacles to the renovation process of Vietnam. Acknowledging deeply this problem, the Communist Party and State of Vietnam have been making strong efforts to deter and gradually eradicate corruption, ensuring firm foundation for the process of implementing socio-economic tasks

Law on Anti-corruption and a number of documents guiding and regulating in detail in order to take effective measures to fight against corruption. The Government issued Decision No. 30/2006/QĐ-TTG dated 5<sup>th</sup> February 2006 on Action plan of the Government on the implementation of Law on Anti-corruption, emphasizing legal normative documents guiding on the implementation of Law on Anti-corruption, specify mandates, measures to prevent and fight against corruption as regulated in Law on Anti-corruption; Some specific measures were taken immediately and effectively, make positive and united changes in awareness and action of all levels and sectors in anti-corruption works. In this paper, we would like to mention the strengthening of administration reform as one of positive and active measure to prevent corruption as well as fundamental role of inspection works in administration reform with a view to enhancing the effectiveness of the fight against corruption in Vietnam.

## **I/ STRENGTHENING ADMINISTRATION REFORM IS A POSITIVE AND ACTIVE MEASURE TO PREVENT CORRUPTION EFFECTIVELY**

In the principle of positive and active prevention, prompt detection and determined handling of corrupt acts and regarding prevention as the basic measure, the Government of Vietnam are specially interested in

measures to strengthen state administration reform, regard it as the most positive and active measure to prevent corruption. We regard the establishment of a modern, professional, transparent and public administration with dedicated and incorruptible cadres and public officials as the stablest foundation to ensure the success of the fight against corruption.

This point of view originates from the awareness that administrative apparatus is the agencies having executive powers, the executive agencies of competent agencies and represents people's willing and direct the society in all fields in their operation on behalf of people, therefore, first, it needs to take "executiveness" and "service" as objectives in its operation. Nature of the administration represents most specifically, concentratively manifestation of state nature because, more than any other agencies in state apparatus, state administrative agencies bring viewpoints, ideas, strategies and policies of the State regulated in Constitution and law system into practical life. Administrative activities have a close relation with all fields of socio-economic life, and administrative agencies also have powers to manage and use a big amount of state money, budget and assets. Therefore, they are corrupt-prone places which need controlling strictly frequently.

Administrative activities also have a direct relation with the process of implementing basic rights and duties of citizens in all fields of life. It can be said that if state authorities represent the emphasis on democracy and judicial agencies represent fairness, administration must serve as a symbol of service nature, which actually means service for people. Therefore, the nature of a state of people, by people and for people is always assessed mainly through cleanness and service nature of administration. Also because of this nature, administrative activities are prone to harassment, bribe solicitation of some deteriorated cadres, public officials who worsen the good image of administration serving people.

Sound administration needs to be represented through its "public" factors: *for-public-benefit objective, transparent and open mode of operation, and implemented by dedicated cadres, public officials with a sense of justice in the process of implementing public tasks.* Such administration can be compared to a healthy environment with resistance high enough to fight against corruption which is a potential threat to all authoritative activities.

Although there have been many efforts, it must be admitted that “State administration still affected by central management, bureaucratic and subsidiary mechanism, have not met the requirements of new management mechanism as well as the requirement to serve people in new conditions, and effectiveness and efficiency of management are still low...Administrative regulation system is still unsynchronous, overlapping and less united, administrative procedures in many fields are still complicated”, especially “cadres, public officials still have many weaknesses in virtue, accountability, professional competence, and administrative skills’ red tape, corruption and harassment continue to take place seriously among a number of cadres, public officials”<sup>1</sup>. That is the reason why administration reform needs to continue to be strengthened and regarded as one of pillars of Vietnam short-term and long-term Anticorruption Strategy.

## II/ ROLE OF VIETNAMESE INSPECTORATES IN STRENGTHENING ADMINISTRATION REFORM, CONTRIBUTING TO PREVENT AND FIGHT AGAINST CORRUPTION

Up to now, inspection works have always been the concerns of the State of Vietnam. Inspection works are an indispensable step in management process and they ensure effectiveness and efficiency of management works, Inspectorates are considered the ears, the eyes of Leaders and Managers at different levels and are organized as a system from Central to Local beside State management agencies. If state administration is regarded as a fundamental role of anticorruption measure system, inspection works participated directly in this process through means of works as well as practical operation of inspectorates in the past years.

As regulated in laws, inspectorates have following key mandates:

- Conducting inspections on the implementation of policies, laws, mandates of agencies, individuals in the scope of management competence of state management agencies at the same level;
- Implement settlement of citizens’ complaint and denunciation tasks;
- Preventing and fighting against corruption in accordance with laws.

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<sup>1</sup> Master Program on State Administration reform for the period 2001-2010

All above three mandates of state inspectorates have direct relation with administration reform process.

Annually, state inspectorates conduct tens of thousands of inspections with various scopes in almost socio-economic fields, receive and handle tens of thousands of complaint and denunciation letters of citizens about acts violating laws committed by state agencies and cadres, public officials. Through inspections and settlement of complaint and denunciation, State can assess the status of implementing laws of responsible agencies, organizations and individuals, timely detect wrong-doings, especially wrong-doings of cadres, public officials in the implementation of their public task in order to recommend competent agencies to handle strictly in compliance with laws, ensuring laws compliance in management, democracy and fairness among people and equal competition in business activities of enterprises.

Another important mandate of inspectorates which has been implemented since the issue of Law on Preventing and Fighting against corruption is the inspection of the implementation of anticorruption laws. This work will help agencies, organizations and individuals to promote responsibilities in implementing these regulations, especially the application of measures to prevent corruption in the fields, sectors and localities within the scope of their responsibilities.

It is very important that through inspections, policies and mechanism themselves are assessed to find weaknesses in the operation process of administration, outdated factors obstructing development and integration as well as “systematic errors” in the operation process of state administration to timely find out overcome measures. This has clearly been represented in the regulations on objective of inspection works: *“Inspection activities aim to prevent, detect and handle acts of law violations; detect loopholes in the management mechanisms, policies and laws, then propose remedial measures to competent State agencies; promote positive factors; contribute to raising the effectiveness and efficiency of State management activities; protect the State's interests, rights and legitimate interests of agencies, organizations and individuals (Article 3, Law on Inspection).*

Inspectorates give warnings about loopholes in the management mechanisms which lead to corruption threats. These agencies also have recommendations on measures to amend and supplement policy and

mechanism system in fields of management to make the system increasingly perfect and gradually create effective and public and incorruptible administration. This indicates fundamental role and effect of inspectorates in strengthening administration reform process to enhance effectiveness of corruption prevention.

It can be said in a symbolic way that if management agencies are regarded as arms of state apparatus, then inspectorates are “doctors” who keep the apparatus clean and healthy. That is the reason why we can affirm that: inspection works are in deed an indispensable step in administration reform process *“to build clean administration having enough competence, using the right powers and gradually being modernized in order to manage effectively and efficiently state works, promote social development healthily in a right direction, positively serve people’s life, build a law obedient lifestyle and working style”*<sup>1</sup>

In past years, inspectorates continuously reform their organization and operation in order to enhance operation effectiveness and efficiency, increasingly better fulfill requirements of development and integration process. Efforts to reform inspectorate system receive great concerns of Leaders of the Communist Party as well as the State of Vietnam, and are recognized and supported by both people and international partners. All these achievements allow us to believe in the success of development process of inspectorate system, deserve to be “ears and eyes of higher level, friends of lower level” as President Ho Chi Minh used to say.

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<sup>1</sup> Resolution of the 8<sup>th</sup> Meeting of Executive Committee of Central Communist Party (Legislature VIII) dated 23 October 1995 on continuity to build and perfect the State of the Socialist Republic of Vietnam, the focus of which is state administration reform.

# Role of anti-corruption agencies in boosting up administrative reform

**Hong Hyun-sun**

Standing Commissioner

Anti-Corruption & Civil Rights Commission of Korea

## 1. The relationship between administrative reform and anti-corruption

- ❖ The goal of administrative reform: improving government , competitiveness, increasing people's quality of life, and serving social justice.
  - Principle of administrative reform: effectiveness, efficiency, democratism, transparency and legitimacy
  - Approaches and activities to enhance transparency, legitimacy, effectiveness, eventually lead to solving corruption problems, and vice versa.
- ❖ Administrative reform and anti-corruption efforts are inter-dependent
  - If the cause of corruption is attributable to social structure and administrative institutions, they should go hand in hand with each other

## 2. Anti-corruption policies of different developmental stages

### 2-1. The First stage (1960~1992)

#### < Administrative Circumstances and Development Strategy >

- ❖ During development stage (1960s to mid 1980s) lacking in capital & technology, Korea adopted 'government-led' development policies
  - Economic Planning Board (economic Policies) and Ministry of Interior (administrative Policies) set national development Plans and coordinated Policies of different government agencies
  - All government agencies implemented policies according to the plans

#### <Corruption Situation>

- ❖ Korea achieved rapid economic development in a short period of time that came with corruption-prone government structure and administrative institution across the board as a byproduct

2/26

## 2. Anti-corruption policies of different developmental stages

### 2-1. The First stage (1960~1992)

#### <Corruption-prone structure formed during the 70s to 80s development stage>

sector	Development Strategy	Corruption Factors
Administrative	<ul style="list-style-type: none"> <li>- Government initiated economic development policies</li> <li>- Financial aid and tax cuts for policy support sector such as export, heavy-chemical industries</li> <li>- A variety of administrative regulations such as authorization and permission were implemented</li> </ul>	<ul style="list-style-type: none"> <li>- Formation of various regulations</li> <li>- Complicated and not-transparent process</li> <li>- Unfair competition</li> </ul>
Business	<ul style="list-style-type: none"> <li>- Corporate management dependent on government support</li> <li>- Excessive illegal political fund donation</li> <li>- A finger-in-every-pie style management</li> </ul>	<ul style="list-style-type: none"> <li>- Excessive debt</li> <li>- Non-transparent accounting and management by founding family</li> </ul>
Politics	<ul style="list-style-type: none"> <li>- High-cost political structure to maintain gigantic political party</li> <li>- Political parity operation dependent on illegal political funds</li> </ul>	<ul style="list-style-type: none"> <li>- Formation of cozy relationship between politics and business</li> </ul>

3/26

## 2. Anti-corruption policies of different developmental stages

### 2-1. The First stage (1960~1992)

#### <Anti-corruption Policies>

- ❖ Dependent on detection and punishment regime
- Establishment of special investigative organizations (i.e, Society Purification Commission in the 1990s), in addition to the Prosecutor's Office and the Board of Audit & Inspection
- A clear limit in curbing corruption by those in power because of cozy relationship between business and politics

4/26

## 2. Anti-corruption policies of different developmental stages

### 2-2. The second stage (1993~1997)

#### <Administrative Circumstances>

- ❖ Political democratization in the late 1980s and economic opening in the early 1990s
- ❖ Productivity was undermined because of government-led policies

#### <Administrative Reform Policies>

- ❖ Direction of administrative reform: guarantee of people's participation in administrative affairs and realization of transparent administration
- Implementation of local government system (1995)
- Formation of Administrative Innovation Commission to improve irrational administrative institution
- Enactment of Act on Administrative Process for predictability of administration and people's participation
- Enactment of Act on Administrative Information Disclosure
- Enactment of Act on Basic Administrative Regulation

5/26



## **2. Anti-corruption policies of different developmental stages**

### **2-2. The second stage (1993~1997)**

#### **<Anti-Corruption Policies>**

#### **❖ From detection & punishment to basic anti-corruption system nipping corruption in the bud**

- Real-name financial transaction system
- Enactment of Act on the Election of Public Officials and the Prevention of Election Malpractices
- Implementation of Act on Public Official Property Registration

#### **❖ Remaining bureaucratic administrative practice undermined anti-corruption efforts**

6/26

## **2. Anti-corruption policies of different developmental stages**

### **2-3. The third stage (1998~2007)**

#### **<Administrative Circumstance>**

- ❖ Delayed Administrative reform triggered 1997 financial crisis

#### **<Administrative Reform Policies 2003-2007>**

#### **❖ Target of Administrative Reform: realization of small but efficiently serving government**

- Government restructuring: reduction in government size, privatization, commission to private sector, laid-offs, deregulation
- Operating system reform: introduction of annual salary system, expansion of open recruitment, responsible operation agency system, budget system on merit
- Perception reform: clean government, transparent and fair administration, serving civil servant

- ❖ These are divided into 5 areas: efficient administration, serving administration, transparent administration, harmonious administration, and clean administration

7/26

## 2. Anti-corruption policies of different developmental stages

### 2-3. The third stage (1998~2007)

#### <2003~2007 Korea's Administrative Reform>

Sector	Reform
<b>Efficient Administrative Affairs</b>	<ul style="list-style-type: none"> <li>○ Formation of national evaluation infrastructure</li> <li>○ Improvement of ways of work through work re-design</li> <li>○ Redesign of government organization, construction of inter-ministerial system for policy coordination</li> <li>○ Design of independent government organization</li> </ul>
<b>Serving Administration</b>	<ul style="list-style-type: none"> <li>○ Standard in administrative service</li> <li>○ Capacity improvement of frontline government agencies</li> <li>○ Improvement in administrative service commission to private sector</li> <li>○ Improvement in handling of complaints</li> </ul>
<b>Transparent administration</b>	<ul style="list-style-type: none"> <li>○ Expansion in administrative openness               <ul style="list-style-type: none"> <li>- Improvements in disclosure of information</li> <li>- Real-name policy</li> </ul> </li> <li>○ Improvement in administrative transparency               <ul style="list-style-type: none"> <li>- Expansion of internet-based complaint service</li> <li>- Reinforcement in administrative transparency</li> </ul> </li> </ul>
<b>participating Administration</b>	<ul style="list-style-type: none"> <li>○ Activation of policy community</li> <li>○ Introduction of professional ombudsman system</li> <li>○ Construction of infrastructure for voluntary activities</li> <li>○ Improvements in environment for civic group participation</li> </ul>
<b>Clean Administration</b>	<ul style="list-style-type: none"> <li>○ Improvements in irregularity-inducing structure</li> <li>○ Preparation of anti-corruption measures in different sectors</li> <li>○ Betterment of code of conduct</li> <li>○ Improvements in public official ethics system</li> </ul>

- ❖ Promoted by Presidential Commission on Government Innovation established in 2003

8/26

## 2. Anti-corruption policies of different developmental stages

### 2-3. The third stage (1998~2007)

#### <Anti-corruption Policy>

- ❖ **Basic direction: enhancement of people's trust in the government, anti-corruption policies for productivity gain**
  - To this end, anti-corruption agencies and system were established and anti-corruption policies were driven forward
- ❖ **For anti-corruption system**
  - Enactment of anti-corruption acts and establishment of Korea Independent Commission Against Corruption
  - Enactment of anti-money laundering acts
  - Establishment of Financial Intelligence Unit
- ❖ **To synthetically promote anti-corruption policies**
  - Formation and operation of anti-corruption agencies meeting
  - Formation and implementation of national-level anti-corruption policies
  - Formation of improvement system for laws and administrative regimes that induce corruption
  - Evaluation of anti-corruption policies by all public organizations

9/26

### **3. The role of anti-corruption agency for administrative reform**

#### **3-1. The nature and function of anti-corruption agency**

- ❖ Given comprehensive authority to reform bureaucratic administrative system and corruption-prone social structure formed during development era

##### **<The Functions of KICAC>**

- Making and implementing anti-corruption policies
- Recommending institutional improvements to public organizations to prevent corruption
- Evaluating public organizations' anti-corruption efforts
- Planning and implementing anti-corruption education promotion
- Receiving and handling of corruption cases
- Protecting and rewarding whistle blowers
- Implementing and operating public official's code of conduct
- ❖ Mandated to make national anti-corruption policies, and to evaluate and coordinate anti-corruption policies of different government agencies
- ❖ Seeking cooperation with Government Innovation Commission (GIC) by reflecting KICAC policies on GIC tasks

10/26

### **3. The role of anti-corruption agency for administrative reform**

#### **3-2. Formation and Operation of Anti-corruption System**

##### **(1) Operation of anti-corruption agencies meeting**

- ❖ Function: formation and operation of government-level anti-corruption policies
- ❖ Composition: President, KICAC, the Supreme Prosecutors' Office, Board of Audit and Inspection, Financial Supervisory Commission, Fair Trade Commission, the Ministry of Finance and Economy, the Ministry of Government Administration and Home Affairs, National Tax Service, National Policy Agency
- ❖ Mode of Operation: president chairs and KICAC organizes the meeting

11/26

### 3. The role of anti-corruption agency for administrative reform

#### 3-2. Formation and Operation of Anti-corruption System

<Measures taken in anti-corruption organization meeting>  
(February 2004~September 2007) -73 tasks in 6 sectors-

Sector	Key tasks
Construction of anti-corruption basis(10 tasks)	Construction of comprehensive corruption information system, plans to operate corruption assessment system, introduction of corruption impact assessment system
Political reforms(5)	Measures for permitting heads of municipalities to make donation, measures to block illegal political funding, ways to enhance fairness and transparency in private elections
Institutional improvement in corruption-prone areas(16)	Improvements in national defense acquisition operating system, countermeasures for local re-development/ re-construction irregularities, ways to improve tax investigation, improvements in pharmaceutical distribution irregularities
Improvement in public official's ethics(13)	Reinforcement in examination of property registration, improvements in retired officials' employment restriction, expansion of code of conduct implementation
Improvement in corporate transparency(10)	Corporate transparency improvement, reinforcement in corporate accounting supervision, improvements in public corporation personnel system, measures for improving accounting irregularities in small and medium companies
Establishment of anti-society atmosphere(17)	Introduction of resident lawsuit, ways to get rid of influence peddling, improvements in corruption-prone culture including paternalism

12/26

### 3. The role of anti-corruption agency for administrative reform

#### 3-2. Formation and Operation of Anti-corruption System

##### (2) Formation and operation of anti-corruption plans

- ❖ Every year KICAC formed national anti-corruption plans
- ❖ Major contents
  - Agendas all government agencies should pursue
  - Agendas individual agencies should voluntarily pursue
  - The plans are confirmed by anti-corruption agencies meeting, and guidelines are passed onto each government agency at the start of a year

13/26

### 3. The role of anti-corruption agency for administrative reform

#### 3-2. Formation and Operation of Anti-corruption System

##### (3) Recommendation for system improvement

- ❖ KICAC recommends government agencies to improve corruption-prone structure (anti-corruption act)
- ❖ Contents of recommendation
  - Abolition of unnecessary or excessive regulations, reinforcement of transparency and accountability in administrative procedures, introduction of fair competition and check and balance system for anti-corruption
- ❖ Process of institutional improvement
  - KICAC and government agencies work together with KICAC taking the lead
  - KICAC: dealing with issues related to many agencies or chronic and systemic corruption
  - Agency in Charge: issues concerning all government agencies should be resolved by the central administrative agency
  - Individual Agencies: institutional improvement issues that all agencies try to resolve voluntarily

14/26

### 3. The role of anti-corruption agency for administrative reform

#### 3-2. Formation and Operation of Anti-corruption System

##### <2006 Institutional Improvement Tasks>

	Areas of tasks and name of tasks	organization in charge
<b>Key tasks (5 areas)</b>	Improvements in tax investigation process Improvements of standards in construction contract Improvements of transparency in guidance and enforcement administration and of resident participation Improvements of fairness in personnel committee of public corporations Prevention of rebates in import export logistics	KICAC
<b>Common tasks (24 tasks)</b>	<b>&lt;Public official's ethics&gt;</b> Introduction of blind trust Reinforcement in public official's property examination Expansion of code of conduct Restriction of corrupt individuals from becoming public official Consideration of enactment of lobbying	KICAC Ministry of Government Administration and Home Affairs Ministry of Justice
	<b>&lt;Improvements in administrative transparency&gt;</b> Expansion of real-name administration Introduction of administrative information disclosure Decrease in the target of administrative information non-disclosure Embodiment of e-government such as online system for public complaint	Ministry of Government Administration and Home Affairs
	<b>&lt;Improvement in administration and accountability&gt;</b> Introduction of residential recall	Ministry of Government Administration and Home Affairs
	<b>&lt;Reinforcement in punishment&gt;</b> Preparation of disciplinary punishment standards Expansion of compensation, range and introduction of reward system	Ministry of Government Administration and Home Affairs KICAC
	Anti-corruption civic cooperation Restriction of corruption company from government contract	KICAC Ministry of Finance and Economy

15/26

### 3. The role of anti-corruption agency for administrative reform

#### 3-2. Formation and Operation of Anti-corruption System

##### (4) Introduction of corruption impact assessment system

- ❖ To recommend improvement of corruption-prone factors in the related laws and regulations in advance if there is any such factors in the process of enactment and revision of laws and regulations (preventive measure)

##### (5) Introduction of integrity assessment system

- ❖ Assessing integrity of government agencies and making public the results
  - Target and methods of assessment: telephone interview on those who have civil applications to government agencies
  - Contents of Integrity Assessment: experience of bribing, transparency of administrative system and behavior of public officials.  
(Comprehensive 3-dimensional assessment)

16/26

### 3. The role of anti-corruption agency for administrative reform

#### 3-2. Formation and Operation of Anti-corruption System

##### <Contents of Integrity Assessment System>

	Contents
Corruption experience	Provision of money and entertainment
Corruption-prone structure	Adequacy of administrative procedure, level of information disclosure
Behavior of public officials	Anticipation of bribery
Corruption control system	Level of anti-corruption efforts, possibility of filing objection

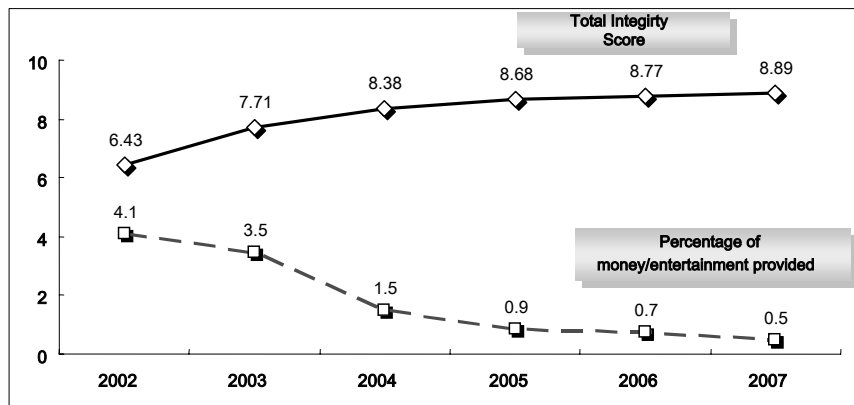
- ❖ Administrative transparency and accountability in the assessment will be reinforced

17/26

### 3. The role of anti-corruption agency for administrative reform

#### 3-2. Formation and Operation of Anti-corruption System

<Trend of Integrity Index of Public Organization>



18/26

### 4. Major anti-corruption programs for administrative reform

#### (1) Regulatory reforms

- ❖ Legal basis: basic law on administrative regulation (1997)
- ❖ Foundation of the Commission: Regulatory Reform Committee under Prime Minister(private-government commissioners)
- ❖ Contents of regulatory reform: abolition of unnecessary or excessive regulations that disrupt economic activities and people's livelihood
- ❖ Results of regulatory reform
  - From 1998 to 2003 in the first round of intensive regulatory reform, 5,958 of 11,125 regulations were lifted (53.6%) and 2,981 were better revised.
  - Regulatory reform continues afterwards

19/26

#### 4. Major anti-corruption programs for administrative reform

##### (2) Administrative Information Disclosure System

- ❖ Legislation: law on disclosure of information of public organizations
- ❖ Target of information disclosure: all public information except for information barred from being disclosed such as information on national security, individual's privacy, and operating secret of corporations
- ❖ Information Disclosure Deliberation Committee: composed of private commissioners from each organization deliberating on what is requested
- ❖ Announcement of administrative information: even without request, administrative bodies should release following information
  - Information that has significant impact on the people's life
  - Information on large-scale projects that require government fund
  - Research report that is produced while major policies such as national tasks or core tasks are carried out
  - Various results or statistics needed for administrative monitoring

20/26

#### 4. Major anti-corruption programs for administrative reform

##### (3) Civil application handling system based on electronic technology

- ❖ Function of the System
  - Reception of civil application online
  - Issuance of official documents online
  - Release of the whole process of handling civil application through the Internet
- ❖ Today most administrative affairs filed with public organizations are addressed online

21/26



#### 4. Major anti-corruption programs for administrative reform

##### <Major Civil Affairs Administration Handling Online System >

Name	Major Task	Organization
<b>OPEN</b>	- Citizens can see the whole process of their complaint handled: from receipt, review, results, future process	Seoul Metropolitan City
<b>G4C</b>	- Public complaint filing information and handling via Internet - Utilization of administrative information closely linked to people's livelihood by the general public	The Ministry of Public Administration and Safety
<b>G2B</b>	- Bidding information of public organization is posted on its web site - Procurement bidding process is available online	Public Procurement Service
<b>HTS</b>	- Online tax filing, notification, payment - Online public complaint settlement - Online handling of tax information	National Tax Service
<b>KIPO</b>	- Online process of patent complaints from filing to result notification - Patent information and tailored tech information	Korea Intellectual Property Office
<b>4 Major Insurance Information Connection System</b>	- By visiting web sight or physically visiting one of 4 insurance corporations, citizens can get one-stop service of 4 major insurance corporations	The Ministry of Health, Welfare, and Family Affairs, Ministry of Labor
<b>Conscription Administration Information System</b>	- 47 pieces of MMA information such as date of joining military service, name of military unit, schedule of military medical checkup, result of conscription are available	Military Manpower Administration

22/26

#### 4. Major anti-corruption programs for administrative reform

##### (4) Administrative affairs and policies on real-name basis

- ❖ Signature of drafter, mid-deciding officer, end-deciding officer on all policy documents
- ❖ Construction and operation of electronic system that never deletes draft even when it is revised by e-approval system
- ❖ Mandatory record-keeping system that holds all decision-making process including all proceedings

23/26

## **4. Major anti-corruption programs for administrative reform**

### **(5) Public official's ethics**

- ❖ Code of ethics for public officials (Anti-corruption Act and implementation ordinances)
  - Avoidance of works that induce conflict of interest
  - Prohibition of concessions, arbitration, influence peddling by public officials
  - Prohibition of giving and receiving money, gifts, entertainment
  - Prohibition of utilization of information from work
  - Prohibition of illegal use of budget
- ❖ Blind stock trust (act on public official's ethics)
  - When public officials have stocks more than certain amount, stocks are sold off or they should be put in the custody of trust organization
- ❖ Restricting public officials from getting a job (act on public official's ethics, anti-corruption act)
  - Until after 2 years of retirement, public officials are barred from getting a job that is closely related to the job he held for 3 years before his retirement
  - If public officials are dismissed for irregularities, for 5 years they are barred from landing a job that is closely related to the job they held for 3 years before their dismissal

24/26

## **5. Lee Myung-bak government's administrative reform and the role of anti-corruption agencies**

- ❖ As of February 29th, 2008 Korea Independent Commission Against Corruption, the Ombudsman of Korea and Administrative Appeals Commission were consolidated to make way for Anti-corruption and Civil Rights' Commission
  - For small and efficient government, similar functions are integrated and linkage between works strengthened
- ❖ Administrative affairs rationalized and transparency enhancement put together

25/26

## 6. Conclusion

- ❖ Inter-dependence and independence of anti-corruption policies in Korea
  - In policy direction: anti-corruption policies driven in conjunction with administrative reform
  - Specific anti-corruption measures driven with independency.
- ❖ Anti-corruption policies at different stages
  - Detection and punishment policies → introduction of basic anti-corruption institutions → enactment of anti-corruption laws and foundation of anti-corruption organizations → construction of anti-corruption system and operation
- ❖ By settling down policies for enhancing administrative transparency and transparency, eliminate any possibility of corruption
- ▶▶ Seeking to attain 2 goals of enhancing administrative productivity and integrity at the same time

26/26

**Thank you for listening**

27/27



**International Symposium “Anti-Corruption and  
Administrative Reform”  
25-26 June 2008**

**The Role of Inspection/Anti-Corruption Agency  
in Boosting up an Administrative Reform**

**Mr. Wanlop Yutidhammadamrong  
Director of International Affairs Bureau  
Office of the National Counter Corruption Commission (NCCC)**



**National Counter Corruption Commission (NCCC)**



- The principal agency dealing with corruption in Thailand, the NCCC is an independent commission founded under the Constitution of 1999 and reinstated by the present Constitution of 2007.
- The NCCC’s authority and responsibilities are wide ranging, covering all aspects of the fight against corruption : prevention and suppression as well as advocacy of national integrity. The key points are as follows:





# NCCC



- (a) to remove from their positions holders of political office found to have committed corrupt acts;
- (b) to file cases against state officials who have committed corrupt acts, or malfeasance in office, of which a disciplinary action can be taken against guilty officials in addition to criminal procedures handled by the Attorney – General
- (c) to check whether state officials have become unusually rich and in the case of inexplicable new found wealth cannot be explained, the NCCC has the power to ask the court to confiscate it.



# NCCC



- d) to check the existence and accuracy of income and assets of politicians before and after assuming office to prevent corruption.
- f) to propose measures and recommendations to the Cabinet, and the Parliament for enhancing the effectiveness of anti-corruption mechanisms
- g) to prevent corruption by inculcating ethical behavior and integrity as well as educating stakeholders and members of the public





## NCCC



The NCCC is aware that it is not feasible to tackle the corruption problem alone, particularly if the ultimate goal is to create a corruption free society. Moreover, **the Royal Thai Government together with other stakeholders have already pronounced the fight against corruption to be a national agenda.**

There is therefore a need to develop a **National Strategy** for the fight against corruption, to serve as a means whereby all stakeholders can work together towards a common goal.



## Vision



**A society founded on discipline, morals and ethics in which all sectors participate in preventing and suppressing corruption.**





## Mission



1. Promote and inculcate awareness of a society founded on good governance, morality and integrity.
2. Develop an integrated network for the prevention and suppression of corruption.
3. Develop systems and mechanisms for the inspection, control, decentralization and balance of power.
4. Promote and support knowledge generation and knowledge management on the prevention and suppression of corruption.



## Main Objectives



1. Establish discipline, morals and ethics in the Thai society
2. Create networks composed of all stakeholders participating in the prevention and suppression of corruption
3. Create systems and mechanisms for the efficient implementation of inspection, control, decentralization and balance of power.
4. Build a Society that is knowledgeable and fully willing to participate in anti-corruption activities.



## Strategy 1 Inculcate Values, Morals, Ethics and Discipline



### All Sectors

- Promote life styles and ways of living in accordance with the principles of the Sufficiency Economy Philosophy
- Promote and reward integrity, honesty and abhorrence of corruption as common national values.
- Promote learning and performance in accordance with moral, ethical and disciplinary principles

9



## Strategy 2 Mobilize National Collective Strength to Prevent and Suppress Corruption



### and Suppress Corruption

- Promote the participation of the general public in prevention and suppression of corruption
- Mobilize of all available resources to promote anti- corruption activities
- Strengthen networks for national and international cooperation and collaboration in the fight against corruption





### Strategy 3 Strengthen Anti-Corruption Agencies

- Ensure full independence of the NCCC
- Enhance Check and balance system
- Establish mechanisms to combat corruption by decentralizing the authority to fight corruption to the local level
- Strengthen efforts for the surveillance and investigating of politicians and state officials found to have unusual wealth and to have dealt in policy corruption.



### Strategy 3 Strengthen Anti-Corruption Agencies

- Combat bribery and promote honesty in the private/business sector ( Good Corporate Governance, Code of conduct in Business Sector etc.)
- Enhance the effectiveness of anti-corruption legislation and enforcement
- Establish transparency indicators for Thai society including the private sector





## Strategy 4 Professional Anti-Corruption Personnel

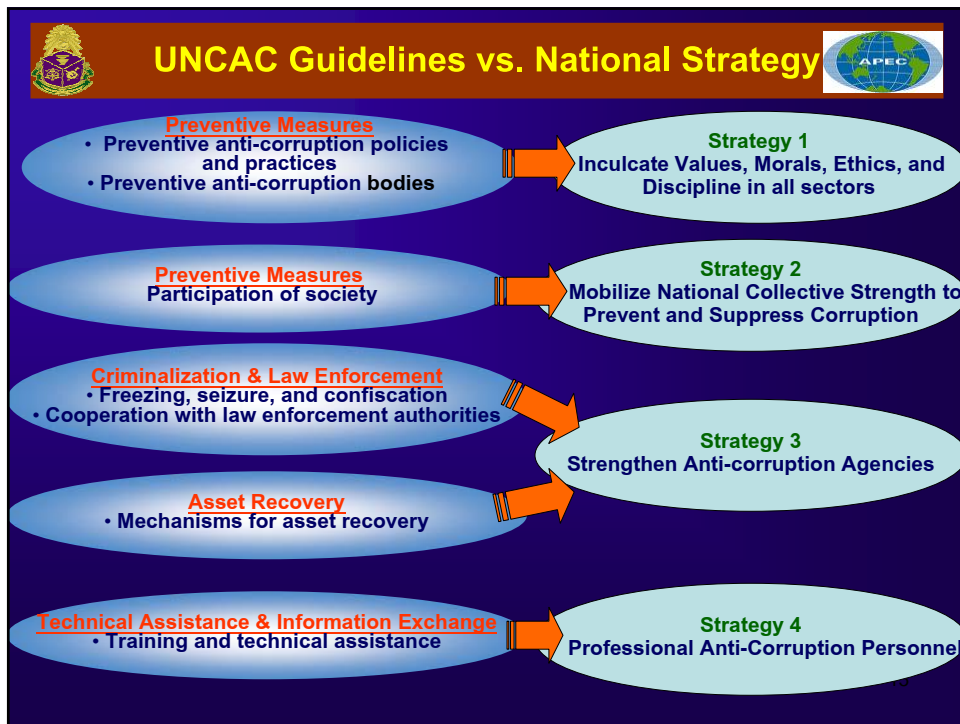
- Promote professional ethical standards and codes of conduct for anti-corruption agency personnel
- Establish standards for anti-corruption agencies' training programmes
- Establish career path norms for personnel as well as standards for additional payments



## Strategy 4 Professional Anti-Corruption Personnel

- Promote the utilization of appropriate and up-to-date Information Technology (IT) for anti-corruption works
- Develop a learning organization on anti-corruption base on knowledge generation and knowledge management





**How will Thailand benefit from implementing the National Strategy?**

- Mitigation of the problem of corruption
- Successful expansion of Anti-Corruption networks both local and global
- Increased social awareness of combating corruption universally
- Improved Thailand's Transparency Index's ranking

THAILAND



## What benefits from implementing the National Strategy Thailand can be derived by UN Member States?



- Effective implementation of UNCAC measures and commitment by Thailand
- Enhanced international cooperation, especially on extradition and asset recovery.



## Becoming State Party to the UNCAC



Thailand has already promulgated several laws which comply with the key principles of the UNCAC, especially those related to mandatory commitments. Only 3 areas still need additional amendments, namely :

- 1) the definition and provisions relating to “ foreign public officials” and “Official of public international organizations” ;
- 2) the suspension of the statute of limitation where the alleged offender has evaded the administration of justice and ;
- 3) asset recovery.

The draft laws has already been approved by the Cabinet.

Soon after the Parliament passes these laws, Thailand will be ready to ratify UNCAC.



## Becoming a state party to the UNCAC



Moreover, the Ministry of Foreign Affairs has proposed this matter to the Cabinet: the Cabinet has given its approval in principle and passed it on to the Parliament for its approval, thus making Thailand ready for ratification anytime soon.

The NCCC is working in close cooperation with the government to accelerate the process of ratifying UNCAC and is ready to serve as the National Authority in implementing the country's commitment after ratification

19



## Thailand's Proposals for the Future



### 1. Cooperation and Collaboration on the following matters:

- Academic and technical cooperation to strengthen anti-corruption mechanisms
- Legal assistance towards compliance with international standards
- Establish a joint Task Force to plan and manage necessary resources to support the above mentioned activities



## Thailand's Proposals for the Future



2. Establishing Networks among anti-corruption personnel, anti-corruption bodies, and anti-corruption instruments
3. Exchange of expertise, experience and anti-corruption personnel as deemed appropriate

21



# Thank You



Legend:

- 1989
- 1991
- 1993
- 1994
- 1998

Map labels: The Russian Federation, Canada, United States, Mexico, Chile, Peru, New Zealand, Australia, Papua New Guinea, The Republic of the Philippines, Viet Nam, Malaysia, Brunei Darussalam, Singapore, Indonesia, Thailand, Hong Kong, China, Chinese Taipei, Republic of Korea, Japan, People's Republic of China.

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**Asia-Pacific  
Economic Cooperation**

**International Symposium  
"Anti-Corruption And Administrative Reform"**

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*Session 3*

**Administrative procedure reform for  
effective prevention of corruption**

## **REFORM ADMINISTRATIVE PROCEDURES TO EFFECTIVELY FIGHT AGAINST CORRUPTION**

*Dr. Ngo Hai Phan, Deputy Head of the  
Prime Minister's Working Group on  
Administrative Procedure Reform, Vietnam.*

1. Administrative procedures play an important role in social life. Thanks to administrative procedures, organizations and individuals could perform their rights and obligations and at the same time, the government authorities could execute their duty of State management.

Clearly acknowledging the crucial role of the administration procedures in the cause of socio-economic development and anti-corruption, the Government of Vietnam has paid attention to promote administrative procedures reform, considered it the breakthrough to create favorable conditions for citizens and enterprises to do their business, improve the “serving quality”, strengthen the competition capacity of the economy, boost up socio-economic development and contribute to preventing corruption effectively.

With a view to establishing a serving administration, promoting socio-economic development and effectively fighting against corruption, the Government of Vietnam has carried out the administrative procedures reform from 1994 up to now with specific and practical contents as follows:

- Review, examine to amend, remove or replace the inappropriate procedures which are obstacles to the citizens and enterprises;
- Decentralize the administration system in accordance with the principles “the administrative procedures will be solve by the most effective administration level”, ensuring the management goals and shortening the time-limit.
- Co-ordinate (between governmental agencies) to handle with administrative procedures and lessen troublesome for citizens;
- Exercise the “one door” mechanism, apply high information technology and quality control system (ISO) in administrative procedures;
- Work in Saturday to serve citizens and enterprises;



- Establish feedback channels to help citizens to timely inform about bad performance and red tape of public servants in performing administrative procedures and suggest to amend the inappropriate procedures;

- Establish and publicized on the Internet the National Database on Administrative Procedures to create favorable conditions for citizens and enterprises to exploit and utilize as well as supervise the performance of administrative procedures (this point is being done by the Prime Minister's Working Group on Administrative Procedure Reform of in co-ordination with other governmental agencies);

- Develop legal norms for establishing and performing administrative reform to improve the quality of administrative procedures, serving quality and minimize red tape and bad practices in these procedures.

2. Some achievements on reforming public administrative procedures since the adoption of Anti-corruption Laws (November 2005):

As directed by the Government and the Prime Minister, together with receiving and recording feedbacks and complaints of individuals and organizations on public administration reform, all ministries and provinces have been collecting, reviewing and assessing the administrative procedures within its scope of management to detect unsuitable procedures and recommend amendments to authorized agencies, if needed, to simplified the procedures and make it easier for individuals and enterprises to approach. The result of this reform could be seen from these following points:

- On the field of business registration: Ministry of Planning and Investment has cooperated with Ministry of Finance and Ministry of Public Security to issue the Circular No. 02/2007/TTLT-BKH-BTC-BCA on 27 February 2007 to guide on the coordination mechanism between the business registration authority, tax registration authority and stamp registration authority to be in charge of registration for new businesses as provided in the Law on Enterprises. According to this Circular, to establish a new enterprise, the enterprise should submit its file to Department of Planning and Investment only (one stop). Fifteen days later, the business registration certificate will be issued. That means, instead of waiting for at least 32 days and go through three stops, the enterprises now have to spend only 15 day and go through one stop only, this will significantly save their time and money.

- On the field of taxation, the Law on Tax Management has been issued in 2006 together with the Decree on Guidance to implement the

Decree. According to this new Law, the tax procedures and profession skills have been remarkable amended, from the mechanism of supervision and forcing to the spontaneous mechanism where the tax payers declare and perform their duties themselves. The regulation on tax procedures is clear and transparent to create an open and favorable environment for tax payers. Also stated in the Law, the regulations on tax code registration and export-import code in tax registration are removed, which reduce the time to register and broaden the tax fields.

- On the field of customs: the Government built specific customs procedures to be conformable with management requirement of each export-import types to progressively modernize the customs system and improve management methods, namely: customs procedures process for export and import goods, privileged card issuing process, customs procedures process for transit goods, customs procedures process for manufacturing and exporting, etc.

- On the field of transport vehicle registration management, Ministry of Public security has issued the Decree Number 01/2007/TT-BCA (V11) on January 2007 to manage the process of registering and license plate issuing. The provinces are guided to simplify the procedures and forms to shorten the time for registration. In many locals, the registration certificate and license plate are issued on the same day when citizens submit their relevant documents. Many other troublesome documents are also removed to reduce difficulties for citizens.

- On the field of inhabitants management: implementing the Law on Residency, the procedures of inhabitants registration and management. The procedures and conditions for inhabitants registration is clearly defined to make it easy for citizens to approach. Number of required documents are also lessen. The related documents are also reviewed to amend to meet new requirement.

- On the field of public notary: The Government issued the Decree No.79/2007/NĐ-CP dated 18/5/2007 on issuance of copy, copy documents by the original, certified for signatures. The Decree shows the strong will to reform and meet the citizen's demand: abandon the dependence between the issuance of copy and inhabitants registration, one citizen can come to the People's Committee of any commune to require for issuance of copy from their original documents and certification for signatures. The requirement is to be solved in less than half a day.

- On the field of immigration: The Government issued Decree No.136/2007/NĐ-CP dated 17/8/2007 on immigration of Vietnamese citizen towards simplifying the procedures for consulate affairs to create favorable conditions for passport issuance. The Prime Minister on August 17 signed Decision 135/2007/QĐ-TTg promulgating the regulations on visa exemption for overseas Vietnamese, which demonstrates reform will and bring into play The Politburo's Resolution 36-NQ/TW, praised by overseas Vietnamese.

- On the field of agriculture and rural development, Ministry of Agriculture and rural development has reviewed 266 administration procedures, 67 business conditions, 270 forms and recommend to amend, abort and simplify 63 administrative procedures (23.7%), 7 business conditions (10,45%), 38 forms (14.1%)<sup>1</sup>.

- Up to June 2007, after 18 months of implementing Decision No 22/2006/QĐ-TTg dated January 24, 2006 by Prime Minister on task assignment in addressing obstacles and recommendations of individuals, organizations and enterprises on administrative procedures, the Office of the Government had received and settled more than 200 complaints and recommendations of individuals, organizations; all ministries and provinces had also received and settled 3,241 complaints and recommendations of individuals, organizations on administrative procedures. Under this process, many administrative procedures have been amended, aborted; many cases of bad practices and red tape by public official have been timely detected and handled with<sup>2</sup>.

### 3. Some weaknesses and reasons:

Public administration reform process of the Government as well as of ministries and provinces in the past years has created positive change to improve business management, attract foreign investment and encourage manufacturing; promote socio-economic development; contribute effectively in the fight against corruption and anti-wastefulness.

The administrative procedures in some fields, however, are still obstacles to businesses and create rooms for corruption and bad practices. Followings are the main reasons:

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<sup>1</sup> Report No. 3111/BC-BNN-VP 12 Nov 2007 on Results of Project on simplify administration procedures on the field of agriculture and rural development.

<sup>2</sup> Report No. 3533/BC-VPCP 27 June 2007 of the Office of the Government on the solutions of complaints on administration procedures to businesses at the Conference on private businesses development 2007 – 2010.

- Perception on state management of a number of public officials (including the senior ones) is slowly changing. The old perception of strictly supervising and imposing is still popular in many fields.

- Administrative procedure is a complicated matter, relating to many stakeholders in the society and attached to power of the authorities. In a significant number of cases when administrative procedure reform means removing “benefits” from these administrative procedures. And therefore, the reform process would not be support by public officials.

- The current administrative procedures are now performed separately without connection and coordination between authorities. Thus, individuals and businesses have to contact with many authorities and contact point to perform the procedures.

- There is no effective and practical way to promote administrative procedure reform.

#### 4. Solutions to promote administrative procedure reform:

Clearly acknowledging the current situation of administrative procedures and reasons of weaknesses, the Government and the Prime Minister formulate strong and comprehensive solutions, short-term and long-term to create remarkable change in the process of administrative procedures reform as follows:

a) Focus on reviewing and reforming administrative procedures, create the most favorable conditions for manufacturing and doing business in the following priority fields: establishment, winding up and bankruptcy of the businesses; business registration and investment certification, projects and housing; land using rights and asset owning process, export and import, taxation, inhabitants management, ID, passport, visa, public notary, enterprise inspection<sup>3</sup>...

b) Effectively implement Decision No 30/QĐ-TTg, 10 January 2007, of the Prime Minister on the approval of the Project for administrative procedure simplification in Government management fields from 2007-2010 (Project 30) and Decision 07/QĐ-TTg, 4 January 2007 of the Prime Minister approval the implemental plan on Simplification of state administrative procedures for the period of 2007 – 2010 Project.

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<sup>3</sup> The Government issues Resolution No. 53/2007/NQ-CP on 7nov 2007 promulgating Action Program of the Government on promoting the streamlining of national administrative procedures, upgrading the efficiency and effectiveness of the governmental apparatus.

According to the above mentioned documents, the Prime Minister, Ministers, Chairmen of Provincial People's Committees should establish a special working group to implement the task of reviewing, assessing and simplifying the administrative procedures, business conditions, administration forms and building the national database on administrative procedures to be published on the Internet.

The serious and strict implementation of the above decisions will certainly surmount the inadequate situation of administrative procedures and ensure the target of "unified, synchronized, simple, open and transparent administrative procedure system; improve the effectiveness of state management, boost up socio-economic development; contributing to the fight against corruption and wastefulness"<sup>4</sup>.

c) Implement the Decree No. 20/2008/ND-CP dated February 14 on receiving and handling complaints and proposals on administrative regulations submitted by individuals, organizations.

The Decree is an important legal framework to help the citizens to timely feedback to the state administrative agencies about the delay, violation of public officials in performing the administrative regulations, the inappropriate points in mechanism, policies and make recommendations to authorities revise these regulations. Then, beside regulations of laws on complaints and denunciation, the issuance of Decree 20/2008/ND-CP will have practical affect on reforming and fighting against corruption.

d) Draft and submit the Law on Administrative Procedures (As stated in Decree No. 53/2007/NQ-CP promulgating Action Program of the Government on promoting the streamlining of national administrative procedures, upgrading the efficiency and effectiveness of the governmental apparatus). The aim of the Law is maintaining the soundness of administrative procedure reform; contributing to the implementation of international commitment, creating favorable business environment, attracting foreign investment and preventing corruption.

đ) Foster and train public officials on the fields of politics, ideology and public service ethics, enhance discipline in public service performance./.

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<sup>4</sup> Decision No 30/QĐ-TTg, 10 January 2007, of the Prime Minister on the approval of the Project for administrative procedure simplification in Government management fields from 2007-2010

**Administrative Procedures for Effective Corruption Prevention  
– The Hong Kong Experience**

**Speech delivered by Mr. Carmel Chow, IMS**  
*Group Head, Corruption Prevention Department  
Of the Independent Commission Against Corruption,  
The Hong Kong Special Administrative Region, China*

Ladies and gentlemen, first of all I would like to thank the Government Inspectorate of Vietnam for inviting me to speak and share with you Hong Kong's experience in preventing corruption.

2. When the Independent Commission Against Corruption (ICAC) was established in 1974, corruption was a way of life in Hong Kong. Our founding members had the foresight to realize that fighting corruption is more than just punishing the offenders. To their way of thinking, it makes little sense to keep sending people to prison when the system of government is full of loopholes inviting abuse. And it is futile to lay down the rules when the average man thinks bribery and breaking these rules is fair game and the norm. If the war against corruption was to be won, they saw the need for a culture change, a quiet revolution as they called it. The result, a 3-pronged attack through investigation, education and prevention was laid down in our law. Today, Hong Kong is widely regarded as one of the cleanest and relatively corruption free cities in the world, thanks to this prescient strategy, each playing an equal and important part.

### **Corruption Prevention**

3. Under the ICAC Ordinance, the ICAC Corruption Prevention Department has the statutory responsibility to examine and reform public sector administrative rules and procedures against corrupt practices. In the private sector, we may provide corruption prevention advice to private companies upon their request. In other words, system and procedural reform in the public sector for the purpose of corruption prevention is mandatory and proactive, while it is voluntary and reactive in the private sector.

## **Public Sector**

4. In the public sector, we proactively identify areas of concern and systematically carry out assignment studies on the relevant procedures and work practices which may be vulnerable to corruption, and recommend changes for the better. To facilitate this process, we hold regular liaison meetings with government departments and analyze corruption complaints and investigation reports.

5. In addition to these reviews, we also provide timely consultation service to the government and other public bodies to ensure that preventive measures are incorporated in new legislation and procedures, as well as major works and service contracts.

6. To date, we have conducted more than 3,000 assignment studies, encompassing all facets of public services, providing reform and best practices for areas such as law enforcement, licensing procedures, public works, public procurement, social and education services, and so on.

7. I would like to use an example to demonstrate how system reviews help eliminate corruption.

## **Restaurant Licensing**

8. Restaurant licensing was a major area of concern in our early years. In the 70's, it might take a few years for a person to get a licence to operate a small cafeteria, after submitting similar plans and documents to,



and answering similar queries by, up to five different government departments (i.e. Building Department, Fire Services Department, Labour Department, Lands Department and Urban/Regional Services Department). Inevitably the prolonged processing time gave rise to corruption opportunities that applicants might be tempted to pay bribes for expediting the process. Worse still, as many restaurateurs risked starting their business before obtaining a licence, it created another corruption opportunity for those civil servants responsible for enforcement action against unlicensed restaurants.

9. The ICAC looked into the system and recommended a host of preventive measures:

- One stop service – applicants needed only to deal with a single department under a simplified system;
- Government announced the application procedures and criteria as well as performance pledges on the processing time;
- Applicants meeting basic requirements were granted a provisional licence, pending detailed processing for a full licence;
- Departments concerned, particularly the municipal service departments responsible for enforcing licence conditions, issued ethical rules to staff to avoid conflict of interest.

10. With the simplified procedures, enhanced transparency and raised staff ethical awareness, corruption cases relating to the issuing of restaurant

licences have become a very rare occurrence.

### **Recent Initiatives**

11. The ICAC have recently undertaken a number of initiatives to consolidate our gain and bolster our position in the fight against public sector corruption. First, the Ethical Leadership Programme which we launched in conjunction with the Civil Service Bureau in 2006. The fight against corruption is not ICAC's alone but a shared responsibility with the rest of the government. The programme called for the deputy heads of all government policy bureaux and departments to be appointed as Ethics Officers, taking ownership and responsibility for the integrity of their own areas and working closely with the ICAC in terms of corruption investigations, procedural reform and awareness capacity building.

12. Second, a governance model for what are loosely described as quasi non governmental organizations. Outside the Hong Kong Government there are hundreds of public and statutory bodies, boards and committees, as well as government owned private companies which are funded by the public purse and carry out essentially public duties. They operate outside civil service regulations and their in-house rules are less stringent, providing more flexibility and less accountability in varying degree in the process.

13. Recent years saw major integrity lapses and procedural impropriety in a number of these public bodies and to address this, we are currently putting together a corporate governance model, setting out the

standard in terms of transparency, accountability, code of conduct, declaration of interest, etc for these organizations to emulate.

14. Lastly, our effort to enhance the governance of corporations and listed companies. As with the rest of the world, Hong Kong also has its fair share of corporate failings in recent years, associated with fraud and corrupt practices. We have just completed a review and recommended a range of measures aimed at protecting the interests of investors. This is particularly important in safeguarding Hong Kong's reputation as an international financial centre.

### **Reform and Prevention**

15. My talk today is on "Administrative Procedure Reform for the Effective Prevention of Corruption". The title assumes there is a correlation, or a cause and effect relationship between procedural reform and corruption prevention. Indeed, I have often been asked by overseas delegates visiting Hong Kong: "How much public sector corruption the ICAC have successfully prevented through procedural reform". This is a tough question – how can you tell whether you have prevented something which may or may not happen. Here perhaps I will let the facts and figures do the talking.

16. The chart (see attached) shows that in 1974, the ICAC received 2,779 public sector corruption complaints or reports which is 7 times more than the 416 private sector corruption reports received. By the end of 2007, 2,376 private sector corruption reports were received, which is almost double the 1,224 public sector reports.

17. The chart also shows that over a span of 30 years, there has been a general downward trend in public sector corruption. There are of course many contributory factors leading to the increase or reduction of corruption activities, such as social and economic conditions, law enforcement impact, etc. We carry out mandatory reform of public sector procedures. Is there a correlation between procedural reform and corruption prevention? We believe that our proactive efforts in this area over the years have a part in the downward trend and that system integrity has helped reduce corruption in the public sector.

18. The chart also shows an upward trend in private sector corruption. Private sector corruption is a different game because commercial activities are so diversified in nature and the number of business entities in the commercial field is so huge that it is virtually impossible to proactively tackle the problem of corruption. There is also concern that imposing procedural reform in the private sector may be seen as interfering with free market force in such a manner that may harm the vigor of the economy. The current major challenge facing the ICAC is how best to tackle private sector corruption. I leave you with that thought.

19. Thank you.



ICAC

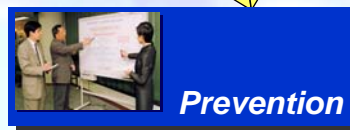
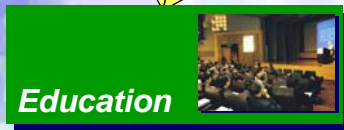
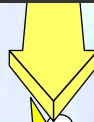


International Symposium  
"Anti-corruption and Administrative Reform"

# Administrative Procedures for Effective Corruption Prevention - The Hong Kong Experience

Mr. Carmel Chow, IMS  
Corruption Prevention Department  
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## 3-Pronged Strategy



Corruption Prevention

# Statutory Duties

## ICAC Ordinance

- revise work methods of government & public bodies
- give corruption prevention advice to private sector



Administrative Procedures Reform for Effective Corruption Prevention

# Statutory Powers

## ICAC Ordinance

- enter government premises & question officials
- examine & copy records, books, documents
- obstruction offence



Administrative Procedures Reform for Effective Corruption Prevention





Public Sector –  
Mandatory / Proactive

Private Sector –  
Voluntary / Reactive

## Public Sector

- **Assignment Studies**
  - Detailed review of work methods and procedures
- **Consultations**
  - New legislation, major works, services contracts, etc



Administrative Procedures Reform for Effective Corruption Prevention 

## Assignment Studies

**Over 3,000 studies, covering**

- Law Enforcement
- Licensing
- Public Works
- Public Procurement
- Social & Education Services
- Others



Administrative Procedures Reform for Effective Corruption Prevention 

## Prevention Case Study (Restaurant Licensing)

- **Problem**
  - prolonged processing time
  - handled by multiple departments
- **Recommendation**
  - simplified procedures
  - enhanced transparency
  - raised staff ethical awareness

Administrative Procedures Reform for Effective Corruption Prevention 



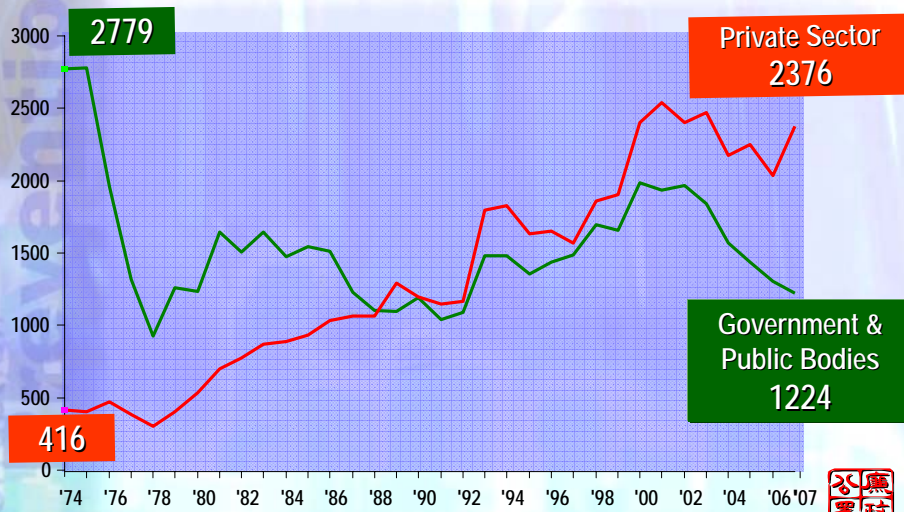
## Recent Initiatives

- Ethical Leadership Programme
- Governance Model for Public Bodies
- Governance Standard for Corporations and Listed Companies



Administrative Procedures Reform for Effective Corruption Prevention

## Corruption Reports (1974 - 2007)



Administrative Procedures Reform for Effective Corruption Prevention

## Measuring Corruption Prevention

- **Downward trend in public sector**
  - ICAC mandatory reform of procedures
- **Upward trend in private sector**
  - ICAC lacks such power



Administrative Procedures Reform for Effective Corruption Prevention

**Is there a correlation between**

**Administrative Procedural Reform**

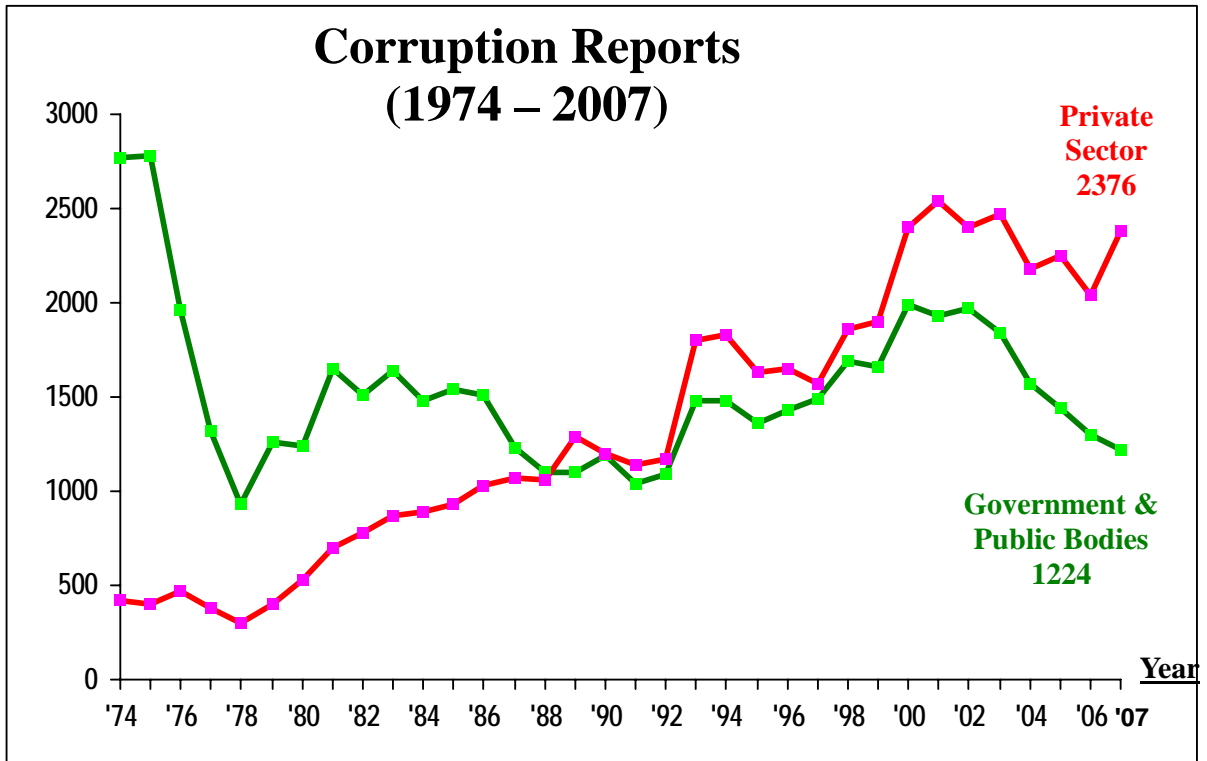
**and**

**Effective Corruption Prevention**



Administrative Procedures Reform for Effective Corruption Prevention







## Reforming administrative procedures to prevent corruption

Xavier Comas

Institutional Capacity of the State Division

Inter-American Development Bank

Hanoi, June 26, 2008

### Contents of the Presentation:

- How administrative procedures can create opportunities for Corruption
- How administrative reform can be a tool to fight corruption
- Fighting Corruption Through Administrative Reform in Latin America
- Recommendations

Why is the fight against corruption a crucial matter in the LAC region?

### The effects of corruption

Hampers economic development

- Mauro, 1995
- Knack and Keefer, 1995
- Wei, 1999
- Lamsdorff, 2000
- Tanzo and Davoodi, 2002

Affects income distribution

- Mauro, 1997, 2002
- Tanzi and Davoodi, 2001, 2002
- Gupta, Mello and Sharan, 2001, 2002

Reduces the effectiveness of state institutions

- Center for Global Development, 2004
- Strange, 1996
- Rose-Ackerman, 1999

Facilitates crime

- Center for Global Development, 2004

## Latin America and the Caribbean

Source	WB		TI		Latinobarometro	
Indicator	CC		CPI		PFC	CPO
Pais/ Año	2000	2006	2005	2007	2005	2005
Argentina	-0.38	-0.47	2.8	2.9	34	74
<b>Barbados</b>	<b>1.39</b>	<b>1.20</b>	6.9	6.90		
Bolivia	-0.55	-0.64	2.5	2.9	26	72
Brasil	0.09	-0.33	3.7	3.5	30	62
<b>Chile</b>	<b>1.39</b>	<b>1.31</b>	7.3	7	41	48
Colombia	-0.61	-0.22	4	3.8	45	64
<b>Costa Rica</b>	<b>0.85</b>	<b>0.37</b>	4.2	5	33	63
Rep. Dominicana	-0.40	-0.59	3	3	30	73
Ecuador	-0.92	-0.75	2.5	2.10	21	82
El Salvador	-0.41	-0.18	4.2	4	18	69
Guatemala	-0.58	-0.70	2.5	2.8	18	76
Guyana	-0.38	-0.61	2.5	2.6		
Haití	-1.43	-1.47	1.8	1.6		
Honduras	-0.77	-0.78	2.6	2.5	29	67
Jamaica	-0.25	-0.36	3.6	3.3		
México	-0.42	-0.35	3.5	3.50	31	77
Nicaragua	-0.94	-0.76	2.6	2.6	26	76
Panamá	-0.31	-0.28	3.5	3.2	27	67
Paraguay	-1.19	-1.02	2.1	2.4	24	68
Perú	-0.33	-0.35	3.5	3.5	24	74
Surinam	0.42	-0.21		3.5		
Trinidad y Tobago	0.14	-0.15	3.8	3.4		
<b>Uruguay</b>	<b>0.76</b>	<b>0.80</b>	5.9	6.70	45	41
Venezuela	-0.59	-1.05	2.3	2	42	65
Promedio Mundial		0	4.08	3.99	-	-
Promedio AL		-0.33	3.47	3.52	30	68
Promedio Países Caribe*		0.59	3.82	n/d	-	-

References

CC: Control of Corruption  
 CPI: Corruption Perception  
 PFC: Progress Fighting Corruption  
 CPO: Corruption of Public Officials

(\*) Incluye Puerto Rico, US Islas Vírgenes, Antillas Holandesas, Guyana Francesa e Islas Caymán

## I. How administrative procedures create opportunities for corruption

- 
- What causes corruption?
  - Part of the corruption equation is opportunity
  - Investigation and exposure of wrongdoing after it has occurred is not enough - prevention is critical
  - Need to locate entry points

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## II. How administrative procedure reform can be a tool to fight corruption



## How do administrative procedures enable corruption?

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- Discretion without accountability
- Personal interaction with the public
- Cumbersome and confusing procedures

## Tackling administrative reform

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1. Make sure the appropriate enabling environment exists
2. Diagnose the problem
3. Simplify and streamline procedures
4. Take advantage of modernization efforts
5. Use information and communication technologies wisely
6. Employ innovative tools

## 1. Enabling environment ....

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- Is there political will?
- How powerful are the presumed losers?
- Do we have the support of the presumed winners?

## 2. Diagnose the problem ...

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- Cumbersome procedures;
- Limited incentives for obeying the law (big reward, little chance of being punished);
- Lack of professional civil service, poor salaries;
- Uneducated population, unaware of rights and obligations;
- Inefficient and ineffective supervision;
- Absence of transparency;
- Conflicting and overlapping laws that further inhibit effective policy implementation.

### 3. Simplify and Streamline procedures ...

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- Make procedures easily understood by people, transparent and accessible.
- Coordinate among the various agencies.
- Use information that is already available when possible.
- Use international standards and information requirements when possible.
- Establish and make publicly available standard processing times.

### 4. Take advantage of modernization efforts ...

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- Systematic approach
- Corruption and transparency in country dialogue
- Incorporation of private sector and civil society

## 5. Use Information and Communication Technologies wisely

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- Computerizing procedures reduce direct contact between the public officer and the public.
- It helps streamline existing processes and reduce duplications (e.g. through interoperability, identifying common business procedures, electronic data sharing, etc).
- It allows faster information flow and wider access to information and services. Example: E-procurement

### ***E- Procurement can reduce opportunities for corruption and provide:***

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- public access to information related to the different stages of the procurement process;
- greater efficiency in the procurement process and better use of government resources;
- significant savings in government purchases due to greater competition among suppliers, better comparison of prices and reductions in transaction costs.

## 6. Use innovative tools

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- One-stop shops allow citizens to quickly access public services provided by different public institutions through only one contact point, which facilitates the information flow inside the administration.
- These efforts require a great deal of commitment and a whole-government perspective, necessarily including different levels of government in the process

## III. Challenges of fighting corruption through administrative procedure reform in Latin America

## Common issues that facilitate corruption

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- Administrative procedures that are overly complex and inefficient;
- Insufficient information hinders government accountability and transparency;
- Citizen participation is not encouraged and/or effective in influencing government decisions;
- Weak accountability at all levels.

## Encouraging Signs in Latin America

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- The growth of independent oversight organizations and specialized anti-corruption offices.
- Significant advances in promoting transparency through access-to-information laws.
- The majority of countries have participated in international anti-corruption treaties.

## Where Latin America can improve:

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- Ensuring effective oversight – media, CSOs, private sector
- Establishing intra-governmental checks and balances.
- Creating a culture that does not tolerate corruption and ensuring that citizens know their rights
- Establishing professional civil service systems
- Providing access to information with regard to government functions
- Ensuring accountability
- Building the political will and leadership to fight corruption

## IV. RECOMMENDATIONS

## General Recommendations

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- Procedures and the rationale behind them must be easily understood.
- Agencies must work together to establish uniform procedures.
- Use information that is already available.
- Apply international standards wherever possible.
- Establish and adhere to standard processing times.
- Develop indicators and diagnostic tools that take into account national and institutional context.
- Support the demand for prevention and controlling of anti-corruption – by promoting the participation of private sector and civil society.

## General Recommendations (cont.)

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- Change culture/attitudes vis-à-vis corruption.
- Educate people about their rights.
- Strengthen and organize civil society so that it can be a government watchdog.
- Build an environment that enables citizen pressure to be effective.
- Professionalize civil service.
- Train government officials.
- Enhance capacity to investigate, prosecute and punish corrupt practices.





**Thank you!**

# **China's Perspective in Administrative Reform**

**Kong Xiangren**

Deputy Director General  
Foreign Affairs Department  
Ministry of Supervision, China

## **1. Overview of Administrative Reform in China**

Reform and opening-up to the outside world is a basic state policy of China. Over the years, China has experienced the process of starting reforms first in the rural areas and then in cities, and expanding the reforms from economic system to all sectors. Administrative reform has been carried out on a gradual basis along with the economic development and the modernization drive. The purpose of this reform is to, through transformation of government functions, rationalize the administrative relationships, streamline organizations, reduce the size of staff, perfect the operational mechanisms of public administration, raise administrative efficiency, improve the quality of public service, and gradually establish a new administrative system matching the socialist market economy to further promote the fast development of economic construction and social causes.

The major tasks in the reform of public administration and government organizations are as follows:

1) Transformation of government functions according to the principle of separating the functions of government and enterprises. The functions of government in economic management are shifted to formulation and implementation of policies on macro regulation and control, care of infrastructure construction, and creation of excellent environment for economic development.

2) Establishment of authoritative macro control departments with unified functions through transformation of government functions so as to strengthen the state's capacity of macro regulation and control with perfect macro regulation and control systems.

3) Rationalization of relationships, division of responsibilities and powers, clear-cut division of work, coordinated operation, and higher administrative efficiency of government.

4) Reform and perfection of the system of and organizations in

charge of the management of social causes, such as the systems for science and technology, education, culture and various social welfare causes.

Since its initiation of the policy of reform and opening to the outside world in 1978, China has carried out six major reforms of its administrative system.

In the reform launched in 1982 , the number of the ministries, commissions, immediate subordinates, and working organs of the State Council (Central Government) was cut from 100 to 61 with reduction of staff by 25%. The number of leading positions was cut by 67%, and the lifelong term of office was abolished. The 1988's reform went along with the start of transformation of government functions and the establishment of the civil service system. The number of the ministries, commissions, immediate subordinates, and working organs of the State Council was cut from 72 to 68 with a reduction of staff by 20%. In 1993 , the number of the ministries, commissions, immediate subordinates, and working organs of the State Council was cut to 59. The purpose of this reform was to establish administrative system and government organizations which adapted to socialist market economy. 5 years later, another round of reform further cut the number of central government agencies to 29. In 2003's reform , the State-owned Assets Supervision & Administration Commission was established to meet the demand of market economy. At the beginning of this year, the central government publicized "The Plan for the Reform of Institutions under the State Council" to achieve the goal of building a service-oriented government and coordinated and balanced power structure of decision-making, implementation and oversight. According to the reform plan, the State Council has restructured the Ministry of Environmental Protection, the Ministry of Human Resources and Social Security, the Ministry of Industry and Informational resources, the Ministry of Transport, and the Ministry of Housing and Urban-Rural Development. The State Council has now only 27 ministries and agencies. Through the years' constant efforts, the transformation of governmental functions has been greatly promoted. The basic role of market in resources distribution has been fully played. Organizational structure of the government has been updated. Law-based administration and public service has been improved.

Recently, the Central Government has passed "the Proposal for Deepening the Reform of the Administrative System" which raises the general reform objective of establishing a basically consummate socialist administrative system with Chinese characteristics by 2020, with the focus on the fundamental transformation of government functions which

are mainly to create favorable development environment, provide high-quality public services and maintain social equity and justice. Government organs and staffing are fundamentally transferred to be more scientific, standardized and law-based. Administrative operating mechanisms and government managing manner are fundamentally transferred to be more standardized, transparent and efficient.

## **2. The institutional building of administrative procedures**

Administrative procedures are defined as the manners, processes, spot and time limitations that administrative bodies must follow. The basic systems may include the information disclosure system, the function separating system, the public hearing system, the administrative oversight system, etc.

Ever since the People's Republic of China was founded in 1949, most of China's laws and regulations on public administration have included the administrative procedures. Since 1978, legislation on administrative procedures has been developed remarkably with more and more standardization of administrative procedures.

First of all, the Constitution of P. R. China sets up the basic principles and rules for the legislation of administrative procedures. For example, Article 2 of the Constitution reads, "The people administer state affairs and manage economic, cultural and social affairs through various channels and in various ways in accordance with the law." This lays the principle of democracy in administrative procedures. Article 27 reads, "All state organs and functionaries must rely on the support of the people, keep in close touch with them, hear their opinions and suggestions, accept their supervision and work hard to serve them." This involves the system of public hearing. Article 41 reads, "Citizens of the People's Republic of China have the right to criticize and make suggestions to any state organ or functionary. Citizens have the right to make to relevant state organs complaints and charges against, or exposures of, violation of the law or dereliction of duty by any state organ or functionary. Citizens who have suffered losses through infringement of their civil rights by any state organ or functionary have the right to compensation in accordance with the law." This article establishes the basic principle for administrative litigation and administrative compensation.

In accordance with the basic principles of the Constitution, China has enacted a series of separate laws and regulations concerning administrative procedures, such as "Administrative Proceedings Law of

the people's Republic of China", "Law of the People's Republic of China on Administrative Penalty" "Law of the People's Republic of China on State Compensation", and "Law of the People's Republic of China on Administrative Reconsideration". They prescribe respectively the procedures for **administrative cases**, administrative penalties, administrative compensation and administrative reconsideration. "Provisional Regulation on Procedure for Formulation of Administrative Regulations" prescribes the procedures for administrative legislation. "Law of the People's Republic of China on Administrative License" prescribes the procedures for granting license. "Law of the People's Republic of China on Administrative Supervision" prescribes the procedures for dealing with administrative misconducts etc.

In addition, "Regulations of the People's Republic of China on Disclosure of Government Information" went into effect in May 2008, which marked the official foundation of the system of information publicity. It specifically prescribes in detail the range and content, the method and procedure, and the supervision of the disclosure of government information. It is implemented on the requirement of "publicity is the principle and non-publicity is the exception".

### **3. Implementing the Law on Administrative License and Reforming the Administrative Examination and Approval System.**

The term "administrative license" as mentioned in the Law refers to the acts that the administrative organs permit, upon examination according to law, citizens, legal persons and other organizations to engage in special activities according to their applications. In order to regulate the establishment and implementation of administrative licenses, to protect the legitimate rights and interests of citizens, legal persons and other organizations, to safeguard public interests and social order, to ensure and supervise the effective implementation of administrative management, China made "Law of the People's Republic of China on Administrative License" in 2003. This law has provided a detailed prescription of administrative licensing procedures as well as the application and acceptance, the examination and decision, the dealing period, the hearing of witness, and the special procedures for certain licenses respectively. These procedures and systems make sure of the correct enforcement of administrative licensing and effectively prevent the abuse of administrative power. The supervisory bodies are mandated to oversee its implementation.

The term " administrative examination and approval " refers to the acts that the administrative organs permit, upon examination according to law, citizens, legal persons and other organizations to engage in special activities, recognize their qualifications, and determine specific civil relationships or specific civil rights. Administrative approval is widely used in the activities of administrative management, an important tool for the government to intervene the economic and social lives. Administrative examination and approval has been playing an important role in China's public administration as it has in other countries over the world. However, the shortcomings and drawbacks of the original administrative examination and approval system exercised in China is becoming increasingly obvious and standing in the way of the overall economic and social development of the country under a situation when the market economy is fast developing, and China is participating in the economic globalization in a wider scope and in a more in-depth way after her accession to the World Trade Organization (WTO). Such drawbacks includes: a) items required to be examined and approved by the government are too many, which restraint the full play of the role of market mechanism; b) the procedure for examination and approval is too complex and inefficient, which fail to provide good service to citizens and enterprises; c) the government processes too much discretionary powers, which leads to corruption. Therefore, it becomes a necessity to reform the administrative examination and approval system.

The reform of the system of administrative examination and approval is very important in terms of transforming government functions, promoting law-based administration and preventing corruption at its source. The State Council made arrangement in October 2001 for the overall reform of the administrative examination and approval system and established a leading group in charge of this work and its office is located at the Ministry of Supervision. The Ministry of Supervision together with the leading team members seriously enforced the Law on Administrative License and made great efforts in reforming the system of administrative approval under the leadership of the State Council.

Firstly, canceling the items that used to be examined and approved by the government. Four rounds of checks and clear-ups were carried out over the items previously required to be approved by the central government, and 55% of them (about 1600 items) were canceled or adjusted. It is also the case with the local government. This has laid down good foundations for the rational determination of government functions in economic regulation and market control and for a better play of the role of the government in social administration and public service. It also means the removal of the breeding ground for corruption because

government officials will not be able to make use of powers for personal gains once powers are lost.

Secondly ,Innovating new administrative methods and means . Items that can be settled through market mechanism shall be settled through bidding and auction. For items that should be settled by the enterprises themselves, the government would guide them to establish modern enterprise management system. For items that require unified management, the government would formulate relative standards and specifications. For items that should be administered by trade associations or intermediary agencies, they would then be transferred to them smoothly.

Thirdly, perfecting the operating and managing mechanisms for administrative examination and approval. For those items that still require government examination and approval, transparent operating procedures were established to reduce discretion. According to the principle of “those who give the approval shall hold responsible,” take-the-blame system was established. The Ministry of Supervision has introduced an electronic monitoring system throughout the country to supervise the whole process of administrative examination and approval with IT and network technologies to timely discover and correct irregularities and malpractices in the process of administrative examination and approval.

Ladies and Gentlemen, and Dear Friends,

It is the common task facing all countries in the world today to push forward the innovation of government administrative system to adapt to the new requirements of development. China is now at a crucial stage in its reform and development. Continued reform of administrative procedures and innovation of administrative systems is not only an urgent demand of enhancing administrative capacity of the government, but also an objective demand of establishing an honest and efficient government. We wish to strengthen exchanges and cooperation in this area and share successful experience and effective practices with all of you.

Thank you very much!

# China's Perspective in Administrative Reform

By KONG Xiangren  
Ministry of Supervision of People's Republic of China  
( Hanoi, June 26th, 2008 )



## 1. Overview of Administrative Reform in China





## The purpose:

- Transfer the government functions
- Rationalize the administrative relationships
- Streamline organizations
- Reduce the size of staff
- Perfect the operational mechanisms of public administration
- Raise administrative efficiency
- Improve the quality of public service, and
- Establish a new administrative system matching the socialist market economy to further promote the fast development of economic construction and social causes.

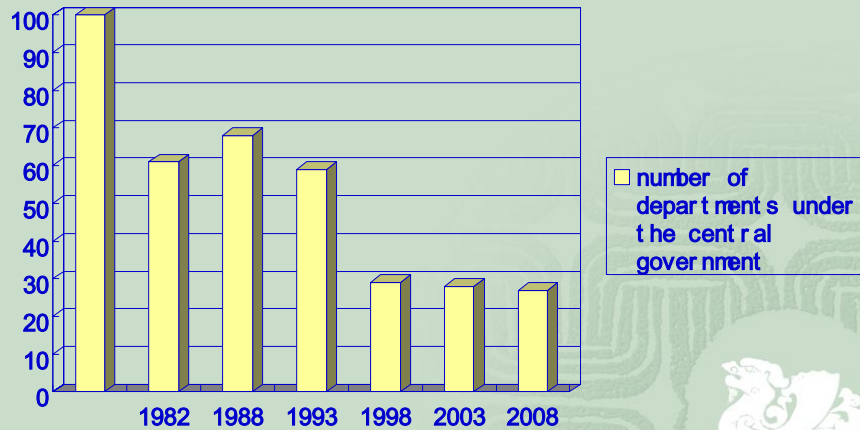


## The major tasks:

- Transforming the government functions with the principle of separating the functions of government and enterprises.
- Establishing authoritative macro control departments.
- Improving the administrative efficiency of government.
- Reforming and perfecting the system of and organizations in charge of the management of social causes, such as science and technology, education, culture and social welfare.



## Six major administrative reforms in China



## 2008' reform:

According to "The Plan for the Reform of Institutions under the State Council", the State Council (Central Government) has restructured the following ministries:

- Ministry of Environmental Protection
- Ministry of Human Resources and Social Security
- Ministry of Industry and Informational resources
- Ministry of Transport
- Ministry of Housing and Urban-Rural Development.



## New program:

- “the Proposal for Deepening the Reform of the Administrative System” raises the general reform objective of establishing a basically consummate socialist administrative system with Chinese characteristics by 2020:
  - △ focus on the fundamental transformation of government functions
  - △ create favorable development environment
  - △ provide high-quality public services and maintain social equity and justice
  - △ government organs and staffing are fundamentally transferred to be more scientific, standardized and law-based.
  - △ administrative operating mechanisms and government managing manner are fundamentally transferred to be more standardized, transparent and efficient.



## 2. The institutional building of administrative procedures



## the Constitution of P. R. China

- the Constitution sets up the basic principles and rules for the legislation of administrative procedures.
- Article 2 lays the principle of democracy in administrative procedures.
- Article 27 involves the system of public hearing.
- Article 41 establishes the basic principle for administrative litigation and administrative compensation.



## Administrative laws:

- "*Administrative Proceedings Law of the people's Republic of China*" prescribes the procedures for dealing with administrative cases;
- "*Law of the People's Republic of China on Administrative Penalty*" prescribes the procedures for administrative penalties;
- "*Law of the People's Republic of China on State Compensation*" prescribes the procedures for administrative compensation;
- "*Law of the People's Republic of China on Administrative Reconsideration*" prescribes the procedures for administrative reconsideration;



- *"Provisional Regulation on Procedure for Formulation of Administrative Regulations"* prescribes the procedures for administrative legislation;
- *"Law of the People's Republic of China on Administrative License"* prescribes the procedures for granting license;
- *"Law of the People's Republic of China on Administrative Supervision"* prescribes the procedures for dealing with administrative misconducts;
- *"Regulations of the People's Republic of China on Disclosure of Government Information"* went into effect in May 2008.
- etc.



### 3. Implementing the Law on Administrative License and Reforming the Administrative Examination and Approval System.



## Administrative license

- **"Administrative license"** refers to the approval that the administrative organs grant, upon examination according to law, to citizens, legal persons and other organizations to engage in special activities according to their applications.
- **"Law of the People's Republic of China on Administrative License"** entered into effect in 2003, which provides a detailed prescription of administrative licensing procedures as well as the application and acceptance, the examination and decision, the dealing period, the hearing of witness, and the special procedures for certain licenses respectively.



## Reform of administrative examination and approval system

- **"Administrative examination and approval"** refers to the approval that the administrative organs grant, upon examination according to law, to citizens, legal persons and other organizations to engage in special activities, recognize their qualifications, and determine specific civil relationships or specific civil rights.
- The reform of the system of administrative examination and approval is very important in terms of transforming government functions, promoting law-based administration and preventing corruption at its source.





## The shortcomings and drawbacks of the original administrative examination and approval system:

- items required to be examined and approved by the government are too many, which restraint the full play of the role of market mechanism;
- the procedure for examination and approval is too complicated and inefficient, which fail to provide good service to citizens and enterprises;
- the government possesses too much discretionary powers, which leads to corruption.



The Central Government made arrangement in October 2001 for the overall promotion of the reform of administrative examination and approval system and established a leading group in charge of this work with its office at Ministry of Supervision.



## Process:

Firstly, canceling the items.

- △ 4 rounds of checks and clear-ups
- △ 55% (about 1600 items) were canceled or adjusted

Secondly , Innovating new administrative methods and means.

- △ through bidding and auction
- △ establish modern enterprise management system
- △ formulate standards and specifications
- △ transfer to trade associations or intermediary agencies

Thirdly, perfecting the operating and managing mechanisms.

- △ transparency of operating procedures
- △ take-the-blame system
- △ electronic monitoring system







**Asia-Pacific  
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**Public finance reform for  
effective anti-corruption**

## *Public Finance Reform for Preventing and Combating Corruption*

*By: Dang Ngoc Tuyen, MA  
Vice Chief Inspector  
Ministry of Finance,  
Vietnam*

Mr. Chair,  
Distinguished delegates,  
Ladies and gentlemen,

On behalf of the Ministry of Finance of Vietnam, I would like to present the topic: ‘Public finance reform for preventing and combating corruption’.

Ladies and gentlemen!

The economy of Vietnam is operating in the market mechanism under the macroscopic regulation of the State and has obtained many great achievements. The comprehensive economic reform in Vietnam has resulted in the rapid economic growth and considerable development progress. For the past two decades, Vietnam has become one of the countries whose economies grow at the fastest speed and among one of the countries that grow from poverty. It is our target that up to 2010, Vietnam will maintain the position of an average-income country.

While Vietnam is striving for a continuous stable growth rate, poverty reduction and an equitable society in the context of a global competitive economy and strong integration, it has to cope with many challenges and difficulties in the field of state management. There has been many improvements in the area of state management, such as: macroscopic economic management is enhanced, transparency and openness is implemented and these result in the equality in the economy; institutional reform is conducted widely, deeply and comprehensively; corruption control, prevention and combat is attached with great importance...

Being aware of the negative impact of corruption on investment, growth and social progress as well as the fact that corruption damages the image of Vietnam in the eyes of international friends, the Government of Vietnam has shown its strong determination in the fight against corruption.

To prevent corruption, the Government of Vietnam has conducted public finance reform – one of the four key areas in the Master programme on Administrative Reform of the Government of Vietnam period 2001 – 2010. Public finance management reform covers 5 priorities: budget spending management, budget income management, debt management,

management of fiscal risk of state –owned enterprises, and public asset management.

The Government of Vietnam has conducted many prediction research in order to support the public finance reform. Public expenditure has been reviewed and comprehensively evaluated; annual updating assessment and national financial responsibilities have been requested; the implementation of other reforms as well as capacity improvement programs for the purpose of modernization and strengthened public finance management have been continued; transparency and suitable operational mechanism for effective economic management and enhanced management of the state have been created.

### **1. Current status of public finance reform of Vietnam:**

Vietnam is now applying a number of measures to enhance management activities, innovate organizational structure and improve the role of management agencies and finance control systems. Up to now, stable progress in the building of legal framework to support public finance management reform and in implementing public expenditure synthesizing proposal (*the progress status related to public finance management reform can be found in the attached annex*) has been achieved. The vision towards the year 2010 which orients the modernization and system improvement, implements and organizes management responsibilities is clearly defined in the reform strategies on public finance management of the Ministry of Finance . This is in order to figure out the areas that need improving in the field of public finance management, help enhance fiscal discipline, strengthen operational effect and improve the situation of financial management of the country and management environment of the State.

#### **1.1. Institutional and legal framework for public finance management:**

There are many legislation, decrees and instructions which guides the implementation and replace old and backward legal documents which are not suitable with the new economic development environment. From 2004 till now, the implementation of the Law on State Budget 2002 and the Accounting Law has gone smoothly. The State Audit Law has come into effect; the laws on taxation has been issued and amended,...

#### **1.2. Specific outcomes of the public finance reform process:**

- **Budget planning:** the budget scope of Vietnam has relatively been comprehensive, the main expenditure items of all the units which use the budget of the Government at central, provincial and communal levels have been reflected in the state budget.

- **Budget implementation:** public finance management systems are being upgraded and replaced. The Treasury And Budget Management Information System (TABMIS) is now being developed. TABMIS will facilitate the recording and control of committed sums, management improvement, money flow control and debt management, management enhancement and expenditure control. The state budget accounting system is being established compatible with the expenditure and income classification system according to the functions, economic contents and management agencies. The roadmap for the application of international public accounting standards has been issued and this serves as the basis for the developing of financial report of the Government in order to be suitable with international practice.

The contents of budget income reform have also been implemented with progress in clearer allocation rules and management responsibilities decentralization rules.

- **Asset management:** Legal framework and market principles in asset management as well as requirements for the management reporting system are also in the process of building regulation.

- **Debt management:** The recording and synthesizing management of the Government have been enhanced with clear division of debt management function in the whole system of Government agencies.

- **Official Development Aid Management (ODA):** Legal framework on financial management of ODA resources is relatively comprehensive and has many reform projects which have been implemented in recent years in order to improve the effective use and management of ODA resources.

### **1.3. Regarding the inspection, examining and internal auditing in public finance management:**

*Article 70 Chapter VII of the State Budget Law No. 01/2002/QH11 dated 16/12/2002 states:*

- Finance inspectorate has the responsibility to conduct inspection on the implementation of laws on expenditure, income and budget management, state asset management of the organizations, individuals,...

*Item 2 and 3, Article 6 of the State Audit Law no. 37/2005/QH dated 14/6/2005 of the National Assembly of the Socialist Republic of Vietnam state:*

- Based on the regulations of the laws, establish and maintain the operation of a suitable and effective internal control system.

- Conduct internal audit pursuant to the regulations of the law in order to ensure asset security; evaluate the quality and reliability of economic, financial information; the implementation of laws, policies and mechanisms of the state as well as regulations and rules of organization.

Decree No. 41/2005/NĐ-CP dated 25/3/2005 of the Government stipulates in details and provides guidances in implementing some articles of the Inspection Law.

Decree No. 148/2005/NĐ-CP dated 30/11/2005 of the Government on the operation and organization of the Planning and Investment Inspectorate.

Decree No. 81/2005/NĐ-CP dated 22/6/2005 of the Government on the operation and organization of the Finance Inspectorate; Minister of Finance has issued 04 decisions which stipulate functions, responsibilities and organizational structure of the Finance Inspectorate, Inspectorate of Taxation Department, Inspectorate of Customs Department, Inspectorate of the State Stock Committee.

Decision No. 32/2006/QĐ-BTC dated 06/6/2006 of the Minister of Finance decides the issuance of Regulation on inspection and financial verification activities. The Regulation has completed an important step in the process of improving financial institution, to make it suitable with the new requirements of the Inspection Law as well as the innovation and reform orientation of the financial branch in general, the work of inspection, examining and internal auditing in the field of public finance management in particular.

Decision No. 235/2003/QĐ-TTg dated 13/11/2003 of the Prime Minister stipulates the functions, responsibilities, power and organizational structure of the State Treasury which is under the control of the Ministry of Finance; Item 12 article 2 states: examine and control the performance of functions, responsibilities of units which are under the control of the State Treasury system as stipulated by the law.

In general, the process of public finance reform in Vietnam has brought about considerable results from its initial stage. Macroscopic economic management is strengthened, transparency and openness is implemented to create equality in the economy; institutional reform is conducted synchronizingly, widely and deeply, contributing to raising the effectiveness of the state management; the control over corruption is attached great importance... However, there are still many difficulties and troubles that need supports from international and local experts.

## **2. Current difficulties and troubles in public finance reform in Vietnam:**

There has been overlapping, unclarification in the roles and mandates in the budget planning system which restrict the participation of Ministries in planning, implementing and managing of budget. The management responsibility between central and local levels is still not divided clearly. The Accounting Law is no longer appropriate and needs revising; the accounting demand basis also needs to be revised compatibly to the laws. The State budget Law and Accounting Law need updating comprehensively in order to provide a comprehensive and unified basis for a modern public finance management, to be the foundation for the next public finance reforms, and to enhance transparency and management responsibilities.

- The overlapping in the power over the budget makes the process of budgeting cumbersome and lack of transparency which lead to difficulties in managing and operating.

- The budget is not comprehensively sufficient and outcome-oriented, while the connection between branches's strategies and the budget is still weak. The participation in developing and discussing of budget of Ministries, agencies and branches in charge is still scattered which restricts the management responsibilities of these agencies for their operational results.

- The treasury and budget using units have not come to common agreement on accounting system. It is still lack of regular comparison between report of the treasury and reports of budget using units.

- There are still many agencies participating in and playing internal approving role in the process of state budget expenditure which distract the control and management responsibility, and at the same time, the accounting and financial management capacities of budget using units are still weak.

- The spending commitments are not implemented.

- The recording and debt reporting are still not sufficient, information on budget spending is not timely and sufficient.

- There has not been a systemic internal auditing system within the internal control area of the agencies and of the Government, the inspection function only focuses on the inspection of laws obedience, there has not been a complete legal framework and this work is still be hindered by the lack of human resource, capacity, expertise and standard methods in operation and reporting.

- There is still lack of timely reporting on the budget implementing status from the Treasury to the budget using units Ministries in charge, agencies and branches. The application of many accounting regulations at the same time results in the ununification in accounting work and hinders the synthesizing of accounting information.

- The annual state budget balancesheet report on the status of buget implementation is not announced in time while financial report of the Government according by international practice has not been conducted.

- There has not been a strategic long-term auditing scheme and a profesional staff of auditor in order to supervise the scope of public finance.

**\* Difficulties and troubles in inspection, examining and internal auditing in public finance reform:**

- At present, the responsibilities of considering and evaluating the implementation of laws; applying adjudicating measures towards practices that are against the laws on public finance management belong to many agencies which are conducting the functions of inspection, including agencies in the state inspection system (Government Inspectorate, Provincial Inspectorates, District Inspectorates, Departmental Inspectorates including Inspectorate of Finance Department, Inspectorate of Planning and Invetment Department; Ministerial Inspectorates including Finance, Inspectorate of the Ministry of Planning and Investment).

- Regulations on the powerm responsibilities and mandates of inspection agencies, of inspectors as well as of inspection subjects are not adequate. Institutions on responsibility obligations over people who implement inspection and examining powers have not been so tight, especially regarding the issue of compensation for damage caused by illegal inspection and examining.

There has not been a clear regulation or standard to evaluate the quality and the supervising mechanism of a public finance inspection or examining. The process of public finance inspection and examining is not completed and unified.

- The organization of inspection and examining over public finance management is still scattered, diversed and non-focused. The inspection organization of Administrations which are under the control of the Ministry of Finance is operating as an inspection organization of the Head and basically dependent on the specialized Head in the field of personnel and organization, inspection planning, operating budget, staff recruitment, staff training.

- The operation of the Inspectorate of Finance Department depends so much on the plans of the provincial Inspectorate and is affected by inspections in coordination with functional agencies like Inspectorate, Public Security, provincial People's Procuracy.

- The relationship among organizations in the inspectorate, finance examining systems as well as other functional agencies on finance inspection is still overlapping...

- There has been difficulties in the field of staff training. The work load as drawn in the annual plan is big and the cadres are regularly going on business far away. This results in the difficulties in organizing training courses on professions, state management, informatics, foreign languages,... for the staff.

- The infrastructure and other necessary facilitation for the job of inspectors, examiners and internal auditors are not synchronizing and modern enough...

I have presented on the recent process of public finance reform of Vietnam with initial achievements as well as its difficulties and troubles. It would be of great support if we can receive shared experiences from international friends so that Vietnam can draw out effective measures in the process of public finance reform in general and the work of inspection, examining and internal auditing in particular in order to prevent and combat corruption, to raise the effectiveness of economic management.

Finnally, wish you all good health,  
May our symposium a great success.  
Thank you for your attention.



SYNTHESIZING THE IMPLEMENTATION OF PUBLIC FINANCE REFORM

Issue/Sector	Content	Executing agency	Time	Implementation progress
1. Public expenditure analysis	Continue to preside and coordinate with World Bank and international donors to assess and synthesize other public expenditure in three coming years and update annually within smaller scope	Ministry of Finance, Ministries, Localities	Finished in the end of 2007	In 2007-2008, Ministry of Finance and Government agencies coordinated with World Bank and international donors to build a report assessing national finance responsibilities.
2. Fiscal sustainability	<p>1. Promptly carry out the plan to build a practical, feasible and sustainable Medium Term Fiscal Framework (MTFF) as part of budget cycle</p> <p>2. Clarify and legalize debt management responsibilities, strengthen the assignment of fiscal risk</p>	<p>Ministry of Finance, Ministry of Planning and Investment, Ministries, Localities</p> <p>Ministry of Finance</p>	<p>Annually from 2005</p> <p>2005-2 008</p>	<p><u>Underway:</u> In 2005, Medium term fiscal Framework and Medium term expenditure Framework were piloted in 04 ministries (Ministry of Education and Training, Ministry of Healthcare, Ministry of Transport, Ministry of Agriculture and Rural Development for the period 2006-2008; in 2006, the two Frameworks continued to be piloted in above 04 ministries and some localities (Hanoi, Ha Tay, Binh Duong, Vinh Long) for the period 2007-2009; in 2007, Medium term fiscal Framework continued to be piloted in above 04 ministries and localities for the period 2008-2010</p> <p><u>Underway:</u> Study and perfect the component (Debt management) of Project on public finance management reforms;</p>

	<p>oversight and management</p>			<p>intend to establish an independent unit managing debts under Ministry of Finance</p> <p>Strengthening legislature includes:</p> <ul style="list-style-type: none"> <li>- Decree No. 134/2005/NĐ-CP dated 1<sup>st</sup> November 2005 clearly regulating responsibilities of all relevant agencies in managing foreign debts</li> <li>- Decree No. 131/2006/NĐ-CP dated 9<sup>th</sup> November 2006 issuing Regulation on management and use of development assistance.</li> <li>- Decision No. 231/2006/QĐ-TTg dated 10<sup>th</sup> October 2006 issuing Regulation on building and managing standard system assessing and oversighting national foreign debt status.</li> <li>- Decision No. 232/2006/QĐ-TTg dated 16<sup>th</sup> October 2006 issuing Regulation on report collection, synthesis, sharing and announcing information about foreign debts</li> </ul> <p><u>Underway:</u> Duties to pay Government bonds were included into plan to pay debts of the Government. A project on debt management as well as contents of Law on State Budget planned</p>
	<p>3. Restrain the issue of bonds outside budget balance, and include all future Government loans into budget.</p>	<p>Ministry of Finance, Ministry of Planning and Investment, Ministries, Localities</p>	<p>2005-2008</p>	

	<p>4. Carry out urgent actions to pay current basic construction debts, especially to prevent future debts</p> <p>5. Apply fiscal report system according to criteria “Government Finance Statistics - GFS” of International Monetary Fund (IMF)</p>	<p>Ministries, Localities</p> <p>Ministry of Finance</p>	<p>2005-2007</p> <p>2005-2008</p>	<p>to be amended should be studied.</p> <p>Construction outstanding debts were solved in most of provinces; however, they still exist in Ministries and sectors.</p> <p><u>Underway:</u> This was implemented together with accounting graphic</p>
3. Public expenditure management	<p>1. Broaden scope of budget to comply with criteria accepted around the world. Especially, all expenses and contributions as well as all kinds of Government debts, including relent ones and bonds outside budget balance. Budget also need to include detailed estimation of debts guaranteed by the Government and Other debt expense estimation duties. (the more detailed the better)</p> <p>2. Encourage international donors to strengthen harmonizing their disbursement process and disburse assistance through State treasuries and ensure that all these assistances are recorded in state budget.</p>	<p>Ministry of Finance</p> <p>Ministry of Finance, Ministry of Planning and Investment</p>	<p>2005-2008</p> <p>2005-2007</p>	<p><u>Underway:</u> Component II of the project “Public expenditure management reform” is studying and building the program on strengthening public debt management, herein, the scope of debt will be adequately identified. Law on State budget is planned to be amended in 2008-2009 and this recommendation will be included into the amendment.</p> <p><u>Underway:</u> In order to obtain objectives in Hanoi Declaration, such research teams as Public finance reform Research team and ODA expenditure criteria assessment Research team were established to study measures to change ODA to Budget</p>

				<p>plan. As a part of the project on Public finance reform and development of the project Treasury And Budget Management Information System (TABMIS), bookkeeping account system is being improved to make it possible to record and report ODA projects to bookkeeping system and Government budget.</p>
	<p>3. Enhance position if inter-ministry Working Team on medium term expenditure framework, which has been established recently and hasten the piloting of medium term finance framework and medium term expenditure framework in 4 sectors and 4 provinces.</p>	<p>Ministry of Finance</p>	<p>2005</p>	
	<p>4. When building Treasury And Budget Management Information System (TABMIS), taking steps to ensure that this system provide accessible information timely and exactly to Ministry of Planning and Investment, 4 ministries and 4 localities piloting medium term expenditure framework</p>	<p>Ministry of Finance</p>	<p>2005-2008</p>	<p><u>Underway:</u> The project TABMIS is now being implemented.</p>

	<p>5. Apply TABMIS system, ensure that Ministry of Planning and Investment, other ministries and sectors to have access to database of State treasuries relating to expenditure of each area in each authorities at different levels.</p>	Ministry of Finance	2005-2008	<u>Underway:</u> The project TABMIS is now being implemented
	<p>6. Complete and issue a new United Bookkeeping account system to carry out as a part of Treasury And Budget Management Information System (TABMIS)</p>	Ministry of Finance	2005-2008	<u>Underway:</u> This is being developed as a part of Public finance reform Project and implemented for the period 2008-2010.
	<p>7. Continue to focus on change management and organizationally be willing to implement TABMIS</p>	Ministry of Finance	2005-2006	<u>Underway:</u> Change management is a key factor in Public finance reform Project.
4. Accountability and financial transparency	<p>1. It is necessary to hasten in the direction of applying International Public Sector Accounting Standards (IPSAS) and international audit standards.</p>	Ministry of Finance, State Audit	2005-2007	<u>Underway:</u> Public finance standard: - In two years 2005, 2006 6 new accounting standards were issued. - The Standing Committee of National assembly issued Resolution No. 917/2005/NQQ-UBTVQH 11 dated 15 <sup>th</sup> September 2005 on the process of building and issuing state audit standard system. - State Audit is studying to prepare pre-audit

	<p>2. Establish a department having functions of overseeing public accounts under the National assembly, possibly through strengthening capacity of the Economics and Budget Committee.</p>	<p>National assembly</p>	<p>2005-2006</p>	<p>processes for State budget estimation and important national works.  - State Audit is studying to build regulations on professional assessment to serve audit works, regulations on attorney and audit enterprise hiring  - State Audit is building state audit standards according to international standards.</p> <p><u>Completed:</u>  Established Budget and Finance Committee of National assembly (separate from Economics and Budget Committee)</p> <p>Built Project VIE 02/008 “Strengthening capacity of National assembly and People’s councils in verifying, deciding and overseeing state budget” under Economics and Budget Committee of National assembly.  August 2006, Ministry of Finance coordinated with Economics and Budget Committee of National Assembly to complete the book “Handbook on overseeing budgets of National assembly and People’s councils at different levels” for members of National</p>
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	<p>3. Ensure independence of State Audit of Vietnam by changing this agency into professional agency under National Assembly, independently operate in compliance with laws.</p>	National assembly	2005-2006	<p>assembly and People's councils at different levels.</p> <p><u>Completed:</u> Issued Law on State Audit which came into effect in January, 1<sup>st</sup>, 2006.</p>
	<p>4. Improve transparency of oversight process by publicizing audit reports to people and foster the need to enhance accountability through encouraging people and mass media to exchange ideas on public finance management.</p>	State Audit	2005-2007	<p><u>Completed:</u> Legislative requirements represented in Law on State Audit passed by National assembly in June, 2005 and in Decision No. 03/2007/QĐ-KTNN of State Audit dated July, 26<sup>th</sup>, 2007 on publicity of audit results and results of implementation of audit conclusions and recommendations of State Audit of Vietnam. In 2005, State Audit began publicly audit Government final accounts for fiscal year 2004.</p>
	<p>5. Better harmonize roles and responsibilities of audit and inspection functions: for example, consider the establishment of internal audit function, first at ministerial level in order</p>	State Audit, Government Inspectorate	2005-2007	<p><u>Underway:</u> This was regulated in Law on State Audit (Provision 3, Article 6) on responsibilities of units in establishing internal audit system; and on responsibilities</p>

	<p>to gradually replace inspection function in each ministry.</p> <p>6. Ensure the application of accounting and audit standards amended in large state enterprises (corporations)</p> <p>7. Draft a common law for state enterprises and private enterprises so that these enterprises have to fulfill the same requirements; enhance the function of internal audit inside state enterprises and establish an internal auditor</p>	<p>Ministry of Finance</p> <p>Ministry of Planning and Investment</p>	<p>2005-2007</p> <p>2006-2007</p>	<p>of State Audit in directing, guiding audit professional skills (Provision 15, Article 15). World Bank, State Audit And Ministry of Finance organized a workshop on internal audit. A document guiding audit professional skills, using internal audit results is planned to be built and issued right after National Assembly Standing Committee or other competent agency has a legal normative document on organization and operation of internal audit in agencies, organizations, units managing and using state budget, state money and asset.</p> <p><u>Completed:</u> Issued a new enterprise accounting mechanism.</p> <p><u>Partly completed:</u> Law on Enterprises was passed by National Assembly in November, 2005 and came into effect in July, 7<sup>th</sup>, 2007. Decree No. 88/2006/NĐ-CP dated August, 29<sup>th</sup>, 2006 on business registration.</p>
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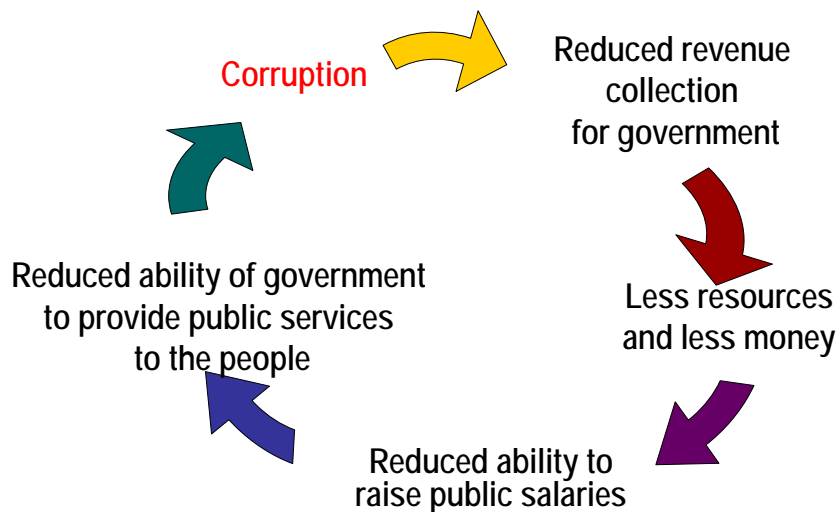
	<p>association.</p> <p>8. Continue to oversight systematically the publicity of state budget and financial funds at local level and encourage provinces and districts to oversight and see how many schools, healthcare centers and units receiving public budget publicize of state budget and financial funds</p> <p>9. Publicize annual report on public expenditure with detailed statistics in each province.</p>	<p>Ministry of Finance</p> <p>Ministry of Finance</p>	<p>2005-2007</p> <p>Annually from 2005</p>	<p>Documents guiding the implementation of Decree No. 88/2006/NĐ-CP.</p> <p><u>Underway:</u> Progresses in legislation: - Decision No. 192/QĐ-TTg dated 16<sup>th</sup> November 2006 of Prime Minister issuing Regulation on financial publicity. - Ministry of Finance issued 05 Circulars guiding the implementation of Regulation on financial publicity. - Ministry of Finance issued 05 Circular No. 54/2006/TT-BTC guiding the implementation of Regulation on publicity of direct assistance of State budget for individuals, citizens.</p> <p><u>Completed:</u> Publicized state budget estimation 2005 and final account 2003, estimation 2006, final account 2004 and estimation 2007, final account 2005</p>
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	<p>10. Announce annually “report books of the Government on state budget”, explaining in an easy way the content of state budget and relation between budget and national development objectives and strategies.</p>	<p>Ministry of Finance</p>	<p>Annually from 2006</p>	<p><u>Underway:</u>  Ministry of Finance edited and uploaded to its sectored Website the book “State budget of Vietnam 2006”, and at the same time, proposes Government for allowing announcing this book annually.  The book “State budget of Vietnam 2007” was edited when National assembly passed state budget estimation 2008.</p>
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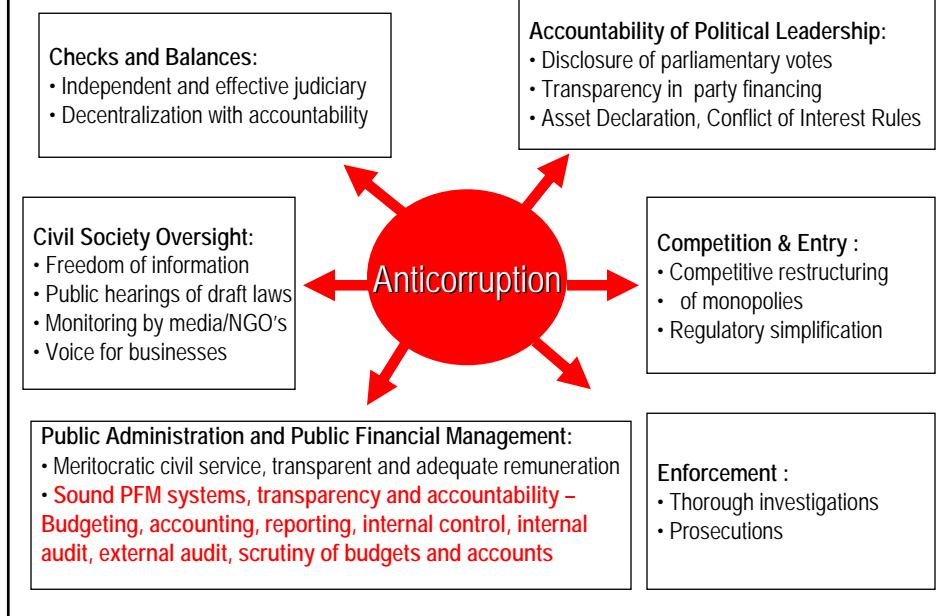
# Public Finance Reform for Effective Anti-Corruption

Anti-corruption and Administration Reform International Symposium  
Hanoi, Vietnam  
25-26 June 2008

## Consequences of Corruption: A vicious circle

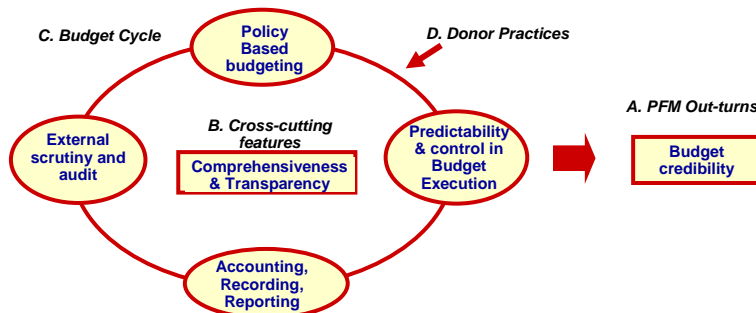


## Systemic Approach to Anticorruption

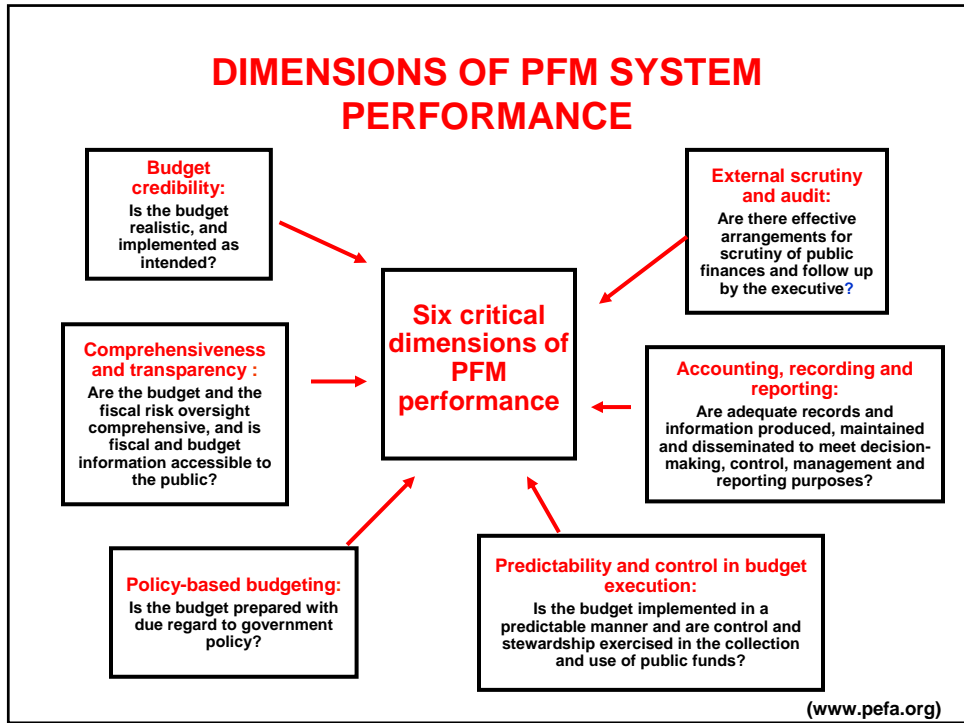


## Public Expenditure & Financial Accountability (PEFA)

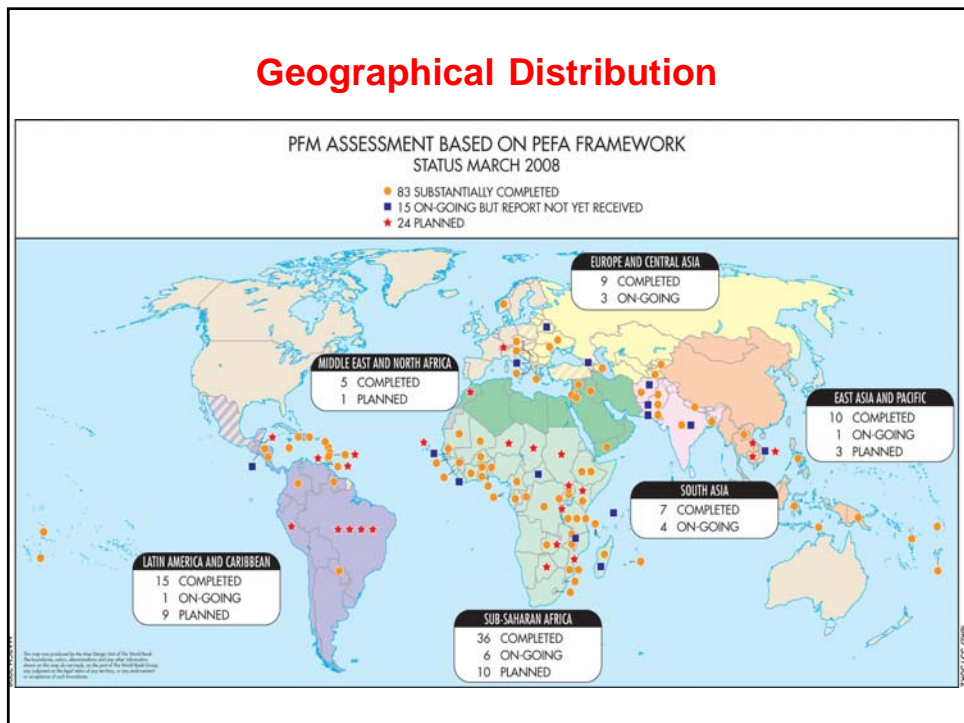
- A standard set of **high level PFM indicators** to assess performance
  - 28 government performance indicators covering cycle
  - 3 donor indicators, reflecting donor practices influencing the government's PFM



## DIMENSIONS OF PFM SYSTEM PERFORMANCE

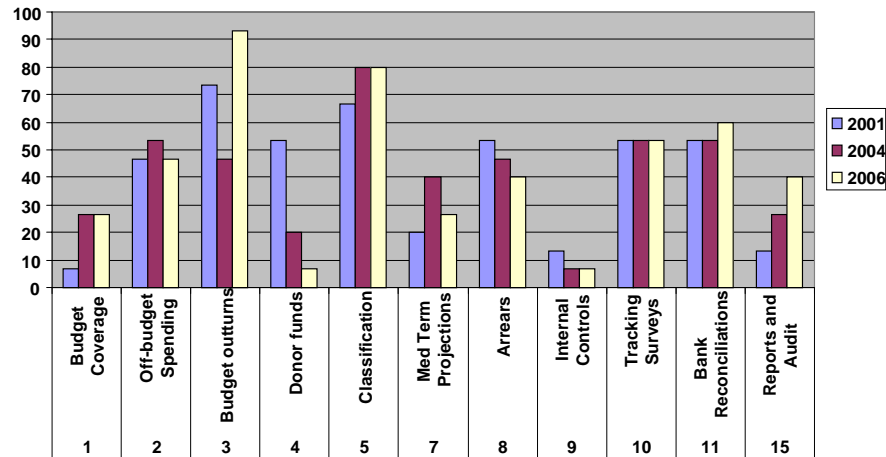


## Geographical Distribution



## Public Finance Management Tracking Performance Using PEFA Indicators

Percent of Benchmarks Met by Indicator (2001-2006)

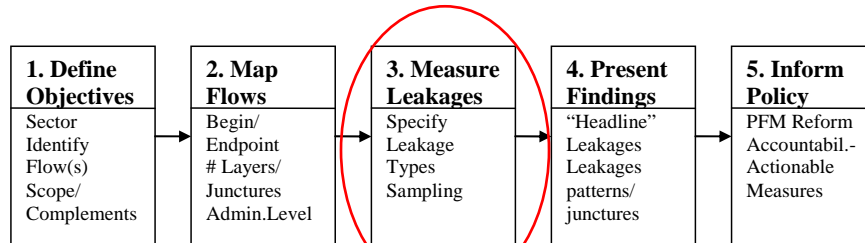


Budget comprehensiveness, donor funds on-budget, medium-term perspective, internal audit, relatively weaker areas

## Other Tools for Assessing PFM and Corruption Risks

- PEFA
- PFM Fiduciary and Accountability Assessments  
(e.g. Country Financial Accountability Assessments, Country Procurement Assessment Report, Integrated Fiduciary Assessments Public Expenditure and Financial Accountability Reviews)
- **PETS**
- Institutional and Governance Reviews
- ROSC - Accounting and Auditing; Diagnostic study of Accounting and Auditing
- Country Assessment in Accountability and Transparency

## The PETS Cycle



### *Uganda Education PETS*

- Remains Most Successful Case
- “Leakages” of Funds Going to Schools Reduced Significantly
  - Funds arriving increased 13% (1996) to 82% (1999)
- Relatively Straightforward Flow
  - Central Government Disbursed Capitation Grant to Districts, Districts On-ward disburse to Schools.
  - Allocations Largely Reached Districts, But Allocations Did Not Reach Schools

## Public Expenditure Tracking Surveys (PETS)

Goal: Assess fiscal leakages given significant share of intended resources do not reach the frontline

Country	Year	Sample	Leakage Estimate
<b>Ghana</b>	2000	200 Clinics	80 % Non-Salary
<b>Ghana</b>	2000	200 Schools	49 % Non-Salary, 35% Salary (primary) 52% Non-Salary, 25% Salary (secondary)
<b>Honduras</b>	2000	805 staff; 35 Clinics	2.4% of all workers on the payroll considered ‘ghosts.’ Absenteeism estimated at 27%. 5.2% of workers were not actually in the assigned post but had moved to other location (5.2%)
<b>Papua New Guinea</b>	2002	214 Schools	16-29% of subsidies
<b>Madagascar</b>	2003	185 Schools	8-10% of cash transfers

*Source: World Bank (2005) PETS Review*

## Addressing Corruption through PFM Reforms

- **Strengthening state PFM capability and accountability**
  - **PFM strengthening programs** (Vietnam & Mongolia – implementation of a Government FMIS, development of unified modern chart of accounts, improved debt management systems, enhanced financial reporting, strengthening inspection and introducing internal auditing)
  - **Performance-based PFM**
    - Shifting focus from input control to accountability for results (e.g., UK Public Service Agreements (PSAs) with the Treasury)
    - More performance information (presented with budget for later discussion, linked to subsequent budgets, or (rare) formula-based (Korea) multiyear plan (PPA))
    - Strategic results-oriented resource allocation and program management (Brazil)
    - Move to accrual accounting & performance & value-for-money audits

## Addressing Corruption through PFM Reforms

- **Strengthening demand side institutions for ensuring public accountability**, including the supreme audit institution, legislative committees on public spending, anti-corruption or 'vigilance' commissions, and rights to information
- **Strengthening accountability and transparency in the public and private sector**, in particular, private sector accounting and auditing standards, professional accreditation and regulatory oversight of the accounting and auditing professions, enhanced civil society engagement and oversight



## Key PFM Aspects relevant to Anti-Corruption

- Ensuring budget integrity and credibility
- Financial management information systems, accounting and reporting systems
- Internal controls and Internal audit in government
- Transparency of financial and budget information
- Strengthening supreme audit institutions (including capacity in forensic and investigative audits)
- Developing demand side institutions such as the legislature (budget Committees, Rights to Information Acts, Public Accounts Committees)
- Enhancing government bodies responsible for investigating fraud and corruption
- Ethics and professional standards in the accounting and auditing profession

## PEMPAL –Peer Innovation for Improving PFM Performance

- Public Expenditure Management Peer Assisted Learning (PEMPAL) initiative is two year old innovative way to build capacity and support public financial management reform in Europe & Central Asia
- PEM-PAL includes the following countries: Albania, Armenia, Azerbaijan, Bosnia & Herzegovina, Bulgaria, Croatia, Georgia, Kyrgyz, Macedonia, Moldova, Montenegro, Tajikistan, and Romania
- This ‘community of practice’ brings officials together to benchmark their PFM systems – and is being replicated around the world (Latin America & Caribbean)
- As a result of PEMPAL-facilitated interactions, there is evidence that ECA countries are improving their public financial management by both adopting new reform measures and strengthening existing systems

Note: Ukraine, Russia, Turkey, Kazakhstan and Belarus also frequently participate.

# Public Finance Reform For Effective Anti Corruption

Roni Ihram Maulana  
Director of Monitoring  
Corruption Eradication Commission  
Indonesia

Hanoi, Vietnam June 26, 2008

<http://www.kpk.go.id>

## Presentation Outline

- Effort in combating corruption
- Mandates of KPK (CEC)
- Definition of Corruption
- Corruption Cases
- Reform in Ministry of Finance
- Conclusions

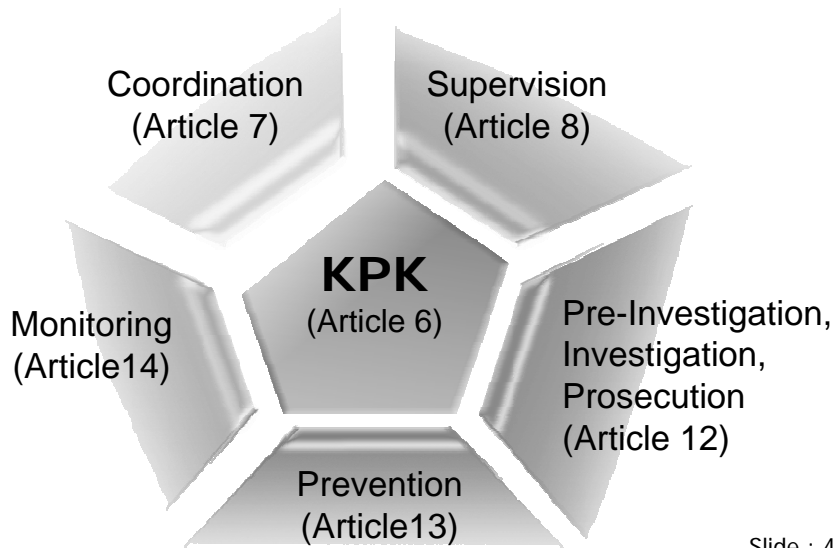
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## Efforts in Combating Corruption

- | Year  | Name of Action                | Scope of Action           | Legal Basis                        |
|---|-------------------------------|---------------------------|------------------------------------|
| 1957  | Military Operation            | (Unstructured Actions)    | Military Commander Instruction     |
| 1967  | Corruption Eradication Team   | (Prevention & Repression) | Presidential Decree 228 of 1967    |
| 1977  | Disciplinary Operation        | (Prevention & Repression) | Presidential Instruction 9 of 1977 |
| 1987  | Special Operation on Taxation | (Prevention & Repression) | Minister of Finance Instruction    |
| <b>1997-1998 → Monetary &amp; Economic Crisis</b>                                   |                               |                           |                                    |
| 1999  | Wealth Report Commission      | (Prevention)              | Law Number 28 of 1999              |
| 1999  | Joint Investigation Team      | (Repression)              | Government Regulation 19 of 2000   |
| <b>2003 KPK (CEC)</b>   |                               |                           | Law Number 30 of 2002              |
| - Mandates: <b>Coordination, Supervision, Repression, Prevention, System Review</b> |                               |                           |                                    |
| <b>2005 President's Team for Fighting Corruption</b>                                |                               |                           | Presidential Decree 11 of 2005     |
| - Mandates: Coordination among president's teams                                    |                               |                           |                                    |

Slide : 2

## Mandates of KPK (Law Number 30 2002)



Slide : 4

4

## Definition of Corruption

- Loss of state budget
- Bribery/Kickback
- Embezzlement
- Pemerasan
- Fraud
- Conflict of Interest in procurement
- Graft



## Corruption Cases

- Head of District/Province
- Head of National Election Commission 
- Supreme Court Officials
- Head of National Investment Board
- Head of Fishery & Marine Ministry
- Chief of National Police
- Governor Central Bank of Indonesia
- Members of Parliament
- Attorney General Prosecutors
- Customs Officer

## Prevention

- Review system & make recommendation  
Immigration Office, Land Agency, Ministry of Workforce,  
Ministry of Finance (Tax Office, Custom, Treasury, Budget)
- Promote Civil Service Reform  
Ministry of Finance, Supreme Court, Supreme Audit
- Promote the establishment of National Public Procurement Office
- Wealth Report
- Graft Report
- Educate public
- Conduct National Integrity Survey

## Reforms in Ministry of Finance



Increase Performance  
*Good Governance*  
Better Public Service

## Organization Reform

- Organization Structure based on Function
- Stakeholder Orientation
- Set up Internal Control Unit
- Set up Complain Center

## Business Process Reform

- **Standard Operating Procedure:**
  - Simple, transparent, efficient & cost effective, Accountable, Clear requirement, cost, time
- **Utilize CIT**
  - Built in Control System
  - Automatic and Integrated Reporting System
  - Towards Paperless Administration
- Reduce contact with user
- Implement risk management
- Use Key Performance Indicators

## Human Resource Mgt Reform

- **Competence Based**
  - Assessment Center
  - Recruitment
  - Placement
  - Training
- **Code Of Ethics**
- **Career Path**
- **Individual key performance indicators**
- **Competitive Remuneration**

## Surprise Inspection of Custom Office

Tanjung Priok Port , May 30, 2008

- Video 1 
- Video 2 
- Video 3 

## Conclusions

- For an effective combat against corruption, Prevention and Repression should be intertwined
- Administrative Reform including increasing remuneration will not stop corrupt acts
- To ensure the success of reform a strong and independent internal control unit is needed.

**THANK YOU**



# National Election Commission Case





**Asia-Pacific  
Economic Cooperation**

**International Symposium  
"Anti-Corruption And Administrative Reform"**

*Hanoi, Vietnam 25 – 26 June 2008*

*Session 5*

**Private sector with administrative reform  
for the purpose of anti-corruption**



# TRANSPARENCY INTERNATIONAL

## PRIVATE SECTOR WITH ADMINISTRATIVE REFORM for the PURPOSE OF ANTI-CORRUPTION

HANOI SYMPOSIUM  
26 JUNE 2008

Michael C Ahrens, Executive Director - Australia

Transparency International Australia

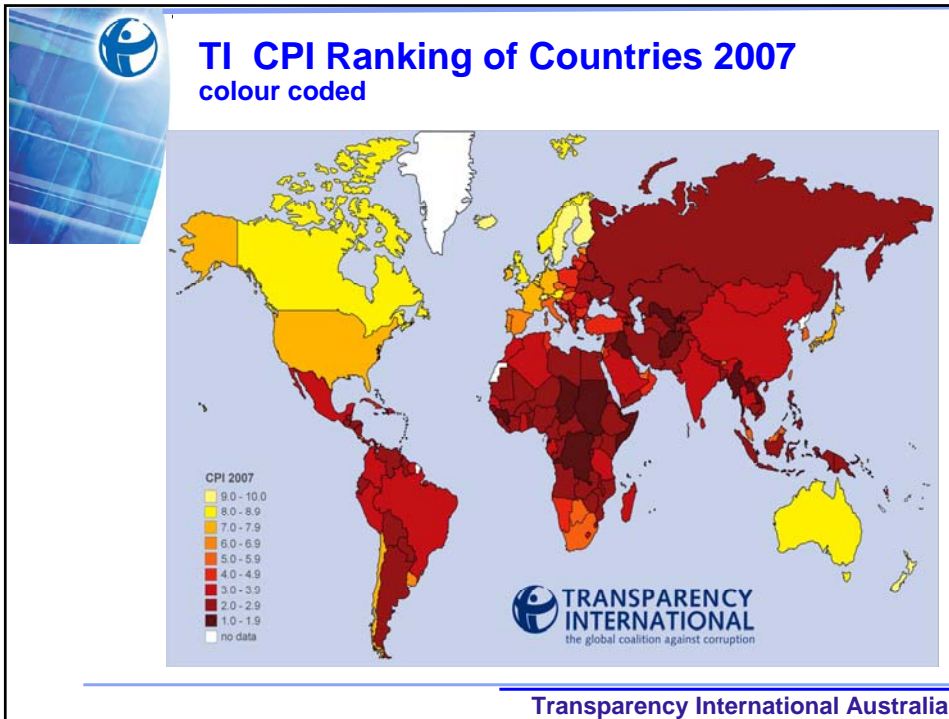


# TRANSPARENCY INTERNATIONAL

## WHO WE ARE AND WHAT WE DO (1):

- 90 CHAPTERS WORLDWIDE
- SEE [WWW.TRANSPARENCY.ORG](http://WWW.TRANSPARENCY.ORG)
- COUNTRY RATINGS/SURVEYS
- RELY ON MEDIA FOCUS
- WE DO NOT INVESTIGATE CASES

Transparency International Australia



**TRANSPARENCY INTERNATIONAL**

**WHO WE ARE AND WHAT WE DO (2):**

- **MONITOR ENFORCEMENT OF OECD CONVENTION**
- **PROVIDE SUPPORT FOR GLOBAL COMPACT 10<sup>TH</sup> PRINCIPLE – “BUSINESS AGAINST CORRUPTION” CAMPAIGN**
- **ADVOCATE A PROPER REVIEW MECHANISM FOR UNCAC**
- **BUSINESS PRINCIPLES FOR COUNTERING BRIBERY AND GUIDANCE (BPCB)**

Transparency International Australia



## **KEY FEATURES OF APEC BUSINESS CODES:**

- **AN IMPORTANT INITIATIVE OF APEC MEETING IN SYDNEY AFTER CONSIDERABLE TASK FORCE WORK CULMINATING IN SOM 3 RECOMMENDATIONS IN JULY 2007**
- **CAREFULLY HARMONISED WITH OTHER INTERNATIONAL PRINCIPLES SUCH AS ICCC & BPCB**
- **ENDORSED BY LEADERS AND MINISTERS IN RECOGNITION OF THE SEVERE DETRIMENT CAUSED BY CORRUPTION IN APEC COUNTRIES.**
- **MATCHED BY COMPLEMENTARY PRINCIPLES APPLYING TO THOSE IN BOTH PUBLIC AND PRIVATE SECTORS.**

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## **THE KEY CHALLENGE NOW:**

### **THE QUESTION:**

**HOW TO EFFECTIVELY IMPLEMENT  
THE PROVISIONS OF THE CODES  
AND PRINCIPLES?**

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## **PRIVATE SECTOR – SUPPLY SIDE**

**WHAT CAN BE ACHIEVED OF A PRACTICAL OR ENDURING NATURE BY PRIVATE ENTERPRISE?**

### **PRECONDITIONS**

- **COMPLEMENTARY ACTIONS ON BEHALF OF GOVERNMENT AND THE PUBLIC SECTOR IN THE RELEVANT COUNTRY TO SUPPORT THE EFFORT**
- **COLLECTIVE ACTION BY ENTERPRISES SO AS TO CONSTITUTE A “LEVEL PLAYING FIELD” AND AVOID THE DANGER OF CODE PARTICIPANTS BEING UNDERMINED OR DISCOURAGED.**

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## **EXAMPLES OF SOUND PRIVATE SECTOR ACTION**

- **ADOPTION OF INDUSTRY WIDE PRINCIPLES AND STANDARDS SUCH AS *BPCB* AND IN AUSTRALIA AS 8001-2008**
- **PRACTICAL GUIDANCE BEING PROVIDED AS TO HOW TO IMPLEMENT THESE PRINCIPLES AND STANDARDS, SUCH AS BY APPROPRIATE TRAINING COURSES**
- **FIRM LEADERSHIP – “TONE AT THE TOP” – ACTING TO DRIVE THE PROGRAMS THROUGH THEIR ENTERPRISE**

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## **BUSINESS PRINCIPLES FOR COUNTERING BRIBERY (BCBP)**

- **DEVELOPED AND ACTIVELY SUPPORTED OVER PREVIOUS 5 YEARS, WITH FIELD TESTING BY LEADING CORPORATIONS.**
- **CONTAINS A DETAILED AND PRACTICAL GUIDANCE DOCUMENT WITH SIX STEPS TO IMPLEMENT. THESE SPELL OUT BOTH THE ACTION REQUIRED AND THE BENEFITS.**
- **FOR SME'S, PARTICULARLY THOSE IN IMPORTANT SUPPLY CHAINS, A SIMPLER FOUR STEP PROGRAM HAS NOW BEEN RELEASED BY TI – NOTE ADVANTAGES.**

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## **PROCUREMENT AND CONSTRUCTION**

ANOTHER VALUABLE SYSTEM HAS BEEN DEVELOPED AND PUBLISHED BY TI – KNOWN AS  
“PROJECT ANTI-CORRUPTION SYSTEM” (PACS)

**PACS:**

CONTAINS TEN STANDARDS

- **COVERS THE FULL SEVEN PHASES OF CONSTRUCTION --FROM INITIAL PROJECT IDENTIFICATION TO MAINTENANCE**
- **CONTAINS USEFUL TRAINING MANUALS, TOOLKIT AND REPORTS**
- **IDENTIFIES PARTICULAR RISKS OF THE PROJECT**

**PACS HAS ALREADY BEEN UTILISED BY OFFICIALS IN VARIOUS COUNTRIES AND FOUND VALUABLE.**

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**THANK YOU**

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*Opportunities for Business to assist in reducing  
administrative corruption*

Symposium on Anti-Corruption  
and Administrative Reform

26 June 2008, Hanoi

Andrew Boname, RACA, ABA  
Rule of Law Initiative, Asia

This presentation does not necessarily reflect the views of the American Bar Association, the U.S. State Department or the U.S. Government.



## Perspectives

Most of us have views on whether the “supply” or “demand” side of the bribe equation is more to blame:

*“The payer is the one really responsible for the bribes.”  
(A prosecutor I know -- who may speak for many.)*

*“The private sector is working to reduce the payment of facilitating payments, but too little attention is being paid to demand-side bribery.” (Alexandra Wrage, TRACE, International)*

There is truth in both views. But probably not helpful.

## “5 Patterns” in Asian Corruption study published in 1986

(Dr. Ma. Concepcion P. Alfiler)

- A 2-year comparative study of bureaucratic corruption in 7 Asian countries identified emerging patterns relating to 5 issues.
- **3rd issue studied -- which side of the transaction was responsible initiating bribes, the giver or the receiver?**

**Conclusion: no clear pattern.**

3

## But 4 Patterns Were Found

1. **Bribery the most prevalent type of administrative corruption.**
2. **“Corrupt civil servants were those who had regular contact with clients and who had the discretion to resolve issues regarding the delivery of goods or services.”**

4

## 4 Corrupt Patterns (cont'd)

3. Amount of corruption money depended on the extent to which the corrupt act was prohibited and whether the activity was a major part of the client's business;
4. The risk involved in a corrupt act was related to the extent to which corrupt individuals were apprehended, prosecuted and penalized.

5

## Calculating Corruption

- In 1988 Robert Klitgaard refined some of these dynamics into formulaic descriptions:

**Corruption = Monopoly Power + Discretion - Accountability**

**Utility of Corruption = value of bribe – [the probability of being caught × punishment (including loss of salary/benefits) + moral satisfaction of not being corrupt]**

6



## UNCAC on Regulatory/ Administrative Procedure Reform

**UNCAC Art. 12 (2)(d): Measures to prevent corruption involving the private sector may include: “Preventing the misuse of procedures regulating private entities . . . .”**

7

## Can Prevent Reg/Admin Abuses

- **By altering administrative processes to:**
  - **Decrease discretion**
  - **Increase accountability**
- **Business can support these reforms by:**
  - 1) **Identifying abuses (points where discretion needs to be checked) and suggesting reforms**
  - 2) **Supporting accountability mechanisms**
  - 3) **Promoting political will for reform**

8

## Asking Business

- **In late 2005 Vietnam, through DANIDA's Business Sector Programme Support, surveyed 2,739 non-state SMEs about bribe payments they had made.**
- **One question was "How were you pressured to pay bribes?"**

9

## How officials press for bribes:

- **Intentionally prolong time (56 %)**
- **Unclear guidance followed by finding faults (45 %)**
- **Sticking to ambiguous regulations to put pressure on enterprises (39 %)**
- **Subjectively suggest to enterprises what to do (28 %)**
- **Provide scarce information to increase pressure (16 %)**

Quoted from presentation of Danish Embassy to Vietnam, reporting study.

10

## Responses provide keys to reforms

- **Each of the methods used to pressure businesses for bribes can be addressed through administrative reform.**
- **Such things as:**
  - **Administrative deadlines/accountability**
  - **Registry of legal requirements**
  - **Access to information**

11

## Businesses can provide specific reform proposals

- **Before job as the RACA, worked in Bosnia on a business climate reform project.**
- **Aimed to reduce time/cost for SME starts.**
- **Worked with businesses to review regulatory controls on business activity, and they proposed many for reforms.**

12



## Some Methods to Review Reg/Admin Framework

**“Regulatory Guillotine”, trademarked by Jacobs and Associates, uses business input as one of several filters, where all regulations are reviewed.**

**The “Standard Cost Model” calculates time and cost (by process mapping), and targets “critical constraints” seen as adversely affecting business. Lends itself to targeted percentage improvement.**

13

## Business supports accountability

- **By saying “No” to demands for bribes.**
- **Many companies have adopted anti-bribery codes of conduct (similar to the APEC ACT Code) or have otherwise made a policy that they will not pay bribes.**
- **Many of these policies extend to “facilitating payments,” which are a common form of administrative corruption.**

14

## **“Things Go Better with Code”**

**Announcing a Code of Conduct, prohibiting bribery and facilitation payments, tells government officials not to seek payments from you.**



**Publishing a Code of Conduct tells clients and investors that you play by the rules.**

**Coca-Cola’s Code is on the Internet in at least 15 languages.**

15

## **INTEL in HCMC**

- **Intel and the Saigon Hi-Tech Park (SHTP), where Intel was launching a chip manufacturing facility, “signed a memorandum of understanding (MoU) on business ethics and rules of conduct.”**
- **What is the value of this MOU?**

16



## Value of INTEL/SHTP MOU

- For Intel, it tells everyone in HCMC and Vietnam it will not pay bribes, and that it has the SHTP's commitment. This "increase[s] its competitiveness and the effectiveness of its business in Vietnam."
- For SHTP, "help[s] build a favorable and transparent investment environment in SHTP and increase[s] its competitive edge."

17

## How can Gov't support Biz here?

- Follow SHTP's example -- sign an agreement (or adopt policy) committing official side to "no bribes".
  - This is consistent with APEC ACT's Complementary Anti-Corruption Principles for the Public and Private Sectors.
- Value of **Synchronicity**  
**A pattern of bribery is a self-reinforcing cycle of expectation and action, involving the payer and the receiver.**  
**Gain impact if pursue admin/reg reforms at same time as pushing for official/business codes of conduct (with enforcement at both ends.)**

18

## Business also Supports Accountability through:

[www.bribeLine.org](http://www.bribeLine.org)

- **Anonymous on-line reporting of incidents where officials ask for bribes**
- **10 multiple choice questions, takes 3 minutes**
- **21 languages (or more)**
- **Provides opportunity to identify economy sector/context where bribe incident occurred**
- **Results will be reported by TRACE Int'l.**

19

## How Business creates Political Will for reducing Corruption

- **Competition between economies for a transparent, efficient business environment.**
- **Examples:**
  - CNN Economy ads
  - Intel/SHTP MOU
  - World Bank's "Doing Business" Reports

20

## Administrative Corruption:

- Promotes Inefficiency
- Adds to Cost (perhaps not by much)
- Increases Risk

21

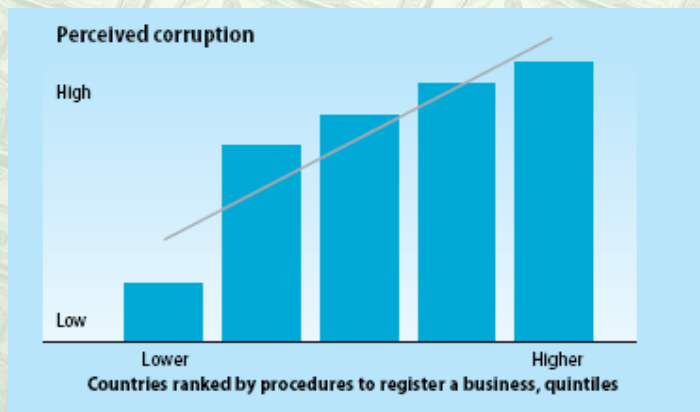
## The “Doing Business” Report:

- **Indirectly attacks corruption by challenging the costs it presents to business; focusing on competitiveness.**
- **Compares economies based on the time, steps and costs involved in various business actions that are regulated by gov’t. - registering, enforcing a contract, building a warehouse, etc.**
- **Identifies how reg/admin provisions affect competitiveness.**

22



## Shows Clear Relationship Between Perceived Corruption and Regulatory Environment



Taken from World Bank's 2007 *Doing Business* Report <sup>23</sup>

## Economies that seek to be competitive, will:

- Promote transparency.
- Seek to rationalize and streamline admin/reg requirements.
- Will find ways to make their time/step/cost factor lower than competitors.

24

## Benefits of Admin/Reg Reform:

Doing Business (2008) reports that in Uganda, “complex start-up regulations [created] more contact between entrepreneurs and public officials -- and more chances for bribery.

Women were seen as easy targets: 43% of female entrepreneurs reported harassment from government officials, while only 25% of all entrepreneurs did.

When reformers simplified business start-up, business registrations shot up. The increase in first-time business owners was 33% higher for women than men.”

Quoted from p. 5, 2008 *Doing Business*

## Some Regulatory Review Resources

- The World Bank’s “Doing Business” Site ([www.doingbusiness.org](http://www.doingbusiness.org))
- Jacobs and Associates, “Regulatory Guillotine”, ([www.regulatoryreform.com](http://www.regulatoryreform.com))
- The SCM (Standard Cost Model) Network ([www.administrative-burdens.com](http://www.administrative-burdens.com))

26

# **FIGHTING AGAINST CORRUPTION TO IMPROVE BUSINESS ENVIRONMENT IN VIETNAM**

*A presentation by  
Vietnam Chamber of Commerce and Industry (VCCI)  
At the International Symposium “Anti-corruption and Administrative Reform”*

## **1. Corruption is popular and one of obstacles to a transparent and sound business environment**

Like in many other developing countries, in Vietnam the business community are facing up with difficulties due to corruption. To understand clearly characteristics of corruption in Vietnam’s context (which usually has various names such as unofficial costs, “lubricant costs”, “undertable costs”, commission, etc..), it is necessary to take many other factors such as socio-economic characteristics, outdateness of the motivation mechanism in the State apparatus, the bulkiness of State management system...into consideration.

Surveys in private enterprises carried out by VCCI in recent years indicate that the payment of costs outside State regulations in daily business activities is relatively popular. However, it is noticeable that many enterprises do not consider it the biggest difficulty or obstacle in their business activities.

For example, results of surveys show that it is a rather common thing that enterprises have to pay unofficial costs. According to the surveys, up to 68,25% people’s enterprises agreed that “enterprises in my sector often have to pay unofficial costs”; 56,54% enterprises also think that other enterprises doing the same business have to pay “commissions” to obtain a contract from state agencies.

However, in answering the question what is the biggest difficulty in business activities in provinces, enterprises think that negative behaviors or corruption is not listed among 10 biggest difficulties that enterprises have to face up with. Instead, 37,72% enterprises (out of 6.700 surveyed ones) think that biggest difficulty is capital issues, 24,43% think that it is issues relating land and business premises, 16,85% think that it is human resource issues, and 16,45% assess that it is infrastructure.

Rather popular unofficial costs are paid by private enterprises in order to solve problems in capital and land access, business premises and other administrative procedures (such as licensing, approval)... In an

optimistic point of view, corruption in Vietnam can be much restrained when the Government take measures to reform administration successfully in the direction of enhancing transparency, more clearly defining responsibilities of individuals and apparatus, convenience and promptness in procedures...

Researches of VCII in the past years also indicate this trend. Unofficial cost index (component of Provincial Competitiveness Index - PCI) always tends to increase parallel with Time cost Index and Market accession Cost<sup>1</sup>. The percentage of enterprises answering about popularity and rate of unofficial costs in business activities of enterprises... reduce evenly in a positive way year by year.

## **2. Measures to fight against corruption effectively**

Certainly, just like many other countries, some especially effective anticorruption measures need to be emphasized in Vietnam, such as: reducing unnecessary management regulations, restraining overlap and opportunities of interpreting the regulations in different ways of public officials; strengthening capacity to enforce laws (including both executive and judicial agencies); gradually improving monetary system in order to reduce the use of cash in transactions; increasing level and speed of equitization; strengthening corporate governance capacity; enhancing transparency in public tendering; renovating financial mechanism to increase income for cadres and public officials; better strengthening administration reform (procedure simplification, cadre and public official streamlining, focal point reduction), enhancing role of mass media...

### ***2.1. Focus on some essential anticorruption measures***

Some essential anticorruption contents and measures need emphasizing and broadening the scope of application because these are meaningful factors in anticorruption works, especially in such countries as Vietnam, specifically:

Enhancing transparency: From effectiveness perspective, transparency makes up a foundation to deter and detect corruption. From reality perspective, it is very feasible and easy to make things transparency. Therefore, transparency needs to be emphasized as a measure in all anticorruption activities. Scope of transparency need to be broadened to all fields from general operation (socio-economics), State management, law enforcement to administrative procedures and public service...It is shown

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<sup>1</sup> Please log in the website: [www.pcivietnam.org](http://www.pcivietnam.org) for results of annual enterprise surveys PCI of VCCI and VNCI.

that transparency in Vietnam in recent time is the foundation to detect and handle corruption effectively.

Enhancing oversight: overlooking is a very good tool to timely detect corruption, deter corruption attempts and strengthen the handling of corruption. In order to reach highest effectiveness, overlooking needs to be emphasized as a compulsory measure for all operation activities as well as other activities of State agencies, cadres and public officials; oversight needs to be carried out periodically, frequently with the participation of different subjects, especially private sector (oversight each other among State agencies, oversight by civil objects, oversight objects under effect...). In reality, in Vietnam, the participation of civil subjects such as press, citizens, associations in oversight activities in the past time has made some certain achievements, creating a wide social awareness of anticorruption works.

## ***2.2. Role of private sector in anti-corruption***

It is necessary to emphasize role of private sector from both two perspectives: from the perspective of *outside subjects* participating in the anticorruption process and from the perspective of specific *objects* of supporting anticorruption measures.

*a) from the perspective of outside subjects participating in the anticorruption process: It is necessary to emphasize critical role of private sector*

Private sector can implement socio-critical function, contributing to anticorruption efforts through specific actions:

- (i) Private sector takes part in criticizing State policies, laws will contribute to detect, restrain effectively less transparent, complicated, corruption-prone policies;
- (ii) Private sector takes part in criticizing law enforcement process of State agencies will contribute to oversight, detect and handle corruption.

In reality, in Vietnam, the participation of private sector in criticizing State economic policies and laws in recent time has restrained effectively troublesome administrative procedures which facilitate corruption to occur (for example criticizing the formulation of Law on Investment, Law on Enterprises, reviewing business conditions, recommending abandoning inappropriate licenses)



Therefore, it is necessary to take measures to strengthen critical capacity of private sector and attract participation of this sector in policy and law making process.

b). *From the perspective of specific objects of anticorruption measures: Add supporting anticorruption measures with the objective of shifting part of current State functions and competence to private sector (especially activities relating public service)*

Broadening the entities exercising current State functions and competence (public powers) can contribute to fight against corruption at least because of following reasons:

- (i) One of conditions of corruption is that public officials abuse their functions, competence for undue benefits. The reduction of their competence (accompanied by reduction of their public powers) may lead to the reduction of corruption.
- (ii) When exercising public powers, civil entities(through such official institutions as Associations, and other civil organizations) will have fewer opportunities to corrupt because they are monitored by many mechanisms, for example, State oversight (as the subject of attorney), oversight by other civil subjects (as “competitive opponents) in the exercise of public powers; oversight by society (as “clients” of public service)
- (iii) Civil entities with smaller and simpler structure can avoid complicated systematic errors which has been existing a long time in awareness and operation way of current State apparatus. “Errors” can lead to corruption in activities relating public powers of these entities, and it is also easier to handle (for example, forcing to change mechanisms or shift to other subjects);
- (iv) This activity harmonizes with the trend to broaden scope of civil society, restrain State intervention into core issues of the existence of communities and is one of focuses of administration reform.

In order to obtain this objective, at least some following supporting measures need to be taken synchronously in a suitable way:

- (i) Assist civil entities (first known as non-profit organizations, associations) to strengthen capacity to be in charge partly or wholly of a public power (capacity building);
- (ii) Assist to raise social awareness of role of civil entities in the exercise of public powers (awareness building);
- (iii) Gradually shift public powers (public service first) from the State to civil entities (power shifting); gradually shift public investment areas to private investment ones.

VCCI thinks that this approach may bring about effectiveness in anti-corruption, especially in those countries just shifted from the economy model of centrally planning and subsidy to a market one with too much emphasis on the State's role in the society and the economy.

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## **Accountability and transparency in the public and private sector – some experiences from Sweden**

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**International Symposium « Anti-Corruption  
and Administrative Reform », 25-26 June  
2008**

Molly Lien  
Embassy of Sweden

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### **2. Public administration reform and the private sector**

- The Swedish experience
    - Historic development of going towards a less corrupt society
    - Sweden's anti-corruption work today
    - The Business community
    - Code of conducts
-

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### 3. Sweden - from corrupt to less corruption

- From a historic perspective
    - Nepotism and corruption in the 18th century
    - civil servants – ill educated and un-professional
    - Reforms and change in 1855 - 1875
  
  - Major reforms => environment less conducive for corruption
- 

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### 4. Sweden's anti-corruption work today

- A continuous work at many levels
    - International conventions
    - In the business community
    - Transparency and openness – civil society and the media
  
  - “Swedish corruption”
    - Swedish exports
    - SOEs
-

## **5. Recent Public Sector Reform in Sweden**

- ❑ In the 1980s and 1990s
- ❑ Decentralisation
- ❑ Management by Results
- ❑ Reduced red-tape
- ❑ Empowerment of employees
- ❑ Competition and the markets

## **6. Approaching transparency and integrity in the Swedish business sector**

- Anti-corruption within the business community
  - ❑ Self-interest
  - ❑ The importance of brand name
  
- Code of conduct, a guideline
  - ❑ The Swedish institute against bribes
  - ❑ The scope, aim and content of a code of conduct

## 7. IKEA, a concrete example

- IKEA, a "*clean business concept*"
  - Corruption bad for business
  - Code of conducts
  - Trust, honesty and zero tolerance
- Activities
  - Training, integrating the concept
  - Booklets
  - Reviews and follow-ups
- Grey-zones, practical guidelines
  - Gifts
  - Suppliers

## 8. ABB, a concrete example

- Code of conduct
  - Business ethics as an integral part of doing business
  - Avoid conflicts of interest
  - Transparency
  - Training
  - Whistleblowers
  - Gifts and bribes
  - Employess responsibility to comply

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## **Final words**

- The importance of an holistic approach
    - The interlink between PAR and the private sector
    - Private sector part of the solution
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## **Improving the Regulatory Environment in Vietnam:**

### **The Role of Private Sector in Administration Reform and Anti-Corruption**

International Symposium “Anti-Corruption and Administrative Reform”  
June 25 - 26, 2008

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### **Administration Reform and Anti-Corruption through dimensions of:**

- Transparency, Accountability
- Public Consultation
- Quality Control, Performance-based Assessment

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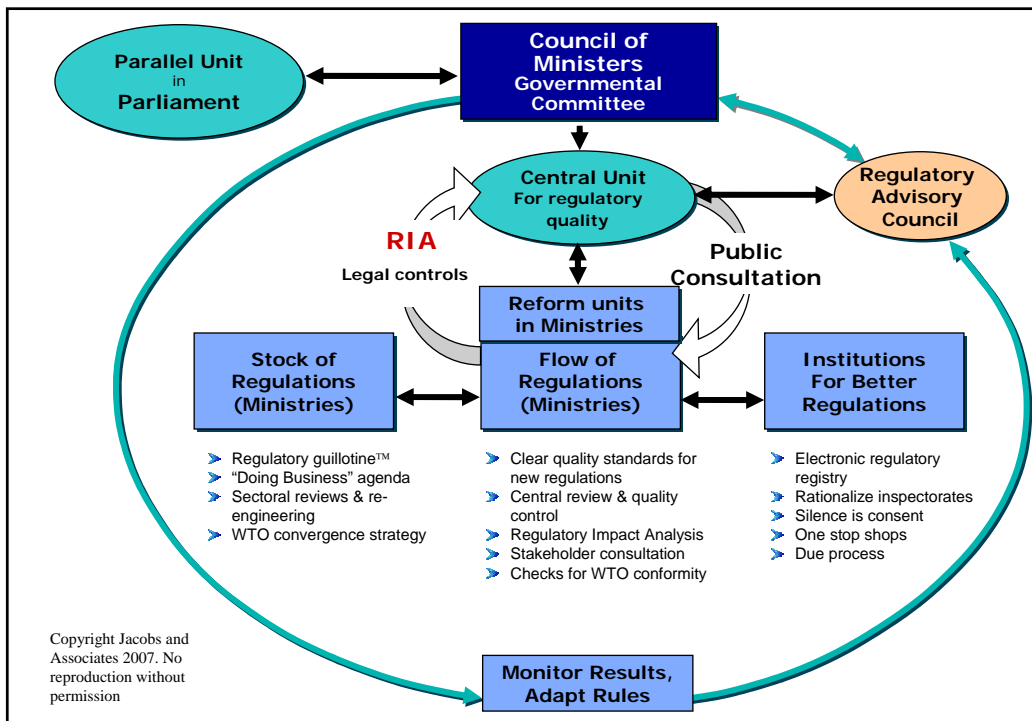


## Four Main Regulatory Reform Tasks

Picture the regulatory system as a swimming pool

To create a healthy, clean pool for businesses and citizen, you must:

- **Clean** the water in the pool (the regulatory stock)
- **Filter** new water coming into the pool (the regulatory flow)
- **Maintain** the pool infrastructure (institutions)
- **Ensure that someone is responsible** for keeping the pool clean (regulatory quality control)



## First Initiative: “Cleaning stock” process

### Project 30: An Innovative Reform with the “Regulatory Guillotine” Approach

- ✓ **Political Leadership:** Active political commitment by Prime Minister and government with new structure and process for reform
- ✓ **New Structure and Processes:**
  - ❑ A new independent Special Task Force to manage the reform and conduct independent reviews and recommendations to government
  - ❑ An Advisory Council with active public-private participation and advice
  - ❑ Extensive mass communications and outreach to business and civil society groups
- ✓ **Rapid Regulatory Review With Results:** Designed to rapidly count and review a large number of existing regulations against simple filters:
  - ❑ Is it legal?
  - ❑ Is it needed?
  - ❑ Is it business or citizen friendly?
- ✓ **Transparency:** Internet- based software for public participation and input; electronic database contains inventory of administrative procedures.
- ✓ **Results:**
  - ❑ Will eliminate regulations not needed and simplify regulations that are too complex; It will reduce the burden to businesses and citizen and reduce change for corruption.
  - ❑ Will sustain and build momentum for continuous process of improving regulatory quality.

| 5

## Expected benefits from Project 30 (based on results from other countries)

- Administrative Reform:**
  - ✓ Estimated 40% cut in red tape = VND 13,000 billion to 30,000 billion (\$820 million to \$1.9 billion) per year cost savings in regulatory compliance for businesses and citizen.
  - ✓ Reducing “implementation gaps” of WTO and BTA through better regulation
- Anti-Corruption:**
  - ✓ Greater systemic transparency in relations with business sector and citizens, easier to comply with.
  - ✓ Vietnam’s first unified database of all administrative procedures at the central level
- Economic Growth and Sustainable Development:**
  - ✓ Compliance with WTO principles
  - ✓ Stimulate investment and productivity gains across the economy by reducing costs and risks for all businesses
  - ✓ Improve competitiveness in the WTO economy
  - ✓ Help meet the economic commitments of the 5 year plan for jobs
  - ✓ Protect consumers, the environment, and the public interest

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## Benefits of the reform: Who gets what ?

### Business, Consumers, Citizen

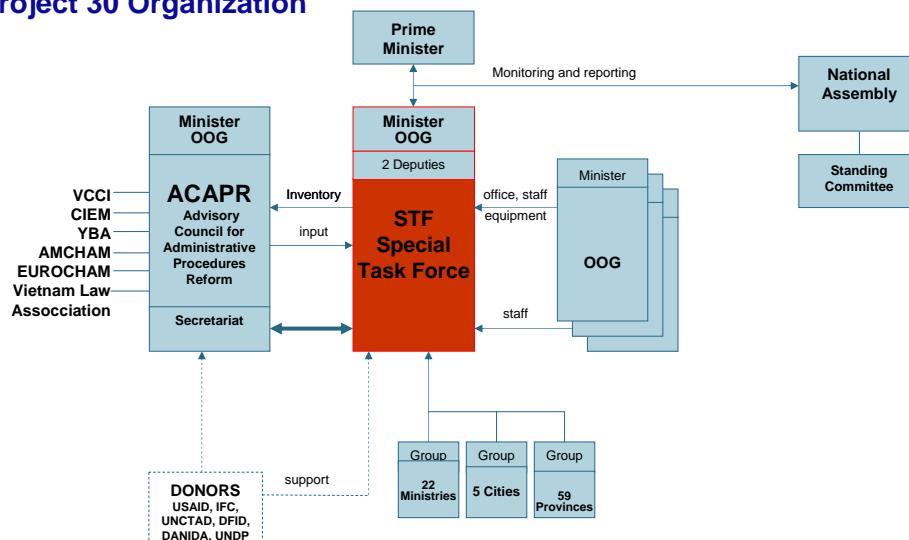
- More efficient, less costly, and faster compliance with administrative procedures
- Safer and more predictable business environment and legal system
- Platform for active engagement in the creation of the regulatory framework
- Higher FDI and domestic investment

**PROJECT 30**

### Government

- Clearer and simpler procedures reduce space for corruption
- International recognition in implementing reforms and reformers (e.g. ranking in WEF, DB)
- Build better capacity for governance
- Create trust between private and public sector
- Strengthen inter-ministerial cooperation, professionalism and ethical standards of State administration
- Protect citizens and environment

## Project 30 Organization



## How can the private sector participate in Project 30?



9

## How can the private sector participate in Project 30? (Continue)

### Indirect participation through 15 members of ACAPR and working groups:

- ✓ International representatives such as Amcham and Eurocham participate in ACAPR to represent foreign investment interests
- ✓ Mobilize membership to participate in Working Groups with co-chair from Vietnamese and foreign counterpart to check inventory of regulators and provide input through Form 3s
- ✓ Sponsor workshops, events, promotional activities, etc. for Project 30

### Direct participation by Individual Companies, Citizen:

- ✓ Fill in Form 3s for individual enterprise and citizen's input via internet to STF
- ✓ Sponsor Project 30 events, promotional activities, media campaigns, etc.
- ✓ Provide your expertise (legal, customs, tax, industry specific, etc.) to Working Groups

10

## What are tasks for ACAPR and its members?

### Promoting, monitoring and reporting

- 1 Communicating the reform goals to business & civil community
- 2 Strategic consulting and guidance for Project 30



### Reviewing and proposing solutions

- 3 Collection of ACAPR and its members' reviews (Form 3)
- 4 Organized review of priority business and citizen issues by Working Groups



## Second Initiative: RIA as the “Filter” for new flow of regulation

### What legal qualities are needed in Vietnam in the next 20 years ?

Quality of the legal system	Relevant components of new Law on Laws
Security	<ul style="list-style-type: none"> <li>▪Codification</li> <li>▪Speeding up conforming changes</li> </ul>
Transparency	<ul style="list-style-type: none"> <li>▪Public consultation</li> <li>▪Explaining responses to public comments</li> </ul>
Efficiency (achieves policy goals at lowest cost)	<ul style="list-style-type: none"> <li>▪Pre-RIA in annual program</li> <li>▪RIA in drafting process</li> </ul>

### Effects of RIA: “Lower cost, better regulations”

- ✓ Corrects mistakes before laws are adopted
- ✓ Reduces costs of regulations for businesses and consumers
- ✓ Increases benefits of regulation in higher protections
- ✓ Increases confidence and trust in government action, and so reduces regulatory risk
- ✓ Increases participation by civil society

### How can the private sector raise their opinions during policy-making process?

**The revised Law on Promulgation Legal Normative Documents regulated that:**

- In Article 23, it said that on the annual proposed Legislative Program, **the preliminary report on impact assessment of the document** should be attached with each law/ ordinance.
- In the Article 37, it said that on the dossier of the draft law/ordinance for submission to the Government must have the detailed explanatory document of the draft law/ordinance/resolutions **and** the report on impacts of the draft
- In the Article 35 about Gathering opinions on draft laws/ordinances/resolutions, it regulated that: the agency or organization taking lead in the drafting process is **responsible to get comments relevant agencies/organizations, and those directly impacted by the document**; posting up the whole draft laws/ordinances/resolutions on the website of the Government or the website of the agency for **at least 60 days** so that agencies, organizations, individuals may make comments on the drafts. **Comments may be obtained directly or indirectly by sending the drafts and requesting for comments, or through conferences, or via the Government’s website or the website of the agency taking lead in the drafting process or via mass media.**

## Conclusion

**Project 30 and RIA are two key innovative reforms of the Government of Vietnam which ensure:**

- High transparency through whole project implementation process
- Effective mechanism for public consultation ( ACAPR, internet-based software for public consultation and input)
- Proper quality control and monitoring system of the reform ( RIA as the legal control base, ACAPR, National Assembly, internal quality control of STF)
- Business and Citizen can participate directly ( internet, mail..) or indirectly ( through members of ACAPR) to two above initiatives.

# Thank you !

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