

WELCOMING REMARKS BY A/P HO PENG KEE, SENIOR MINISTER OF STATE FOR LAW & HOME AFFAIRS, AT THE ADB-OECD ANTI-CORRUPTION INITIATIVE FOR ASIA AND THE PACIFIC 6TH REGIONAL ANTI-CORRUPTION CONFERENCE FOR ASIA AND THE PACIFIC 26 – 28 NOVEMBER 2008 SINGAPORE “FIGHTING CORRUPTION IN ASIA-PACIFIC : STRATEGIES FOR BUSINESS, GOVERNMENT AND CIVIL SOCIETY” ON 26 NOVEMBER 2008 AT 9AM

Mr Lawrence Greenwood, Vice President (Operations 2), Asian Development Bank,
Mr. Mario Amano, Deputy Secretary General of the OECD,
Distinguished guests,
Ladies and gentlemen

I am happy that Singapore is organizing this ADB-OECD Regional Anti-Corruption Conference for Asia-Pacific for the first time. I understand that there are participants and speakers from more than 50 countries and international organizations. Let me first extend a very warm welcome to all our overseas participants to Singapore.

2 We are living in an increasingly interconnected global world. The financial crisis of 2008 began with, what to most of us, was an event in the U.S. that had little relevance to us. I am referring to the U.S. sub-prime mortgage crisis. Within a year the crisis had escalated to a colossal global financial meltdown requiring government interventions in financial sectors all over the world. The financial crisis is the perfect illustration of how corporate governance in the private sector can lead to events that have wide social and economic impact. This brings me to the theme for today's conference - "Fighting Corruption in Asia-Pacific: Strategies for Business, Government and Civil Society".

3 In many countries, anti-corruption efforts have always focused on the public sector as it affects how a country is governed and how its public services are administered – these of course have a direct impact on the development of the country. However, increasingly, the lines between the public and private sectors are no longer clear. With outsourcing, functions previously undertaken by public agencies may, today, be undertaken by private companies. This may include essential services such as provision of utilities, healthcare, transport or even security. The public would also have

interest in how private entities are run as some of these are publicly-listed companies with members of the public as shareholders. The activities of private companies today provide the engine of growth and they have a significant impact on the lives of individuals. Private Sector activities in many instances, are not really 'private'. Therefore, efforts in good governance and anti-corruption must go beyond the public sector to reach the private sector as activities of the private sector are not isolated unto themselves but have an increasing impact on the man-in-the-street. There are two main approaches to this – through systemic structures to be put in place by government and secondly, through internal controls to be put in place within the private sector. I would now like to share with you Singapore's efforts on the above, starting with government-led systemic structures.

GOVERNMENT-LED STRUCTURES

4 In Singapore, we put a lot of emphasis on administrative efficiency. Processes which are streamlined and efficient would ensure better services for the public. They also reduce the opportunities for corruption and abuse. If government services take a long time to deliver and require multiple processes and steps, then the likelihood of corruption and malpractice will multiply. In this regard, the Singapore government has implemented electronic services to deal with many government transactions. Through such services, members of the public can search and access government information as well as conduct a wide range of transactions. These include the application of licenses and permits, making of reports, and filing of tax returns.

5 There is also an on-line business license service whereby businesses that require multiple licenses need not send separate applications to different departments. Using an on-line system, the applicant would just need to file a single application which will be routed to different government departments for the issue of different licenses. Such electronic processes have cut down processing time drastically and reduced the need for the public to deal with officers from multiple government departments. A benefit of this arrangement is that opportunities for corruption and abuse can be reduced.

6 The government also aims to engage the public in a continual process to improve the system, for example, the public is invited to provide feedback under the “Cut Red Tape” and “Cut Waste” movement. The business community is also consulted through the Pro Enterprise Panel on how the government can be more business-friendly. By having these links, the public can tell the government directly what are the problems which need fixing and even possible solutions, what measures can enhance quality of service to the public, and also reduce likelihood of abuse.

7 To improve transparency, the Singapore Government has an electronic portal to allow private sector entities to bid to supply goods and services to the government. Today, all government procurement is done through the internet. The procurement specifications are posted on the internet for all to see, including international businesses who wish to take part. This ensures transparency and reduces opportunities for corruption and abuse in public-private sector transactions.

INTERNAL CONTROL MEASURES

8 I will now move on to internal control measures. In 2004, the Accounting and Corporate Regulatory Authority was formed to ensure that companies, businesses and auditors observe relevant standards and comply with legal requirements. The Authority works with government agencies and professional bodies to maintain high auditing standards and helps companies adopt good disclosure and corporate governance practices. The private sector was also actively involved in the process of setting the prescribed accounting and governance standards through the Accounting Standards Council formed in 2007 and the Council of Corporate Disclosure and Governance, formed in 2002.

9 Internal controls and governance in private companies is essential if the private sector is to run smoothly and without problems. Governance and controls must go beyond mere rhetoric. Companies must implement concrete measures to ensure good governance and controls. This is the only way for companies to sustain and thrive; otherwise, when the going gets tough, they will just fold over and collapse. Corporate governance cannot

be taken for granted. The primary responsibility rests with the companies themselves, backed by an appropriate level of interaction with government agencies. In this current climate of the financial crisis, it is even more important that adequate attention is paid to such issues.

WORKING TOGETHER

10 From what I have mentioned, it can thus be seen that anti-corruption agencies cannot act alone. Anti-corruption has to be a whole-of-government effort involving the improvement of administrative processes within the public sector as well as improvement of corporate governance standards within the private sector. Both public and private sectors have key contributing roles to play. It is therefore important for anti-corruption agencies to partner external parties in their anticorruption efforts. The prevention of corruption in the private sector requires more than investigative and outreach efforts from anti-corruption agencies. The commitment of the stakeholders has to be secured – private entities would have to be engaged to implement a system of good governance from within. This entails putting in place a framework of systemic processes incorporating checks and balances that guide behavior in the organization. A well designed self-regulatory corporate governance framework would reduce the possibility of improper or criminal behavior. More importantly, just as the public service has built up its ethos and core values, a culture of ethical values must be cultivated in the private sector.

11 Anti-corruption agencies must therefore reach out to this sector by understanding corporate practices and fostering close working relationships. I am pleased to note that this Conference includes workshops on corporate governance, private sector corruption and conflict of interest. These will provide insights on the work to be undertaken in the private sector. In this regard, this Conference provides a useful platform for dialogue with other stakeholders such as businesses, civil society and international organizations.

12 The past few years have seen an increase in international platforms centering on anti-corruption. Since the coming into force of the United Nations Convention Against

Corruption, a number of Conferences of the State Parties and related working group meetings have been held. There are also various international meetings held to facilitate discussions between anti-corruption agencies. These include meetings to discuss follow-up action for the MOU between anti-corruption agencies of ASEAN member countries and meetings under the International Association of Anti-Corruption Authorities, to name a few.

13 I am happy to note that this conference seeks to work with the various platforms by exploring how international and regional initiatives can play a part in raising awareness and commitment to fight corruption in the region. As chair of the APEC Anti-Corruption Task Force for 2009, Singapore is committed to contributing to this process of dialogue and cooperation. Singapore has also been an active member of this ADB-OECD Anti-Corruption Initiative since 2001, where we continue to play an active part.

14 I note that, our Corrupt Practices Investigation Bureau or CPIB has devoted enormous resources alongside the ADB-OECD Secretariat to put together the programme and administrative arrangements. I am also told that CPIB has been receiving increasing numbers of requests for study and training visits and that our Civil Service College has also organized many courses on governance and anti corruption. All these programmes will contribute to the exchange of ideas and knowledge on anti corruption at the international level.

15 At this conference, are gathered a wide array of experts and professionals, from government agencies, international organizations, civil society and private sector, linked by a common interest to fight corruption. I urge everyone to use the opportunity to enhance your networks and share your experience and expertise. I am sure that the interaction will energise you and spur you further on in your anticorruption efforts.

16 On this note, I wish you all the best for a successful Conference.
