

## Opening Remarks for Business Integrity Meeting

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*by Diana Torres*  
*Manager, Fair Business Environment in ASEAN*

Government delegates, representatives of private sector and civil society organizations and distinguished guests,

On Behalf of UNDP, it is my pleasure to welcome you today to this Business Integrity meeting, jointly co- organized by UNDP and OECD in the context of the Regional Conference on PREVENTING AND COMBATING CORRUPTION IN INFRASTRUCTURE PROJECTS IN ASIA-PACIFIC.

It has been emphasized by the previous speakers, the evident link between infrastructure development and economic growth in a dynamic region like Asia and the Pacific.

I don't want to repeat what has been already said but rather to call your attention on the negative impact of corruption in financing the SDGs and those goals that required major infrastructure development in this region.

According to estimates from the Global Infrastructure Hub, about 97.5 trillion dollars are required to meet the SDGs by 2030.

These investments are likely to fall short by as much as 18 trillion Dollar and an additional 30% loss is expected to happen due to **mismanagement and inefficiency**.

This means that by 2030, unless effective anti-corruption measures are introduced and rolled out, we are talking of about 6 trillion dollars that could be lost annually to corruption, mismanagement and inefficiency.<sup>1</sup>

If we look at ASEAN countries and the ambitious regional **integration agenda**, it **highly** depends on an increased provision of infrastructure and public goods<sup>2</sup>. However, poor governance, lack of transparency and corruption can undermine any efforts in this direction by leading to weak procurement processes, increased operational costs, poor project delivery and the selection of un-qualified contractors.

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<sup>1</sup> CoST Infrastructure Transparency Initiative; <http://infrastructuretransparency.org/why-cost/>

<sup>2</sup> ASEAN Vision 2040: Towards a Bolder and Stronger ASEAN Community, ERIA, 2019; [http://www.eria.org/uploads/media/0.AV2040\\_VOL1.pdf](http://www.eria.org/uploads/media/0.AV2040_VOL1.pdf)

In UNDP, we have been working with governments, civil society and private sector over the last two decades to identify major drivers of corruption and to increase institutional capacities to tackle them.

Currently, in collaboration with the UK Government, UNDP is implementing the regional project "Promoting a Fair Business Environment in ASEAN", launched in 2018 to promote a transparent and level playing field for businesses in the region and to better equipped the ASEAN markets to achieve the SDGs.

Through the Fair Business Environment project, UNDP promotes evidence-based policy reform, collective action, innovation, the new use of new tech and cross-country collaboration between businesses and governments who seek to cultivate a culture of transparency and integrity.

We work around four pillars: 1. open and transparent public procurement; 2. business integrity and good corporate governance, 3. anti-corruption laws and policies and 4. judicial integrity.

UNDP's efforts in the field have produced significant results across 6 Countries.

For example, **Thailand's public procurement law**, developed with UNDP's technical inputs and effective since 2017, provides a model for multi-stakeholder engagement. It requires civil society monitoring through 'Integrity Pacts' for public contracts over 30.5 million dollars

UNDP is also cooperating with CoST the Infrastructure Transparency Initiative, on data transparency and social accountability, via multi-stakeholder monitoring of infrastructure projects in Thailand and Indonesia.

In Viet Nam, UNDP is working with the Viet Nam Chamber of Commerce and Industry (VCCI) and business associations to facilitate public-private sector dialogue, helping businesses comply with the new Anti- Corruption law and international standards.

Today's meeting is an important component of our regional program. At the regional level, UNDP leverages its convening role and fosters collaboration with other regional actors such as OECD and ADB but also, we play a significant role in facilitating south-south exchange to identify common trends and opportunities for change.

I am confident that Today's meeting will shed some light on:

the existing challenges in region when it comes to corruption in infrastructure development;

on the good practices and tools that are being used in different countries and;

hopefully by the end of today we can agree on concrete steps to strengthen our collaboration to improve the business environment in the region based on the principles of transparency, integrity and anti-corruption.

I will now conclude my remarks by wishing you a fruitful and meaningful discussion.

Thank you.