



FAIRBIZ

# PRIVATE SECTOR ADVISORY GROUP



PROMOTING A FAIR BUSINESS ENVIRONMENT IN ASEAN

Summary of Second and Third Meetings | March and April 2020

# BACKGROUND

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The ASEAN Economic Community is the 7th largest economy with a combined Gross Domestic Product of US\$2.6 Trillion which is projected to grow 3-8 percent over the next four years. The region is attractive for investments due to the economic growth, the growing middle/consumer class, and the existence of sectors with remarkable prospects.

At the same time, as emerging economies, the business environment in the region is still maturing. Corruption issues and poor governance feature as major concerns for businesses operating in the region as well as for citizens. According to the 2017 ASEAN Business Outlook Survey conducted by the U.S. Chamber of Commerce, most businesses in the region (65 percent) listed corruption, unfair and inefficient law enforcement practices as serious challenges to doing business in ASEAN countries.

At the international level, the importance of strengthening partnerships between governments and the private sector to improve global governance and the rule of law has been widely acknowledged. The 2030 Agenda for Sustainable Development, particularly its Goal 16 on Peace, Justice and Strong Institutions, highlights the importance of building effective, transparent and accountable institutions in both the public and private sectors and providing

effective access to justice in the event of disputes. Furthermore, both governments and the private sector are jointly responsible for minimizing the negative impacts of corruption in achieving sustainable development.

In this context, companies (large and small) need to take incremental steps to mainstream good governance practices within their overall business strategies and operations, and thus become responsible partners in achieving the SDGs. Fair business practices not only promote the values of fairness, inclusiveness, transparency and accountability while contributing to the principle of “leaving no one behind”, they also create opportunities for the private sector to grow as competitive players in new markets.

As part of this agenda, the multi-year project “Promoting a fair business environment in ASEAN”, managed by UNDP Bangkok Regional Hub in cooperation with the UK Government, aims to promote open, transparent and predictable business environments by working with both governments and the private sector, focusing on six target countries in ASEAN: Indonesia, Malaysia, Myanmar, the Philippines, Thailand and Viet Nam.

## THE PRIVATE SECTOR ADVISORY GROUP (PSAG)

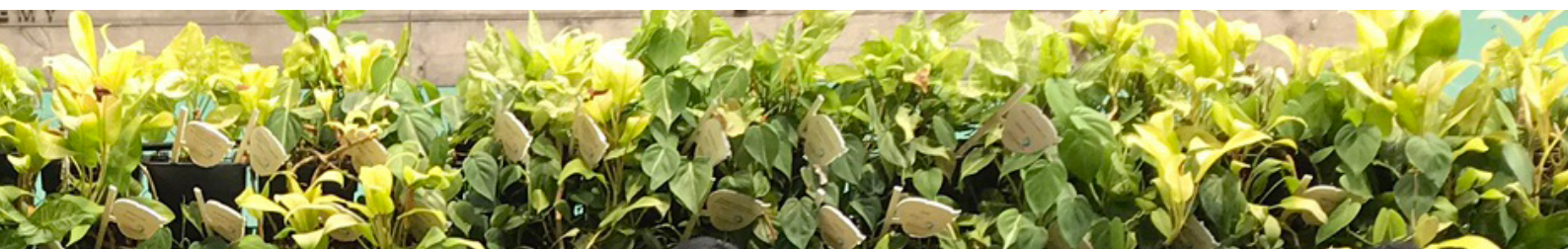
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The PSAG was set up in early 2019, and the inaugural meeting took place in April 2019. At its second and third meetings which are the subject of this report, it was agreed to update the original Terms of Reference. Here are excerpts from the updated terms of Reference:

The members of PSAG are influential experts in their industries, coming from the private sector, investment community, think tanks and governments, in ASEAN countries and beyond. The members serve on the PSAG primarily in their personal capacity, as independent experts, rather than as representatives of their organizations.

Each member guides the work of FairBiz on business integrity and responsible business conduct with the ultimate aim of bringing the Sustainable Development Goals (SDGs), in particular SDG 16 (Peace, Justice and Strong Institutions), to the ASEAN region and to individual ASEAN countries. In order to achieve this, the PSAG members help the FairBiz team to engage with the business and investment communities, and to build bridges between the public and private sectors in the fight against corruption.

This report covers the second and third online meetings of the PSAG, held on 3rd March and 7th April 2020.



# HIGHLIGHTS OF THE DISCUSSION

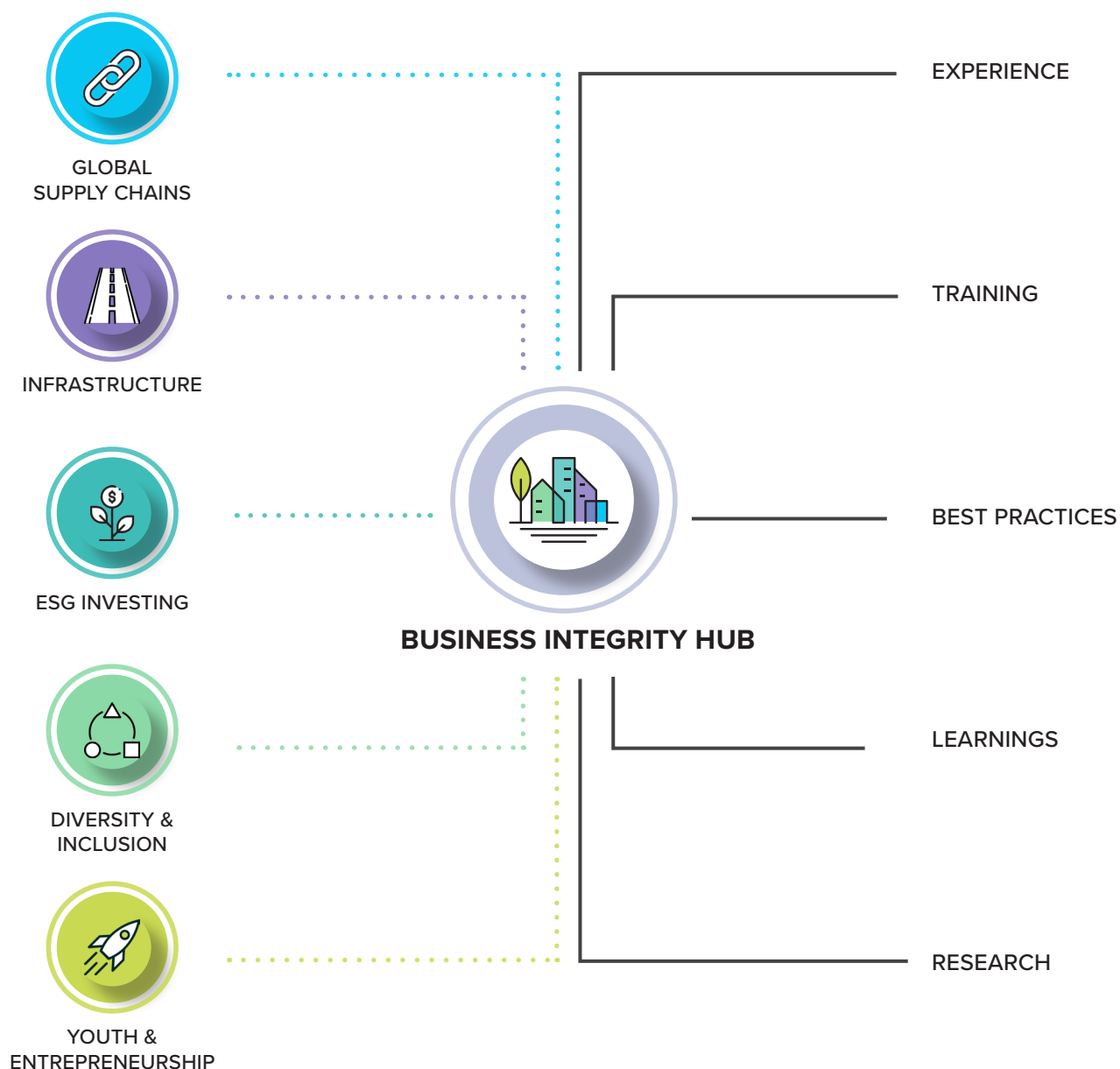
## Second Meeting: 3 March 2020

Since the previous meeting in April 2019, nearly a year had gone by. In October 2019, Brook Horowitz, a member of the PSAG, was appointed as Senior Business Integrity Advisor to the Fair Biz programme. One of his duties was to act as secretary to the PSAG. Through October till March, he consulted with each of the PSAG members to contribute to a longer-term strategy, to encompass the third year of the programme and beyond.

The key recommendations of the strategy report were presented to PSAG members at this online meeting 2 (the meeting coincided with the early stages of the COVID-19 crisis). The strategy report covered an analysis of the country and regional needs in receiving the kind of interventions offered

by UNDP in the area of business integrity, a review of the Fair Biz project's progress in delivering Business Integrity interventions to date, and an analysis of the Business Integrity landscape and how UNDP could engage business, scale up its activities, and deliver more impact.

The key recommendations focused around a new "Business Integrity Hub". The Hub would be a physical and virtual space for the exchange of learning and best practices in business integrity project management between countries, at a regional level, and between regions. The Hub would manage its own projects regionally and in-country, but also act as a support and knowledge partner for other organisations' projects.



The work of the Hub would be structured through a number of thematic “platforms”. The platforms would be structured around business integrity needs in the countries and regionally. The platforms would operate across countries and regions, and even outside the region, depending on those needs. Members of the Private Sector Advisory Group could take the role of non-executive directors or chairpersons of the various platforms, providing leadership, generating ideas and opening doors into business and government. The Thematic Platforms would be run by UNDP members of the Fair Biz team in Bangkok.

There was a lively discussion about the Business Integrity Hub and the role of the PSAG. All the PSAG members agreed to contribute to the Business Integrity Hub by joining one of the Thematic Platforms, and working together to define their direction and impact.

The following Thematic Platforms were identified and the PSAG leaders volunteered as follows:

The PSAG identified a number of opportunities to promote the Fair Biz and its goals to a wider audience, including conferences at the OECD in Paris in March, the Transparency International conference Seoul in June, and the ASEAN-2020 Business Integrity Summit in Hanoi in November. Unfortunately, only the latter now seems likely to take place. However, the PSAG also agreed that much interaction and training for the business communities in each ASEAN country could be done online, so this was agreed as the best way to move forward in increasingly difficult circumstances.



**GLOBAL  
SUPPLY CHAINS**



**INFRASTRUCTURE**



**ESG INVESTING**



**DIVERSITY &  
INCLUSION**



**YOUTH &  
ENTREPRENEURSHIP**

**PSAG LEADERS**



Frank Brown



Mark Lovatt



Esther An



Angela Joo-Hyun Kang



Arin Jira



Manisha Dogra



Cheryl Chen



YW Junardy



KM Loi



Jessica Robinson



David Smith

**ADVISORS**



Angela Joo-Hyun Kang



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(UNDP)



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(OECD)



Petter Matthews (CoST)

**PLATFORM MANAGERS**



Sophia Areias



Diana Torres



Brook  
Horowitz



Nicholas  
Booth



Liviana Zorzi



Marcela Werutsky






## Third Meeting: 7 April 2020

In the month since the last meeting, much was achieved, despite the exponential growth of the COVID-19 virus. The goals, methods and intended impact of the Thematic Platforms were fully defined, through meetings of the PSAG leaders.

The new role of the PSAG members was set out in an updated Terms of Reference which was approved by

the PSAG at this meeting. Excerpts from the Terms of Reference can be found in Annex 2.

During this meeting, the main direction of each Platform was presented by one of the PSAG leaders. The aim and approach of the five platforms were confirmed as follows:

	AIMS	APPROACH
 <b>GLOBAL SUPPLY CHAINS</b>	The Platform seeks to promote business integrity in supply chains by building the capacity of SMEs to implement stronger corporate governance and internal controls to connect them to multinational supply chains.	Work through the supply chains of global MNCs, major national private or state-owned enterprises, in conjunction with local trainers. In the current period the training will be online, and we will be exploring ways of making such training accessible and entertaining for the SMEs.
 <b>INFRASTRUCTURE</b>	By identifying corruption risks at the project design, tendering, award and management phases this Platform enables infrastructure projects to meet the needs and expectations of investors, implementers and society.	Work through multilateral development banks such as ADB or AIIB to raise transparency and integrity at all stages of specific infrastructure projects.
 <b>ESG INVESTING</b>	This Platform raises governance standards amongst companies in the region to make them more attractive for foreign direct investment, thus reducing investors' risks. The project will also advocate to governments on the need to ensure higher standards.	Work with investors and facilitators such as national stock exchanges to provide training and guidance on a range of key ESG issues to local companies - especially "second-tier" companies which have not yet received foreign investment.
 <b>DIVERSITY &amp; INCLUSION</b>	This Platform raises awareness of companies and governments on how diversity and inclusion can have a positive impact on business performance, corporate governance, sustainable business practices. The aim is to create a cohort of companies which are role models for peers to emulate throughout the region.	This will be a series of webinars and advocacy events led by inspirational role models from the local business community of each country.
 <b>YOUTH &amp; ENTREPRENEURSHIP</b>	This Platform focuses on supporting young people starting out in their careers as employees or establishing their own businesses, by providing them with skills training on ethics and business integrity.	We have a Business Integrity Toolkit for start-ups and a training course to go with it which could be adapted to local conditions and rolled out locally. We are also considering other opportunities for start-ups such as grants to promote business integrity, and a programme to bring business ethics to secondary and higher education.

It was agreed that we would build the Thematic Platforms' work in one or two countries at a time, building on the existing work of Fair Biz, and progressing to other countries as and when the opportunities should arise.

The PSAG also spent some time on how the COVID-19 would impact the Fair Biz agenda for the remainder of the crisis and after. In advance of the meetings, the PSAG leaders had shared their thoughts on this through a mini-survey. The consensus was that the risks of

corruption and fraud were heightened during a crisis such as this, which makes the need for the Fair Biz programme even greater. We agreed that COVID-19 could not be ignored and should be integrated into the work of each Thematic Platform as a cross-cutting theme.

At the end of this meeting, the PSAG agreed to move forward to the implementation stage. At meeting 4, in June, we should have concrete plans and budgets ready for each of the Platforms.

# ANNEX 1 : PSAG Members (as of 7 April 2020)



**Esther An**

Chief Sustainability  
Officer, City Developments  
Limited, Singapore



**Vicky Bowman**

Director,  
Myanmar Centre for  
Responsible Business



**Frank Brown**

Director, Anti-Corruption  
& Governance Center,  
Center for International  
Private Enterprise, USA



**Cheryl Chen**

Director, Asia Pacific  
Corporate Responsibility  
and Sustainability, S&P  
Global, Singapore



**Manisha Dogra**

Vice President  
Sustainability, Asia,  
Telenor Group, Singapore



**Arin Jira**

Chair, ASEAN  
Business Advisory  
Council, Thailand



**Angela Joo-Hyun Kang**

Founder and Executive  
President of Global  
Competitiveness  
Empowerment Forum,  
South Korea



**Y.W. Junardy**

President,  
UN Global Compact,  
Indonesia



**K.M. Loi**

Ex-Deputy President  
& Secretary General  
of TI Malaysia



**Mark Lovatt**

CEO, Trident Trinity and  
Secretary General of  
Business Integrity Alliance  
of Malaysia



**Jessica Robinson**

Founder and Managing  
Director, Moxie Futures,  
Dubai



**David Smith**

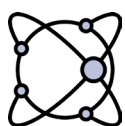
Head of Corporate  
Governance, Aberdeen  
Asset Management Asia  
Ltd, Singapore

# ANNEX 2 : Excerpts from the updated Terms of Reference approved 7 April 2020

Each PSAG member is invited to contribute as follows:



- **Leading the strategy and vision:** The PSAG members play the role of an effective non-executive director for the Thematic Platform of their choice. They provide their expertise and insights on the priorities and direction of the Platform; they identify the interest of the private sector and public sector in the activities of the Platform; they visualize and define the goals, outcomes and impact of the Platform in the short- and medium-term; they inspire others to follow their example.



- **Creating networks and making connections:** The PSAG members have strong personal and professional networks in their industries and countries. In order to attain the goals of their Platforms, they identify decision-makers, influencers, stakeholders, and facilitators, and where possible “open doors” by arranging appropriate introductions, networking and meetings as opportunities arise.



- **Communicating and publicizing the program:** The PSAG members support their Thematic Platforms by speaking publicly about their achievements, sharing materials with other groups, promoting learnings and teachings to a wider audience through social media, conferences and other public fora. Each member agrees to participate in interviews, public statements and be quoted in UNDP press releases on a case-by-case basis as appropriate.

There are also a number of Advisors who may support the Thematic Platforms. The PSAG meetings are also open to guests and other interested parties and are conducted under the Chatham House Rule.