

# Partnering Against Corruption Initiative (PACI) Community Overview

October 2015



## Designing Corruption Out of the System – A Strategic Business Imperative for Every Chief Executive

Corruption is identified as one of the top impediments to conducting business in advanced as well as developing countries, as measured in the World Economic Forum *Global Competitiveness Report 2015-2016*. Corruption has gained in prominence especially in countries where recent scandals have exposed its economic costs, such as Brazil, Hungary, Italy, Mexico, and Spain.

With the wide recognition of corruption as an obstacle to the stability, growth and competitiveness of economies, the anti-corruption imperative is driving the issue as a key strategic business risk for every chief executive. The level of engagement reflects that a tipping point has been reached in the fight against corruption, and concern and collaboration across business, government and international partners are at an all-time high.

This collaborative spirit drives PACI as a community of purpose and its partners in government and civil society towards solutions that lead to lasting changes to design corruption out of the system. Through the work of PACI as a high-level convener and catalyst for anti-corruption and transparency ideas and action, the World Economic Forum leverages a growing and global “coalition of the willing” rooted in strong CEO engagement and cross-industry collective action.

## A Leading Global Business Voice on Anti-Corruption

Global business leaders are invited to join forces with governments and other stakeholders to find lasting solutions to corruption and to create a level playing field for today’s globalized markets.



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Corruption cannot be addressed solely by governments and NGOs. We believe international business must play a decisive role, which is why the company is a global leader in battling bribery and corruption that unfortunately still permeate much of the engineering and construction industry.  
”

David Seaton, Chairman and Chief Executive Officer, Fluor Corporation, USA; Chair of PACI Vanguard

The Partnering Against Corruption Initiative (PACI), formed in 2004 by a group of CEOs from the World Economic Forum Engineering & Construction, Metals & Mining, and Energy industries, is the leading business- driven global anti-corruption initiative. CEO signatories help set the global agenda to design corruption out of the system and bring about fair market conditions. PACI also provides a unique space for practitioners – chief compliance officers and equivalent – to improve their compliance efforts and share best practices at the organizational level.

## Core Principles

The PACI Principles serve as the core code of conduct for its members and are often referenced as an industry benchmark. With more than 100 active companies subscribing to the PACI Principles for Countering Corruption, not only is PACI supporting companies to advance the industry agenda on anti-corruption but it is also one of the strongest cross-industry collaborative efforts at the Forum.

Through the PACI Principles, PACI is positioned to create a more visible, dynamic and global agenda-setting anti-corruption platform, working in collaboration with the Forum's most committed business leaders, international organizations (World Bank, OECD, UN and others) and governments to address corruption, transparency and related emerging market risks.

To join PACI, chief executives from Forum Member companies sign the PACI signatory application and PACI Principles, thereby committing to a zero-tolerance policy for bribery and corruption. Today, PACI signatories come from multiple industry sectors and global locations.

## PACI Vanguard

Chief executives who want to demonstrate a higher level of commitment to anti-corruption and transparency are invited to join the PACI Vanguard at the annual private session at the World Economic Forum Annual Meeting in January. The purpose of the PACI Vanguard is to set the global, regional and industry agendas on new models for transparency and anti-corruption, working together with leaders from civil society and government.

The Vanguard helps direct the PACI strategy to achieve more meaningful dialogue and impact. A critical component of this is sustained and high-level business-government engagement and a focus on collective action that will design corruption out of the system. The Vanguard is working closely with the B20 Task Force on Anti-Corruption to promote the implementation of the B20 recommendations.

## PACI Vanguard Steering Board

David T. Seaton, Chief Executive Officer, Fluor Corporation, USA  
James C. Smith, President and Chief Executive Officer, Thomson Reuters, USA  
Emma Marcegaglia, Chairman, Eni SpA, Italy  
Steve Gunby, President and Chief Executive Officer, FTI Consulting, USA  
Dennis Nally, Chairman, PwC, USA  
Frans van Houten, President and Chief Executive Officer, Royal Philips, Netherlands  
Mark Pieth, Professor of Criminal Law and Criminology, University of Basel, Switzerland  
Cobus de Swardt, Managing Director, Transparency International, Germany

## Sectors and Industries represented:

Oil & Gas	Professional Services
Engineering & Construction	Telecommunications
Logistics & Transport	Banking & Finance
ICT	Human Capital
Food & Beverages	Chemicals & Advanced
Mining and Metals	Materials
Media, Entertainment & Information	Energy
	Consumer Goods

## PACI Projects and Initiatives

Driven by identified needs and interests of PACI Signatories, PACI undertakes initiatives to address industry, regional, country or global issues in anti-corruption and compliance. Examples include:

**PACI-IU Industry project: Building Foundations for Transparency**  
Building Foundations for Transparency is a multi-year collaborative project between PACI and the IU industries with the goal of levelling the playing field through corruption reduction in the infrastructure, engineering, construction and real estate industries. In a first phase of the project in 2014-2015, key global corruption risk areas were identified. The task force points out that to level the playing field collective action on permits and licences is needed and there should be increased interaction between the industry and government. In response to these findings, the second phase of the project will launch a country-level pilot in India to establish a dialogue between business and local public officials on potential transparency-enhancing process changes in permits and licences, land acquisition and procurement. In parallel, the project will focus on the development of a diagnostic toolkit on a structured framework for solution development. The learnings from this year's phase will help to replicate the pilot and further develop the project in another country in the third phase of the project in 2016.

## B20 Task Force on Anti-corruption

This year the B20 Turkey continued to focus on priority areas pursued under the Australian presidency of 2014 to reflect the Turkish G20 presidency's focus on boosting economic growth and creating jobs. Anti-corruption is one of those priority areas and the Turkish B20 presidency decided to dedicate a separate task force to anti-corruption. The Anti-Corruption Task Force (ACTF) has more than 70 members, mostly senior executives from business, business associations and professional services firms. The ACTF is also assisted by EY as Knowledge Partner, and the World Economic Forum and International Chamber of Commerce ("ICC") as Network Partners.

PACI as a community curates the body of knowledge generated from the B20 either through industry-specific projects or through the Global Agenda Council on Transparency & Anti-Corruption and incubates some of the most forward-looking projects that the community could implement while strengthening relationships with other, highly reputed organizations through public-private cooperation.

## Global Agenda Council on Transparency and Anti-corruption

In the 2014-2016 term, the Global Agenda Council on Transparency & Anti-Corruption will support large-scale transformation in the transparency and anti-corruption arena by identifying and advancing the core levers of change, such as B20 collective action hubs, harmonizing legal framework, and designing efforts to increase public awareness on corruption needed to design corruption out of the system at global, regional and industry levels. The council will continue its efforts through focused workstreams to increase awareness and greater public education on this topic through social media, educational programmes and other mechanisms.

## Contact

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