

# World Economic Forum Partnering Against Corruption Initiative

## Fighting Corruption Makes Good Business Sense

Companies and senior officers increasingly acknowledge the business rationale for proactively engaging in fighting corruption.



### Financial Incentives

- Corruption increases the cost of doing business globally by up to 10% on average
- Maintain good standing for public bidding
- Avoid substantial fines and penalties

### Legal Incentives

- The legal framework has been strengthened and corruption law enforcement has increased
- Companies, CEOs and board members are increasingly held liable for acts of corruption committed by employees

### Ethical Incentives

- Doing business with integrity attracts and retains principled, motivated employees and ethically-oriented investors

### Socio-Economic Incentives

- Estimated that more than US\$ 1 trillion is paid in bribes annually
- Corruption is a collective action problem, which distorts markets, stifles growth, debases democracy and undermines the rule of law

“The power of PACI lies in the convening power of the World Economic Forum and in joining forces with other big companies across industries and regions. No one person or company can effectively address the root causes of the issue alone. To do that requires business, government and civil society working together. PACI is uniquely positioned to take the collective force of the global business community to effect real change and to end corruption.”

### John P. Connolly,

Chief Executive Officer, United Kingdom, and Chairman of the Global Board, Deloitte, United Kingdom



## PACI Offers a Risk-Mitigation Platform

The World Economic Forum Partnering Against Corruption Initiative (PACI) is a global anti-corruption initiative, developed by companies for companies. PACI offers a risk mitigation platform to help companies:

1. Design and implement effective policies and systems to **prevent, detect and address corruption**
2. Benchmark internal practices against **global best practice** through peer exchange and learning
3. Level the playing field through **collective action** with other companies, governments and civil society

## Benefits of Joining PACI

- Access a best practice anti-corruption management system framework, including a suite of implementation tools
- Demonstrate to board members, employees and governments the seriousness of your company's commitment to avoiding bribery
- Benefit from peer exchange and learning opportunities for your company's senior compliance executives
- Continuously improve and benchmark your company's systems in relation to global best practice
- Engage in collective action with your industry, suppliers and other partners to create a level, ethical playing field in key sectors and markets
- Influence the evolving regulatory framework through industry dialogue with governments

# World Economic Forum

## Partnering Against Corruption Initiative

### How to Join in Fighting Corruption

All companies willing to display leadership are welcome to join PACI, regardless of their affiliation with the World Economic Forum.



- CEO signature of the PACI anti-corruption statement, committing to implementing a company-wide anti-corruption programme following the PACI Principles for Countering Bribery
- PACI membership is subject to unanimous PACI board approval
- No membership fees

### PACI Success Story

#### Challenge

Ongoing demand for small facilitation payments at customs at border crossings resulted in CEOs agreeing to engage with peers in the logistics and transport industry to develop collective solutions.

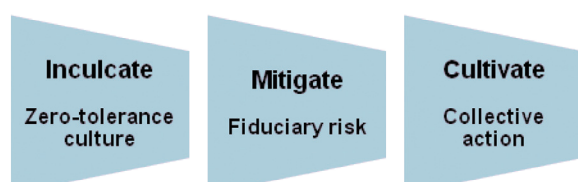
#### Process

Industry-specific, operational-level dialogue between leading industry players identified common challenges and potential solutions.

The concept of a country-specific pilot with the potential to be replicated in other relevant countries was developed and agreed on.

#### Solution

PACI-facilitated pilot programme was initiated, with involvement from the logistics and transport industry and the World Customs Organization to increase transparency and improve the effectiveness and efficiency of Vietnamese customs.



“Fighting corruption makes good business sense. Beyond the financial benefits of removing corruption, doing business with integrity safeguards our global reputation and our brand and makes commercial sense.”

**Peter Bakker**

Chief Executive Officer, TNT, Netherlands

### The Tools to Fight Corruption

Enabling companies and board members to develop and implement effective anti-corruption systems:

- PACI Principles for Countering Bribery: Practical guide for developing internal anti-corruption programmes
- PACI Self-Evaluation Tool: Comprehensive self-assessment tool to evaluate the effectiveness of internal anti-corruption programmes
- External Verification Tool: Voluntary framework for independent assessment of anti-corruption programmes (in development)

### Other Resources

- Business Case Against Corruption: Argument for why companies should fight corruption
- RESIST: Company training tool with 22 real-life extortion scenarios and solutions

“To me, PACI represents one of the most effective risk mitigation strategies a company can employ. PACI processes reinforce our internal compliance efforts and enable us to benchmark our anti-corruption policies and systems against global best practices.”

**David T. Seaton**

Chief Executive Officer, Fluor Corporation, USA

PACI works closely with leading global anti-corruption organizations, including:

- Transparency International
- United Nations Global Compact
- International Chamber of Commerce
- Organisation for Economic Co-operation and Development

### Contact

+41 (0)22 869 1212

[paci@weforum.org](mailto:paci@weforum.org)

[www.weforum.org/issues/partnering-against-corruption-initiative](http://www.weforum.org/issues/partnering-against-corruption-initiative)