

# COLLECTIVE ACTION AGAINST CORRUPTION

## Business and Anti-Corruption Initiatives in ASEAN

*Profiles of selected business collective action models from Indonesia, Malaysia, the Philippines, and Thailand;*

*Plus relevant agreements, frameworks and tools for business collective action against corruption*





**COLLECTIVE ACTION AGAINST  
CORRUPTION: BUSINESS  
AND ANTI-CORRUPTION  
INITIATIVES IN ASEAN**

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## Foreword

*This publication forms part of the 'Enabling Business Networks in ASEAN to Combat Corruption' Project implemented by the ASEAN CSR Network (ACN) and funded by the United Kingdom Foreign and Commonwealth Office (UK FCO).*

ACN was established in 2011 as a private sector body whose mission is to promote and enable responsible business conduct among corporations operating in ASEAN and contribute towards sustainable socio-economic development in line with ASEAN Community integration goals.

As a regional 'network of networks' composed of business chambers and CSR organizations, ACN's role is to help strengthen local stakeholders and support their work in CSR advocacy, capacity-building and collective action. By providing a platform for networking and exchange at the regional level, ACN is able to link together key stakeholders from business, government and civil society. This leads to vital opportunities for learning and partnership-building.

Recognizing that corruption is one of the key challenges faced by the ASEAN Community, ACN decided to implement this Project with the support of the UK FCO. The objective of the Project is to: 1) provide a platform for sharing of best practices and collective action models on business and anti-corruption; 2) facilitate discussions on a framework for regional cooperation and approaches on business and anti-corruption; and 3) secure commitments to regional collective action against corruption.

ACN recognized early on that there were other stakeholders already engaged in the issue and there were opportunities for cooperation. With a strong desire to build on existing local work and the expertise of the international community, ACN organized a series of events in an effort to encourage and catalyze cooperation at the regional level.

The Project kicked off with a Regional Workshop in Bangkok, Thailand in November 2013, gathering key stakeholders from across the ASEAN region. In March 2014, ACN organized a 'Forum Series on Business and Anti-Corruption' in three cities – Manila, Philippines; Kuala Lumpur, Malaysia; and Yangon, Myanmar. As a result of these

meetings, there has been in-principle approval among key partners to strengthen regional cooperation in the area of business and anti-corruption.

The Project received vital support from the UN Office on Drugs and Crime, through Mr. Shervin Majlessi, Regional Adviser on Anti-Corruption, and the UN Global Compact, through Ms. Olajobi Makinwa, Head of Transparency and Anti-Corruption Initiatives.

The local events were supported by partners such as the Makati Business Club (Philippines), European Chamber of Commerce of the Philippines, League of Corporate Foundations (Philippines), International Chamber of Commerce – Malaysia, Union of Myanmar Federation of Chambers of Commerce and Industry, Myanmar Business Executives Association, Myanmar Centre for Responsible Business, and Global Compact Myanmar.

Keynote speakers included Mr. Gerard Forlin QC, a London-based barrister and recognized expert on anti-corruption and the UK Bribery Act, Mr. CHUA Cher Yak, former Director of Singapore's Corrupt Practices Investigation Bureau (CPIB), and YB Senator Datuk Paul Low, Minister of the Malaysian Prime Minister's Office. Representatives from the Integrity Initiative (Philippines), Thai Institute of Directors, Thai Listed Companies Association, Indonesia Business Links, Indonesia Global Compact, International Chamber of Commerce – Malaysia, Malaysian Anti-Corruption Commission, Transparency International, and selected corporate practitioners, shared their experiences at the various events.

The Hills Program on Governance of the Ramon V. del Rosario Sr., - CV Starr Center for Corporate Governance at the Asian Institute of Management was commissioned to conduct research and profiling on existing initiatives in ASEAN and available reference materials on business and anti-corruption to serve as a guide for stakeholders.

Phase 2 of the Project is targeted to commence in June 2014, with the aim of formalizing regional cooperation on business and anti-corruption among key stakeholders and providing more opportunities for networking, exchange and capacity-building.

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## **Collective Action Against Corruption: The ASEAN Context**

The member-countries of the Association of Southeast Asian Nations (ASEAN) are currently focused on the impending establishment of the ASEAN Community 2015. The blueprint for this regional economic, political and community integration, adopted by ASEAN leaders in 2007, provides a roadmap towards narrowing the development gap in ASEAN by reducing various forms of disparities among and within member-states. The blueprint likewise envisages a single market and production base, a highly competitive economic region, a region of equitable economic development, and a region fully integrated into the global economy.

The success of ASEAN integration relies heavily on the concerted efforts of the member-states to meet head-on the challenges. One of the major recognized setbacks is the rampant corruption in the region. Dishonest or fraudulent conduct by those in power, typically involving bribery, is considered systemic, perceived as deeply ingrained in the socio-political structure as well as cultural norms within the ASEAN community and remains one of the key adversaries of doing business in the region. Corrupt practices, in fact, are one of the predominant reasons for the high cost of doing business.

Far from being a victimless crime, the destructive effects of corruption are most evident in developing countries, where most ASEAN countries belong, because the diversion of funds intended for development deprives the poor of basic services, discourages foreign aid and investment, undermines the government's ability to govern, feeding dissent and discontent, and undermining democracy and the rule of law. Corruption, as pronounced in the United Nations Convention Against Corruption, is a key element in economic underperformance and a major obstacle to poverty alleviation.

Although Singapore, the most developed ASEAN country, is recognized as one of the world's least corrupt by international rating agencies, most other ASEAN countries are ranked very low.

Seven (7) ASEAN members, i.e., Thailand, Indonesia, Vietnam, the Philippines, Laos, Cambodia and Myanmar, were ranked in the bottom half of the 2013 Corruption Perception Index developed by Transparency International, a non-governmental coalition against corruption, where TI ranked the ASEAN countries' scores in a scale from 0 (very corrupt) to 100 (very clean). Singapore has the highest score of 86 while Cambodia obtained the lowest score of 20. Eighty per cent (80%) of the countries had a score under 50.

The ASEAN countries responded to the international clamor of combating corruption by being state-parties, together with 177 more countries in the world, to the United Nations Convention Against Corruption (UNCAC), which was adopted through Resolution 58/4 in October 2003. As of 02 April 2014, all of the ASEAN countries have signed and ratified the convention, with Myanmar the latest to have done so on 20 December 2012. With the target date for the formation of the ASEAN Economic Community in 2015, governments and stakeholders seek to encourage regional cooperation to curb deeply rooted practices within the region. An initial concerted effort was the establishment of an ASEAN-level anti-corruption network. It started with the signing of a Memorandum of Understanding (MOU) by anti-corruption agencies from Brunei, Indonesia, Malaysia and Singapore in December 2004 and since then has served as the foundation for regional cooperation in combating corruption in ASEAN. Most members joined this anti-graft pact and pledged their commitment to working closely with each other through information sharing and capacity building.

Though corruption has not been ignored, and has been dealt with vigilant attention, sustainable ASEAN-wide anti-corruption initiatives are still wanting. Because corruption is a social malady pervasive in the innermost fiber of crucial institutions, its extermination needs huge resources for preventive measures, monitoring, and coordination. Though governments take the lead in the anti-corruption crusade, long-term success will require complementation from other stakeholders, particularly the business community. There is great value in providing a platform for the private sector's participation in shaping ASEAN-wide frameworks on anti-corruption, sharing good practices, and developing joint

approaches. The case studies discussed in this research present the individual countries' collective action against corruption in the business sector which could serve as models for an ASEAN-wide collective action.

The full realization of an ASEAN Economic Community, wherein the region will be transformed "into a single market and production base, a highly competitive region, a region of equitable economic development, and a region fully integrated into the global economy" shall engender "free movement of goods, services, investment, skilled labour, and freer flow of capital."

The economic integration necessitates uniform approaches and policies as well as collective actions in addressing impediments to its full realization. Corruption being an enormous barrier entails ASEAN-wide collective action, both from the political leadership and the private sector. Economies of scale, equal standards on governance and accountability, as well as greater impact generated by greater resources are advantageous to the individual member-states.



**COLLECTIVE ACTION AGAINST  
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## Introduction

In the arena of combating corruption, collective action is anchored on the underlying principle that corruption cannot be solved unilaterally. This requires that efforts and initiatives must be coordinated, stakeholders must be involved, and most importantly, actions taken must be collective. The World Bank Institute describes collective action as:

*“a collaborative and sustained process of cooperation amongst stakeholders. It increases the impact and credibility of individual action, brings vulnerable individual players into an alliance of like-minded organizations and levels the playing field between competitors. Collective action can complement or temporarily substitute for and strengthen weak local laws and anti-corruption practices”.*

In the area of combating corruption, the topic of Collective Action has transitioned from being a major academic think-piece into a very concrete policy issue: Collective Action is now a kind of catch-all term for industry standards, multi-stakeholder initiatives, and public-private partnerships (PPPs)<sup>1</sup>. The World Bank Institute identified four (4) possible types of collective action, which include: (1) anti-corruption declaration; (2) integrity pact; (3) principle-based initiative, and; (4) certifying business coalition. In the context of collective action initiatives in the ASEAN region, this Research Project looks at anti-corruption initiatives particularly in the business sector. The main objective of this Project is to gather information and relevant data on collective action against corruption among the business community in the Philippines, Thailand, Malaysia, and Indonesia.

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<sup>1</sup> Pieth, M. Collective Action and Corruption. Basel Institute on Governance, September 2012.

## **PHILIPPINES: Integrity Initiative<sup>2</sup> – Project SHINE**

### *Project Rationale*

Corruption has been so widespread that it already affects all levels and various sectors of society, including the government, private sector, and civil society from around the world. Philippines is not an exemption. Based on the Corruption Perception Index (CPI) by Transparency International, which ranks countries from highly corrupt to very clean, the Philippines scored 2.4 out of 10, placing 134<sup>th</sup> out of 178 countries. When President Benigno Aquino III assumed office in 2010, he promoted a platform to fight graft and corruption through its slogan *Daang Matuwid*, bringing some hope to the Filipino people that corruption can be curtailed. With the continued campaign towards good governance, the Philippines improved its CPI ranking, placing 94<sup>th</sup> among the 177 countries that were ranked in 2013.

Anti-corruption initiatives headed by different government institutions, organizations and even the private sector have increased. Collective action against corruption also showed significant development. One example is the Integrity Initiative.

Integrity Initiative in the Philippines recognizes tools, concepts and materials developed by international organizations like the World Bank Institute, United Nations, and non-government organizations fighting corruption including Transparency International, World Economic Forum, International Business Leaders Forum, International Chambers of Commerce, and Center for International Private Enterprises. With the ultimate aim to change a corrupt businesses environment to a fair competition and a level playing field, the efforts of these organizations provided opportunity for the private sector to collectively work and implement projects towards transparency and integrity in business.

Integrity Initiative looks at “Collective Action” as the alliances of more than one person to achieve a defined goal or set of goals. The process is sustained due to a shared commitment of stakeholders

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<sup>2</sup> All information and data on Integrity Initiative were taken from its website, newsletters, presentations, and published materials such as the Integrity Compliance Handbook.

benefitting from the synergy of communal efforts. Integrity Initiative also recognizes the sociological and economic aspects of “Collective Action” as a viable tool to address social concerns such as corruption. The Makati Business Club (MBC) and the European Chamber of Commerce of the Philippines (ECCP) have taken this approach in their Project SHINE.

### *Project Description*

Integrity Initiative is a private sector-led campaign that aims to promote the re-establishment of common ethical and acceptable integrity standards among various sectors of society. As it recognizes the fact that corruption exacerbates poverty and affects the business environment, the initiative seeks to diminish if not fully eradicate corruption in the country. Integrity Initiative operates on the principle of inclusion and collective action.

Through the Project SHINE, Integrity Initiative seeks to come up with a certification and accreditation system for participating companies, like that of an ISO certification that will provide competitive advantages to compliant companies. Project SHINE aims to initiate collective action among ethical foreign and local business enterprises that wish to see the creation of fair market conditions for all market participants. The basic idea is that companies will be audited, accredited, and certified based on compliance to ethical ways of doing business and strict integrity standards.

Integrity Initiative is a long-term and bigger campaign while Project SHINE is a four-year anti-corruption project funded by Siemens, which focuses on establishing concrete control measures.

### *The Organization or Implementer*

The Makati Business Club (MBC) and the European Chamber of Commerce of the Philippines (ECCP) started the project in December 2010 after receiving a grant from Siemens. Taking an active role in promoting integrity in business, other organizations and industry associations joined the Integrity Consortium such as the Asian Institute of Management (RVR CV Starr Center for Corporate Governance through the Hills Program on Governance), American Chamber of Commerce of the Philippines (Amcham), and



Management Association of the Philippines (MAP). To date, there are 120 Integrity Consortium members<sup>3</sup>.

### *Key Objectives*

Specifically, Project SHINE, which stands for **S**trengthening **H**igh-level commitment for **I**ntegrity initiatives and **N**urturing collective action of **E**nterprises advocating for fair market conditions, has the following objectives:

- Identify key concerns of the private sector in terms of integrity and transparency in business transactions;
- Develop a Unified Business Code of Conduct to have acceptable standards;
- Create an Industry Integrity Pact to provide control measures in business transactions, and;
- Develop an integrity audit and certification system for participating companies.

### *Focus Areas and Critical Elements*

Project SHINE identifies functional areas that are prone to corruption. These are top management, human resource management, sales and marketing, finance, procurement and logistics. For Project SHINE to be successful, essential elements are identified. These are: (1) common goal towards collective action among local and foreign enterprises; (2) neutral third party, such as MBC and ECCP, which supervises agreements; (3) CEO's commitment to the project; a detailed but plain-language code of conduct for participating companies, which should then be approved and generate support from relevant government agencies, and; (4) self-regulatory monitoring of participating companies to be documented via an "integrity pact". The measures are then standardized and used as a basis for continuing audits and certifications of participating companies. This is similar to the ISO approach.

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<sup>3</sup> This data is based on the Integrity Initiative newsletter dated February 17, 2014.

## Expected Results

Project SHINE will have a significant impact on the business environment as it hopes to create a strong and sustainable force changing the corrupt business environment in the Philippines to one with ethical business practices; initiate a platform for companies to declare a commitment to transparency and compliance; provides material for firms to learn integrity compliance standards with the help of experts; and transform enterprises to become competitive players in a fair market, thus promoting more trade and investment. Project SHINE wants to see that enterprises become the preferred suppliers or service providers locally through the practice of high ethical standards. Project SHINE also hopes to change the corrupt image of the country by spearheading a movement in support of integrity compliance that could be appreciated by the international community.

## Roadmap and Activities



Figure 1: Project SHINE Roadmap

The four-year roadmap of Project SHINE has the following milestones and specific activities:

### Roundtable Discussions, Integrity Pledge and Code

In 2011, a series of roundtable discussions and trainings related to anti-corruption, business transparency and corporate governance

were conducted to identify key problems. The Integrity Pledge, a formal and concrete expression of commitment by companies to adhere to ethical business practices and to support a national campaign against corruption, was also launched. The Integrity Pledge promotes “Tone from the Top” as it requires the signatory to be the CEOs, COOs, Managing Directors, Country Representatives, or other senior company officials and oblige all members of the organization to practice business with integrity and high ethics. To date, there are more than 2,000 signatories<sup>4</sup> to the Integrity Pledge coming from different sectors. This includes 32 signatories from the government.

The Unified Business Code of Conduct (Code) was likewise developed to harmonize existing ethical standards in the country’s business environment. The Code formally communicates the signatories’ commitment to upholding high ethical standards in their operations. The Code enumerates basic principles related to ethical business practices, for example, prohibiting bribery, compliance with the law, handling third parties, and strengthening control systems. The principles are designed to address the concerns and problems identified during the series of roundtable discussions. Provisions in the Code are aligned with the Philippine national laws and international conventions on corruption and bribery. These national laws are the following:

- Bureau of Internal Revenue (2004) Guide to Philippine Tax Law
- Republic Act No. 3019 (1960) Anti-graft and Corrupt Practices Act
- Republic Act No. 6713 (1989) Code of Conduct and Ethical Standards for Public Officials and Employees
- Republic Act No. 9160 (2001) Anti-Money Laundering Act of 2001
- Securities and Exchange Commission (2002) Code of Corporate Governance for Registered Issuers and Public Companies

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<sup>4</sup> This data is based on the Integrity Initiative newsletter dated February 17, 2014.

## Benchmarking, Framework and Assessment Tool

In 2012, several benchmark studies were conducted to assess how signatories to the pledge have institutionalized ethical business practices in their organization. In the same year, the Integrity Compliance Framework and Online Assessment Tool were developed. The Integrity Compliance Framework operationalizes the commitments to the pledge and Code of participating companies. The Self-Assessment Tool was designed to help measure how existing policies and practices of participating companies are aligned with the Code. It also helps examine its strengths and areas of improvements, thereby determining areas vulnerable to corruption and laying out control measures to address those vulnerabilities.

The result of the assessment will be opened up to an external validator who can independently and rigorously re-examine the organization's progress in institutionalizing practices. Learning interventions to address gaps and improve control measures will also be provided to the participating companies.

By the end of 2014, the Integrity Initiative aims to set-up an Integrity Certification Program similar to the ISO (including a training program for advisers and auditors) that will offer a toolbox for enterprises to introduce and implement ethical practices in their business processes. A pool of trained accreditors will also be developed by Integrity Initiative to conduct visits and spot check to assess the level of institutionalization of integrity practices, including conducting a survey on ethical practices, focus group discussions and key informant interviews.

Integrity Initiative is currently conducting a training workshop on Developing Company Integrity Action Plan for its partner organizations and companies that have gone through the validation process of integrity self-assessment results. As part of learning intervention, the workshop aims to help companies identify action steps that would address vulnerabilities as shown in the integrity self-assessment and validation result. For more information about Integrity Initiative and its activities, please visit [www.integrityinitiative.com](http://www.integrityinitiative.com).

## **THAILAND: Private Sector Collective Action Coalition Against Corruption (CAC)<sup>5</sup>**

### *Project Rationale*

The political and economic environment of Thailand manifest that corruption has been a constant and nagging problem in both the government and private sector. Political corruption is not anymore new to the Thai people, as the public clamor against corruption has lead to violent protests, mass mobilizations, coups, and rallies. This resulted to several political crises, like the Thai government's declaration of a state of emergency in January of 2014 being the most recent.

In the field of business and private sector, surveys show that nearly 60% of the business community thinks that corruption has grown rapidly over the past 5 years. Moreover, it is believed that corruption adds at least 20% in costs of doing business for majority of the business community in Thailand<sup>6</sup>. These problems brought about by corruption prompted the top executives of the Thai Institute of Directors Association (Thai IOD), Thai Chamber of Commerce (TCC), and Joint Foreign Chambers of Commerce (JFCCT) to initiate the Private Sector Collective Action Coalition Against Corruption (CAC).

### *Project Description*

Initiated in 2010, the project started through the cooperation of the Thai IOD, Thai Chamber of Commerce (TCC) and Joint Foreign Chambers of Commerce (JFCCT) and is now supported by a total of seven leading private sector partner organizations, also including the Listed Companies Association, Thai Bankers' Association, Federation of the Thai Capital Market Organizations, and Federation of Thai Industries. The Tourism Council of Thailand also expressed its support for the CAC. Since its inception, the CAC

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<sup>5</sup> All information and data on Collective Action Coalition Against Corruption were sourced from its website: <http://www.thai-iod.com/en/projects-3-detail.asp?id=1> Also, relevant data were sourced from Thai IOD's newsletters, magazines and presentations.

<sup>6</sup> Shkolnikov, Aleksandr. Collective action against corruption in Thailand and beyond. <http://14iacc.org/social/collective-action-against-corruption-in-thailand-and-beyond/>. Retrieved April 30,2014.

has received full support and technical assistance from US-based Center for International Private Enterprise (CIPE) and the UK Prosperity Fund. It also has close working ties with Transparency International especially on its anti-corruption tools and evaluation instruments. Moreover, CAC has joint undertakings with the National Anti-Corruption Commission (NACC) which is the Thai royal government's official anti-corruption agency.

### *Mission and Key Goals*

The CAC aims to create awareness and understanding in the private sector on the various risks posed by corruption through recognition of the urgent need to resist and fight corruption by implementation of policies and effective mechanisms, and establishment and coordination of best practice standards. The CAC aims to work towards the following key goals: (1) a change in attitude leading to refusal by companies of corrupt practices by imposing the Zero-tolerance policy; (2) to change in the way the public sector works through policy advocacy and identifying corruption risks in public services, and; (3) to promote a corruption-free business environment through enlarging the CAC network.

### *The Declaration of Intent and Certification Process*

The CAC welcomes signatory companies in the coalition through a certification process. It starts with signing of a declaration of intent where companies agree to: (1) work internally to assess risks related to corruption, implement anti-corruption policies and compliance programs, and provide business conduct guidance to managers and employees; (2) disclose and share internal policies, experiences, best practices and success stories to foster ethical, clean, and transparent business transactions, and; (3) reach out to industry peers, suppliers and other stakeholders via the Coalition and participate in joint activities to fight corruption.

Upon signing the declaration and submission of complete company profile, companies must accomplish a self-evaluation tool (SET) for countering bribery. The SET was developed by Thai IOD, which they adapted from a similar tool developed by Transparency International. It aims to enable companies to appraise the strength, completeness and

effectiveness of their anti-bribery policies and procedures against the framework of the Business Principles for Countering Bribery (BPCB). The SET is generally divided into two parts namely, the principles and the program implementation requirements. Presented in an in-depth check-list format of 71 core indicators, the SET aims to assist companies to: (1) identify strengths and areas for improvement; (2) stimulate approaches and thinking related to anti-bribery; (3) provide content for a report to management, the Audit or Governance Committee or the Board on the design completeness, effectiveness and reliability of the anti-bribery program, and; (4) provide a basis for internal audit or an independent verification or assurance provider. After submission of the signed SET, the certification process is completed through series of review and regular monitoring, whereas certified members are subject for review every three (3) years. As of January 2014, CAC has 278 signatory companies of which 114 are listed companies of the Stock Exchange of Thailand and 164 are privately-held companies<sup>7</sup>. Noteworthy is the fact that all member-companies of the Thai Bank Association, Association of Investment Management Companies, and Association of Thai Securities Companies have joined the coalition.

### *The CAC Council and Organizational Structure*

To coordinate the Coalition's policies and to establish best practice standards, a group of highly respected and experienced individuals from the business sector, government, and civil society were appointed to form the Private Sector Collective Action Coalition Against Corruption Council, composed of a chairman, two (2) vice-chairmen, seven (7) members, and a secretary.

Thai IOD is assigned as project secretary and supporting organization to implement CAC's activities, including regular seminars as well as training programs and anti-corruption courses provided to all companies that join the CAC. This aims to help companies establish effective anti-corruption mechanisms and prepare for the certification process of the CAC.

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<sup>7</sup> CAC and How to Fight Corruption at the Corporate Level. Powerpoint Presentation, 2014.

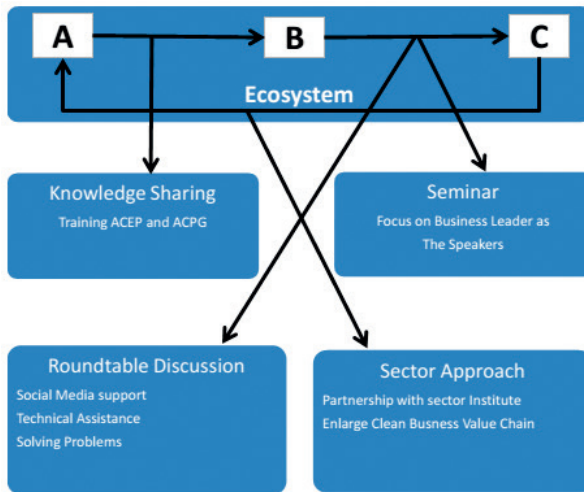
### *The CAC Three-Year Work Plan (2013-2014)*

The Coalition adopted a three-year work plan that seeks to achieve the following key objectives: (1) to push for the certification process of the signatory companies through focus group communication; (2) to create a market demand or awareness from institutional investors for companies to be certified, and; (3) to push for regulatory support in disclosure documents of certified companies, like the SEC or ASEAN scorecard and the Corporate Governance rating. Also, the work plan is anchored on the primary goal of *“(to) Increase the number of certified companies to 203-listed companies with market capitalization of 7.6 trillion baht or equivalent to 70% of SET market capitalization”*.

To achieve the objectives and goal of the work plan, the CAC seeks to apply the following key strategies:

- Increase signatory companies.
- Establish a network or community to act as Knowledge Sharing Platform for signatory companies.
- Develop and promote best practices for signatory companies.

These strategies are also outlined in an ecosystem of anti-corruption and cooperation among target companies which include SET listed companies, privately-held companies, and supplier or partner companies of CAC certified companies.



**Figure 2: Framework of the CAC Three-Year Work Plan**



CAC's three year work plan is frameworked on the "CAC Ecosystem" (Figure 2). The components of this ecosystem are reflective of the different types of target companies of the CAC. **A** represents "declarer companies" or those who have signed the Declaration of Intent, while **B** are "certified companies" which have completed and submitted the self-evaluation as certified by the CAC council. Consequently, **C** represents what CAC calls as the "change agents" or those companies who have best practices which can be replicated and distributed to other companies. CAC targets increase in both "declarer" and "certified" listed and non-listed companies by 2014, wherein the target group for membership would be listed companies from the regulated business sector, specifically in Telecommunications, Energy, Infrastructure, and Oil and Gas. On a long-term perspective, CAC envisions their "certified companies" as "change agents" or promoters of best practices through knowledge-sharing and other platforms like seminars, roundtable discussions, social media, and trainings.

More information on the organization and activities of the Private Sector Collective Action Coalition Against Corruption (CAC) of Thailand can be accessed at the Thai Institute of Directors (IOD) website on [www.thai-iod.com](http://www.thai-iod.com).

## **INDONESIA: Collective Action for Fighting Corruption**

### *Project Rationale*

The Asian financial crisis in 1997 engendered serious economic setback in Indonesia, offsetting the development gains of the previous years. Restoring the economy as well as maintaining the fundamentals of sound governance face tremendous barriers. Posing a major challenge is the pervasive corruption in crucial institutions: government and business. Indonesia ranked 114<sup>th</sup> out of 177 countries on the Corruption Perception Index of 2013 released by Transparency International. Thus, eradication of corrupt practices is an essential element in arresting the decline of these institutions that could undermine positive results of the struggle in resuscitating the economy.

Efforts on the eradication of corruption in Indonesia are still confronted with tough challenges, though, presently, these determined attempts to curb fraudulent acts have gained extensive support from the government, the corporate sector and NGOs.

The Komisi Pemberantasan Korupsi (KPK), the Indonesian Corruption Eradication Commission, was formed with the express intent of bringing about positive change in a stagnant national anti-corruption effort. It offers a fresh start, a new way of looking at the corruption epidemic. The agency shall not monopolize the anti-corruption effort, but merely act as a trigger mechanism to empower authorized institutions to become more effective. Prevention activities such as socialization, education, research into the potentials for corruption of each government institution, and so on, provide the basis for a long-term anti-corruption strategy.

The Indonesian Business Links (IBL), through its Business Ethics Program, has been continuously and consistently promoting anti-corruption, anti-bribery, and anti-gratification since 2000. Its collaboration with Komisi Pemberantasan Korupsi (KPK) and the Center for International Private Enterprise (CIPE) since 2004 in undertaking educational campaign has empowered more than 3,000 corporate business people, government officials and civil society leaders through workshop service in various cities across Indonesia. The ongoing anti-corruption campaign has been further enhanced by collective action declaration supported by Siemens, the multinational technology company.

The IBL coordinates and facilitates the Collective Action for Fighting Corruption, a collaborative and sustained process of cooperation among stakeholders, especially the private sector, to fight against corruption and bribery. This initiative likewise has the endorsement of the KPK, supported by P.T. Siemens Indonesia and PT PLN (Persero), and in collaboration with Transparency International Indonesia, Partnership for Governance Reform, and Indonesia Procurement Watch.

There are myriad corrupt practices in business. Bribery is the most pronounced of these corrupt schemes, because of its omnipresence in almost every sector of business transactions, particularly customs, permit/licensing, procurement, and taxation.

Such practice results in higher costs of doing business. Thus, the Collective Action focuses its activities on combating bribery, with the IBL instituting Indonesia's Working Group on Countering Bribery. The united effort through collective action is deemed necessary to reach out to greater number of targeted groups.

### *The Collective Action: A Description*

The IBL maintains that corruption is both socially destructive and endemic in many areas. Society and business benefit where corruption is driven from markets and where fair competition on the merits of goods and services and better value to the customer are therefore possible. With the continuing and growing attention on corruption from the media, regulators, and society in general, companies are well-advised to be proactive rather than passive in this area. Strategically, using Collective Action is a tangible demonstration of a company's commitment to many of the principles underlying corporate social responsibility and effective compliance program activities. Ancillary corporate benefits may develop from these services as third party stakeholders (investors, NGOs and regulators) recognize a company's emphasis on positive and sustainable business behavior.

In the face of the widespread and deep-rooted corruption problem that affects Indonesia, in general, the government, its procuring entities and the private sector in equal measure, it seems highly unlikely that individual activities alone will be sufficient to bring about significant ethical changes and improve the transparency of business processes. This is precisely where "Collective Action" methods become important. Collective Action enables corruption to be fought collectively, with various interest groups working together and building an alliance against corruption so that the problem can be approached and resolved from multiple angles.

To date, there are more than fifty (50) company members of IBL which are national and multinational corporations operating in the country and representing a wide range of industries. The organization's daily activities are designed to be practical and mostly in line with the empowerment of Corporate Social Responsibility and Ethical Business Practices.

### *Key Objectives*

The objectives of the Collective Action in Fighting Corruption are:

- To create awareness among business and society on risks related to unethical conduct in business practice;
- To create a level playing field among companies and their stakeholders in Indonesia;
- To foster collective action to avoid corruption through the signing of the integrity pact;
- To increase the impact and credibility of individual company-member's actions;
- To protect vulnerable individual players through an alliance of like-minded organizations; and
- To encourage real implementation.

Specifically, as drafted by the Working Group on Countering Bribery, the initiative aims to outline the strategy to promote the implementation of anti-bribery practices in business, towards creating a bribery-free business environment that should be a part and parcel of the macro business strategy for success and global competitiveness, as well as building and sustaining good corporate image.

### *The Organizational Structure of Implementation*

The Indonesian Business Links is a non-profit foundation which was set up just after the Indonesian economic crisis. It was organized in response to a multi-sectoral call to provide good business practices to encourage social and environmental responsibility. The IBL is one of the signatories to the United Nations Global Compact (UNGC) adhering to the principles on human rights, labor, environment and anti-corruption, rendering the organization consistently in active engagement with various Global Compact social activities and networking to showcase continued support and commitment to the UNGC's principles. The organization works not only towards establishing ethical business practices in the country, but also for raising general awareness with regard to business ethics and corporate social responsibility.

With the inclusion of the UN Global Compact Principle 10 (Anti-Corruption), IBL signed an anti-corruption integrity pact. The

signatories are placed under a coalition called KUPAS (Working Group on Business Without Bribery). IBL provided training materials and facilitators during the many events organized.

The project or program implementation level at the IBL is handled by an Executive Team headed by its Executive Director. Under this office are the Project Manager, Project Officers, Monitoring and Evaluation Officer, Resource Officer. A Program Team handles specific programs with defined geographical purview, comprised of a Project Manager, Business Relations/MED, Field Coordinator and Project Assistant.

The Indonesia Working Group on Countering Bribery was founded in October 2003, initiated by a group of CEOs committed to anti-bribery business principles, aiming at creating islands of integrity. Later, associations, chamber of commerce, NGOs and business schools joined the collective action. This initiative targets national and multi-national corporations for collaboration.

### *Collective Action Activities and Output*

Primary pro-active engagements comprise of comprehensive information dissemination campaigns including the development of information materials, seminars or workshops, design and implementation of training modules, as well as mobilization of partners and/or members into advocacy endeavors. From 2005 onwards, the activities trace a road map towards a vision of transforming Indonesia into a bribery-free society by 2015. The onset of the collective action involved the conduct of a National Conference on Countering Bribery roadshows in twenty (20) cities, with the consequent moves of disseminating the results of the National Conference and campaign in seventeen (17) cities. The series of conferences or lectures were undertaken by a team consisting of Transparency International Indonesia officers, one or two high-profile influential speakers, and volunteers as facilitators.

Feedbacks gathered from these series of conferences were compiled into a “Guide Book for Business to Counter Bribery”, presented in a “Question and Answer” format. The Guide Book is expected to be used as practical reference materials by Indonesian companies and business associations in their efforts to counter

bribery. Supplementing the Guide Book is the publication or dissemination of Best Practices Cases. Seven (7) of the targeted ten (10) cases have been completed. These are on BP Indonesia, Cross Country Energy, Consulting, Merpati, Nusantara Airlines, Metro TV, Kompas Daily, Panasonic Manufacturing Indonesia, and HM Sampoerna.

Training Modules on “Business Without Bribery” were also designed and published. Each module runs for three (3) days or twenty (20) effective hours. The modules cover Identification of Bribery Cases, Threats and Opportunities of Business Without Bribery, Road Map Toward Business Without Bribery, Development of Strategies for Business Without Bribery, Action Plan, and Pledge. These Training Modules were piloted in Jakarta, Surabaya and Padang. The resource persons were recruited from two leading business schools while the guest speakers were officials of the Corruption Eradication Commission. Feedback generated were used to refine the “Training Modules on Countering Bribery” intended to be disseminated to other business schools.

During the National Anti-Corruption Day on December 9, 2005, the “Society Without Bribery Forum” was established, aiming at increasing Indonesia’s 2005 CPI of 2.2 (137<sup>th</sup> out of 158) into 5 in 2010 and 6 in 2015. Strategies adopted were the conduct of training on “Business Without Bribery” for the business community, civil service and NGOs or CSO officers. A different set of training modules were designed for the two latter groups.

Conduct of workshops on “Ethical Dilemma in Business”, in collaboration with the Corruption Eradication Commission, is a regular activity that started since 2005. The discussions are focused on mitigating schemes to corruption. The target is to conduct twelve (12) workshops. An anti-corruption campaign was done in a public high school, embarking on “clean, transparent, professional citizens” as the campaign slogan. This is expected to be a model activity for replication.

### *Activities Planned*

Undertakings in the future do not veer away from the planned activities defined in the road map. The National Conference on

Countering Bribery shall continue to be held in different cities each year. Similarly, roadshows to disseminate the National Conference results and campaign will be corollary activities. The developed guidebooks and training curriculum shall be regularly reviewed and enhanced while additional best practice cases shall be researched and published as well as disseminated. Additional training modules shall be piloted in at least three (3) major cities before finalization.

Through members' or partners' cooperation, regular forums shall yield reconfirmation of the most common areas of bribery (customs, licensing, procurement, taxation, and court cases) as well as identification of SMEs' major dilemmas between abiding by anti-bribery principles and survival of the business.

Updated activities of the Indonesian Business Links are posted in its business portal at [www.ibl.or.id](http://www.ibl.or.id).

## **MALAYSIA: Corporate Integrity System Malaysia Project**

### *Project Rationale*

The Malaysian Institute of Integrity (IIM) which was established on November 5, 2003, acts as an agency coordinator and overseer of the implementation of the National Integrity Plan. IIM's goal is the development of a Malaysian nation imbued with integrity, resilience and universal values.<sup>8</sup> Because of the need to enhance integrity within corporate circles and the business community in Malaysia, the Private Sector at the Malaysian Institute of Integrity was established. Corporate entities and large corporations, as well as small and medium businesses, are the private sector's driving force in the economy. In this regard, the Private Sector at the Malaysian Institute of Integrity acts as the prime mover of the economic growth with corporate governance in the private sector as its main concern. It coordinates and implements programs by involving stakeholders in adherence to the principles of corporate social responsibility, business ethics and integrity among private

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<sup>8</sup> Portal Rasmi Institut Integriti Malaysia, "Background", <http://www.iim.org.my/web/guest/latar-belakang-iim;jsessionid=89DF82DED581459254C813C343F38CCD>, Retrieved on February 21, 2014.

sector officials as well as by identifying the problems of the sector through keeping a close ear to issues being discussed by private sector players and stakeholders.

When the first phase of Malaysia's National Integrity Plan ended in 2008, the Malaysian Institute of Integrity reviewed and revisited its role as one of the assistants in the planning and implementation of the National Integrity Plan for the Economic Institutions. The Institute, together with partners who share the same objectives within and outside economic and academic circles, sought to find leverage points and grappled with the necessity of a Corporate Integrity System in Malaysia.<sup>9</sup> As a follow-up on the second phase of the National Integrity Plan and to determine the necessity of a Corporate Integrity System, the Private Sector at the Malaysian Institute of Integrity in collaboration with the Securities Commission of Malaysia, organized and gathered selected stakeholders from the economic sector including statutory bodies, regulators, professionals, private sector and academicians. These preliminary gathering of selected stakeholders resulted to a core group of twenty-two (22) members, and is referred to as the Corporate Integrity System of Malaysia (CISM) Minilab<sup>10</sup>. To make sure that the system is uniquely Malaysian and is not a "one-size fits all" solution, a conscious decision was made to ensure that any component of the system is built in a collaborative and consultative manner. The discussion, held on January 26, 2010, enabled the development of the Corporate Integrity System of Malaysia (CISM).

### *Project Description*

The Corporate Integrity System Malaysia was officially launched on March 31, 2011. It was spearheaded by the Malaysian Institute of Integrity with the collaboration of Securities Commission Malaysia, Companies Commission of Malaysia, Bursa Malaysia, the academic community, professional bodies, Chambers of Commerce, and

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<sup>9</sup> C.I.S. Malaysia, "Objectives. Malaysian Corporate Integrity System: Implications for the future", <http://cism.my/cismv2/content.php?pagename=Objectives>, Retrieved on February 21, 2014.

<sup>10</sup> Portal Rasmi Institut Integriti Malaysia. "2010 Annual Report" [http://www.iim.org.my/c/document\\_library/get\\_file?uuid=bb618d7a-2704-4129-9866-fb2f51879884&groupId=10171](http://www.iim.org.my/c/document_library/get_file?uuid=bb618d7a-2704-4129-9866-fb2f51879884&groupId=10171), Retrieved on February 21, 2014.



Trade Associations.<sup>11</sup> The main objective of the CISM initiative is to create a business environment that is transparent, fair and corruption-free through the enhancement of corporate governance and business ethics. The initiative's framework, which is deeply rooted in corporate governance, business ethics and corporate social responsibility in the private sector, is initiated and developed by the Malaysian Institute of Integrity (IIM) and is supported by 8 Roundtable Partners namely the:

- Malaysian Anti-Corruption Commission (MACC);
- Performance Management and Delivery Unit (PEMANDU);
- National Key Result Areas (NKRA) against Corruption;
- Companies Commission of Malaysia (SSM);
- Malaysian Institute of Integrity (IIM);
- Transparency International -Malaysia (TI-M);
- Security Commission Malaysia (SC), and;
- Bursa Malaysia Berhad.

### *The Corporate Integrity Pledge*

In the aim to solicit greater cooperation and participation from the private sector, The Corporate Integrity Pledge, based on the Corporate Integrity System Malaysia's framework, was developed by the Malaysian Institute of Integrity (IIM). This document allows Malaysian companies to make a commitment to uphold the Anti-Corruption Principles for Corporations in Malaysia. The very act of signing the pledge guides the company who signed it in its business interactions and dealings.<sup>12</sup> Once a company becomes a signatory, it pledges that:

- It shall not, through any of its employees, representatives or agents, commit any corruption offence under any law, such as the MACC Act 2009 or Penal Code;
- It shall not conduct any business practices or activities that would require or encourage any of its employees, representatives or agents to commit such offences;

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<sup>11</sup> Institut Integriti Malaysia, "Enculturation of Integrity in Malaysia", <http://www.iim.org.my/documents/10157/df8450f7-98b0-4591-8570-98c574e7b515>, Retrieved on February 21, 2014.

<sup>12</sup> C.I.S. Malaysia, "Faq's for Corporate Integrity Pledge", [http://cism.my/cismv2/uploads/files/CIP\\_FAQs.pdf](http://cism.my/cismv2/uploads/files/CIP_FAQs.pdf)

- It shall work together with its business partners, regulators and law enforcement agencies to create a business environment that is free from corruption;
- It shall uphold the Anti-Corruption Principles for Corporations in Malaysia in the conduct of its business and in its interactions with its business partners and the Government<sup>13</sup>.

It is important to note that the signing of the pledge does not merit any certification. Being included in the list of signatories does not mean that the Malaysian Institute of Integrity or any regulatory authorities conducted a review or assessment to prove the integrity of the signatory. However, a cross-checking system is being developed to be able to check if a signatory had a history of activities that are against the pledge. As of February 2014, the pledge has 353 signatories, spanning from multi-national companies, government-owned corporations, public limited companies, small medium enterprises, non-government organizations, and government bodies. The end-goal of the Corporate Integrity Pledge is to have its collaborators work together with all the signatories in taking the pledge forward by helping companies gradually move toward self-assessment. This is done by identifying and closing gaps through the formulation and implementation of action plans specifically by adopting anti-corruption business principles, establishing infrastructure and conducting training in response to those gaps. Its longer-term program towards self-assessment aims to have companies report anti-corruption measure in line with the UN Reporting Guidance on the 10th Principle under the Global Compact. It aims to have its signatories produce audit, which include anti-corruption elements and annual reports, which feature anti-corruption measures.<sup>14</sup>

One of the most important collaborators is the Malaysian Anti-Corruption Commission (MACC), which has been reconstituted, through merger of three anti-corruption agencies. The new anti-corruption body, which started operations only in 2009 has greater

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<sup>13</sup> C.I.S. Malaysia, "Siemens' Corporate Integrity Pledge", [http://cism.my/upload/pledge/201106100938060.Siemens\\_CIP.pdf](http://cism.my/upload/pledge/201106100938060.Siemens_CIP.pdf), Retrieved on February 21, 2014.

<sup>14</sup> C.I.S. Malaysia, "Faqs for Corporate Integrity Pledge.", [http://cism.my/cismv2/uploads/files/CIP\\_FAQs.pdf](http://cism.my/cismv2/uploads/files/CIP_FAQs.pdf), Retrieved on February 21, 2014.

authority and independence. Its expanded functions encompass a wider participation of this government agency in the upholding of the Corporate Integrity Pledge. The MACC's revised tasks cover examination of practices, systems and procedures of public bodies in order to facilitate the discovery of offenses and to secure the revision of such practices, systems or procedures. The MACC can also instruct, advise and assist any person, on the latter's request, on ways in which corruption may be eliminated or reduce the likelihood of its occurrence. The MACC is likewise an active participant in the education of the public and foster its support against corruption.

### *Milestones and Activities*

Since its inception in 2010, Corporate Integrity System Malaysia has embarked on various activities and events anchored on the objective of creating a business environment that is transparent, fair and corruption-free. CISM has organized symposiums, fora, lecture series, and seminars. Noteworthy among its milestones and achievements was the signing of four (4) Memoranda of Understanding (MOU) between CISM through IIM and partner agencies. The first MOU was forged between the Malaysian Institute of Integrity (IIM) and the Malaysian Employers Federation (MEF) on November 11, 2010. Built on the perspective that the employers are one of the stakeholders in the effort to strengthen corporate governance and in the aim to further develop the Corporate Integrity System of Malaysia, this MOU allowed the Institute to develop integrity modules with respect to existing MEF Academy programs, while the MEF played its role through the contribution of its perspectives via 5,000 registered employers.<sup>15</sup> Then, on February 11, 2011, the Institute with the Royal Malaysia Police (PDRM) signed an MOU with National Archives of Malaysia with the aim to forge stronger partnership in training, research and development through building and enriching knowledge resources, and creating training modules and research programs on ethics and integrity with the help of experts and scholars. The third MOU, which was

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<sup>15</sup> Institut Integriti Malaysia, "Enculturation of Integrity in Malaysia", <http://www.iim.org.my/documents/10157/df8450f7-98b0-4591-8570-98c574e7b515>, Retrieved on February 21, 2014.

signed on May 5, 2011, was between the IIM and Telekom Malaysia Berhad in a strategic effort to push and achieve further the aim of the National Integrity Plan focusing on the corporate integrity initiative<sup>16</sup>. Lastly, in the aim to expand the sharing of global and professional development information in education and training, the research on ethics, the development of national case studies on professional integrity, corporate governance and the work on special projects relating to ethics and integrity, the IIM Private Sector started its collaboration with the Chartered Institute of Management Accountants (CIMA) through the signing of a Memorandum of Understanding (MOU) on July 13, 2012.

Also, in conjunction with the 1<sup>st</sup> anniversary of the Corporate Integrity Pledge, a roundtable discussion with the signatories was held on August of 2012. Another roundtable discussion was organized in May 2013 with the World Economic Forum – Partnering Against Corruption Initiative (PACI), a global organization that enables companies and business leaders to maximize collective impact against corrupt business practices. The forum, aside from leading the organization’s partnership with the Corporate Integrity System Malaysia’s (CISM) roundtable partners in promoting corporate integrity of economic institutions, also brought over 80 of the world’s leading businesses in the aim of developing a level playing field and creating a platform for stakeholders to discuss challenges in combating corruption<sup>17</sup>. Moreover, CISM gained support from government related companies (GLC) through a program organized on July 4, 2013 in collaboration with the Chief Minister of Sabah that aimed to introduce initiatives to increase the understanding of CISM management in governance and business ethics in linked organizations<sup>18</sup>. Also, during the 2013 National Integrity Seminar, the

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<sup>16</sup> Portal Rasmi Institut Integriti Malaysia, “2011 Annual Report”, [http://www.iim.org.my/c/document\\_library/get\\_file?uuid=c8f4df25-9ef7-4731-a34e-654273119802&groupId=10157](http://www.iim.org.my/c/document_library/get_file?uuid=c8f4df25-9ef7-4731-a34e-654273119802&groupId=10157), Retrieved on February 21, 2014.

<sup>17</sup> C.I.S. Malaysia Press Release, “The Malaysian Institute of Integrity Organised a Corporate Integrity International Roundtable Discussion with the World Economic Forum – Partnering Against Corruption Initiative [http://cism.my/cismv2/uploads/files/Press%20Release/Press\\_Release\\_-\\_PACI.pdf](http://cism.my/cismv2/uploads/files/Press%20Release/Press_Release_-_PACI.pdf)”, Retrieved on February 21, 2014.

<sup>18</sup> C.I.S. Malaysia Press Release, “Corporate Integrity System Malaysia(CISM) Gain Support from Government Related Companies (GLC) in Sabah”, [http://cism.my/cismv2/uploads/files/Press%20Release/Press\\_Release\\_-\\_CISM\\_State\\_GLC\\_SABAH.pdf](http://cism.my/cismv2/uploads/files/Press%20Release/Press_Release_-_CISM_State_GLC_SABAH.pdf), Retrieved on February 21, 2014.

IIM Private Sector presented to the NIP stakeholders its assessment on the effectiveness of integrity enhancement efforts over the past 5 years.<sup>19</sup> The discussion produced three major components which became the basis for the work spanned from inception of the CISM to later years. These are the: (1) Corporate Integrity System Assessment Questionnaire which is an assessment instrument used to assess the twelve dimensions related to corporate integrity and to benchmark in based on US's QED Consulting Group called "Global Ethics and Integrity Benchmarks"; (2) Case studies in which 10 selected CIP (Corporate Integrity Pledge) companies are participating in and which is still in the developmental process, and; (3) Guide of work wherein the focus is on communications, governance and council, assessment, training and education, and guidelines. The working process can be generalized or personalized (customized) to the clients or focus group.

More information and updates on the Corporate Integrity System (CIS) Malaysia can be accessed on their website at <http://cism.my/cismv2/>.

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<sup>19</sup> Institut Integriti Malaysia, "Enculturation of Integrity in Malaysia", <http://www.iim.org.my/documents/10157/df8450f7-98b0-4591-8570-98c574e7b515>

## Comparative Matrix on Selected Collective Action Initiatives

The matrix on the next page provides a comparative snapshot on the key details of the profiled collective action initiatives for the Philippines, Thailand, Indonesia and Malaysia. The main points of comparison focus on leadership, adopted international frameworks, integrity pacts and/or pledges, self-assessment tools, external auditing mechanisms, reporting, and certification and accreditation systems.

	<b>Philippines</b>	<b>Thailand</b>	<b>Indonesia</b>	<b>Malaysia</b>
<b>Collective Action</b>	Integrity Initiative (II)	Private Sector Collective Action Coalition Against Corruption (CAC)	Collective Action for Fighting Corruption	Corporate Integrity System Malaysia Project (CISM)
<b>Who leads it?</b>	The Makati Business Club (MBC) and the European Chamber of Commerce of the Philippines (ECCP)	Thai Institute of Directors Association (Thai IOD), Thai Chamber of Commerce (TCC), and Joint Foreign Chambers of Commerce (JFCCT)	The Indonesian Business Links (IBL), a non-profit foundation; and The Indonesia Working Group on Countering Bribery, formed by a group of CEOs	Malaysian Institute of Integrity

	<b>Philippines</b>	<b>Thailand</b>	<b>Indonesia</b>	<b>Malaysia</b>
<b>Based on international codes/ frameworks</b>	World Bank Institute, United Nations, Transparency International, World Economic Forum, International Business Leaders Forum, International Chambers of Commerce, and Center for International Private Enterprises	Full support and technical assistance from US-based Center for International Private Enterprise (CIPE) and the UK Prosperity Fund. Transparency International for anti-corruption tools and evaluation instruments.	United Nations Global Compact (UNGC)	UN Reporting Guidance on the 10th Principle under the Global Compact  Transparency International (TI) Malaysia
<b>Integrity Pacts/ Pledges</b>	Integrity Pledge	Declaration of intent	Signatory to the anti-corruption integrity pact of the Indonesian Chamber of Commerce	Corporate Integrity Pledge
<b>Self-Assessment</b>	Yes	Yes	No	No
<b>External Audits</b>	Yes	Yes	No	No
<b>Reporting required</b>	Self-Assessment	Self-evaluation for countering bribery	None	None
<b>Certification and accreditation system</b>	Yes (certification program underway)	Yes (certification program only)	Not institutionalized	No, still in development stage

## **Addressing Corruption Globally: Agreements, Framework and Tools for Collective Action**

Recognizing that corruption is a global problem that knows no territorial jurisdiction, countries and international organizations expressed strong commitment to address this problem. This expression to address all forms of corruption at its source can be classified in terms of agreements, frameworks, tools, conventions, principles, guidance materials and the like. They are intended to offer guidance and assistance to companies, businesses and organizations in their fight against bribery and corruption. Some of these can be adopted as is, while others can be used as a model or reference for businesses and organizations to create their own self-assessment tools, integrity pact or pledges, inter-organizational agreements and conventions, among others. Listed<sup>20</sup> as follows are anti-corruption tools, frameworks, and agreements that can be adopted or used as reference by businesses and organizations for their anti-corruption and collective action initiatives. These are categorized in terms of type of tool and/or framework and its intended use.

### **A. Anti-Corruption Conventions and Voluntary Principles**

Conventions are written international agreements between states and countries that recognize corruption as a worldwide and cross-border problem, and express a shared political commitment to addressing the problem<sup>21</sup>. Given that conventions are binding legal instruments, states and countries that signed and/or ratified the agreement are required to uphold it. Conventions are commonly intended for and open to all countries and regional economic organizations.

On the other hand, voluntary anti-corruption principles are initiatives, self-regulation and assessment tools, principles and

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<sup>20</sup> As sourced from the Anti-Corruption Tools Inventory of the Business Anti-Corruption Portal (<http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory.aspx>)

<sup>21</sup> Anti-Corruption Conventions. <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/conventions.aspx>. Retrieved March 8, 2014.



practices that seek to aid businesses, companies and organizations in their respective anti-corruption programs. These principles are generally intended for promotion of business ethics and integrity. Moreover, these principles also serve as common standards among companies and organizations in their fight against corruption, bribery and extortion.

### *1. United Nations Convention Against Corruption (UNCAC)*

**Description:** The UNCAC is the first legally binding international anti-corruption instrument negotiated and agreed upon by the members of the United Nations (UN). Composed of 8 Chapters further specified in a total of 71 Articles, the UNCAC requires contracting parties to adopt and implement anti-corruption measures in their countries laws, institutions and governments. The UNCAC covers a wide range of offences related to corruption, including domestic and foreign bribery, embezzlement, trading in influence, as well as the concealment and laundering of the proceeds of corruption. It also provides a framework for criminalizing bribery in the private sector and calls for measures to improve business integrity<sup>22</sup>.

**More Information:** For more information on the UNCAC, visit the website of the United Nations Office on Drugs and Crime (UNODC) at <http://www.unodc.org>. List of ratifications and signatories to the UNCAC can be accessed through the same website. Also, an introduction and summary to the UNCAC can be accessed at [http://archive.transparency.org/global\\_priorities/international\\_conventions/conventions\\_instruments/uncac](http://archive.transparency.org/global_priorities/international_conventions/conventions_instruments/uncac).

### *2. OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*

**Description:** The OECD Anti-Bribery Convention establishes legally binding standards to criminalize bribery of foreign public officials in international business transactions and provides for a host of related measures that make this effective. The Convention itself establishes an open-ended, peer-driven monitoring mechanism to

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<sup>22</sup> United Nations Convention against Corruption. <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/conventions.aspx>. Retrieved March 8, 2014.

ensure the thorough implementation of the international obligations that countries have taken on under the Convention<sup>23</sup>.

More Information: The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions can be accessed through their website at <http://www.oecd.org/daf/anti-bribery/>. Contact numbers for the OECD headquarters in France are as follows; (Phone) +33 1 45 24 82 00 and (Fax) +33 1 45 24 85 00. A complete copy of the convention and other related documents can be downloaded directly in [http://www.oecd.org/daf/anti-bribery/ConvCombatBribery\\_ENG.pdf](http://www.oecd.org/daf/anti-bribery/ConvCombatBribery_ENG.pdf).

### 3. *Global Compact Principle 10 (2004)*

Description: Developed by the United Nations Global Compact, the Global Compact Principle 10 is a voluntary international initiative that seeks to promote responsible corporate citizenship through adherence to the 10<sup>th</sup> principle which states that, “businesses should work against corruption in all its forms, including extortion and bribery. Participants of the Global Compact are also encouraged to institutionalize anti-corruption mechanisms and policies within their organization to later on serve as “best practice” examples for others to follow<sup>24</sup>.

More Information: To know more about the Global Compact, visit their website at <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/principle10.html>. Global Compact’s list of contact persons can be accessed at [http://www.unglobalcompact.org/AboutTheGC/contact\\_us.html](http://www.unglobalcompact.org/AboutTheGC/contact_us.html).

### 4. *OECD Guidelines for Multinational Enterprises (2000)*

Description: Framed by the Organization for Economic Cooperation and Development (OECD), the guidelines cover all major areas of business ethics, including bribery and corruption. The guidelines present far reaching recommendations that 44 adhering governments – representing all regions of the world and accounting

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<sup>23</sup> Bribery in International Business. <http://www.oecd.org/daf/anti-bribery/>. Retrieved March 8, 2014.

<sup>24</sup> Global Compact Principle 10. <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/voluntary-anti-corruption-principles.aspx>. Retrieved March 8, 2014.

for 85% of foreign direct investment – encourage their enterprises to observe responsible business conduct wherever they operate<sup>25</sup>.  
More Information: Updated official version of the guidelines can be downloaded at <http://www.oecd.org/daf/inv/mne/48004323.pdf>. More information on the guidelines and the Organization for Economic Cooperation and Development can be accessed at <http://www.oecd.org/daf/inv/mne/oecdguidelinesformultinationalenterprises.htm>, while OECD headquarters in France can be contacted through (Phone) +33 1 45 24 82 00 and (Fax) +33 1 45 24 85 00.

##### 5. *World Economic Forum's Partnering Against Corruption Initiative (PACI) Principles (2004)*

Description: Developed by a multinational task force of companies working with Transparency International, the OECD, the UN Global Compact and the Basel Institute on Governance, PACI aims at developing multi-industry principles and practices that will result in a competitive, level playing field based on integrity, fairness and ethical conduct by providing a framework for good business practices and risk management strategies for countering bribery. Through these principles, PACI intends to help companies and enterprises to eliminate bribery, demonstrate their commitment to countering bribery, and make a positive contribution to improving the business standards of integrity, transparency and accountability wherever they operate<sup>26</sup>.

More Information: More information and contact persons for the PACI can be accessed through their website at <http://www.weforum.org/issues/partnering-against-corruption-initiative>. Copy of the PACI Principles can be downloaded free of charge through the website [http://www.weforum.org/pdf/paci/principles\\_short.pdf](http://www.weforum.org/pdf/paci/principles_short.pdf). Contact details for World Economic Forum USA are as follows: World Economic Forum USA 3 East 54th Street, 18th Floor, New

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<sup>25</sup> OECD Guidelines for Multinational Enterprises. <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/voluntary-anti-corruption-principles.aspx>. Retrieved March 8, 2014.

<sup>26</sup> Partnering Against Corruption Initiative. <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/voluntary-anti-corruption-principles.aspx>. Retrieved March 8, 2014.

York, NY 10022, USA, (Phone) +1 212 703-2300, (Fax) +1 212 703-2399 and (e-mail) [forumusa@weforum.org](mailto:forumusa@weforum.org).

## **B. Guidelines and Integrity Systems**

While voluntary anti-corruption principles enumerate specific anti-corruption rules, principles and practices for companies to follow, guidelines and integrity systems provide them with a procedural and step-by-step process on how to devise and develop their own anti-corruption tools, frameworks and agreements. Guidelines and integrity systems are often presented in the form of a manual for easy access and compliance.

### *1. Assurance Framework for Corporate Anti-Bribery Programmes (2012)*

**Description:** Transparency International's Assurance Framework for Corporate Anti-Bribery Programmes (or "the Assurance Framework") is to encourage the voluntary use of independent assurance as a means to strengthen corporate anti-bribery programmes and lend greater credibility to the efforts of enterprises in preventing bribery and corruption<sup>27</sup>.

**More Information:** Copy of the assurance framework can be downloaded at [http://www.business-anti-corruption.com/media/86804/fileadmin-user\\_upload-pdf-TI-Assurance-Framework.pdf](http://www.business-anti-corruption.com/media/86804/fileadmin-user_upload-pdf-TI-Assurance-Framework.pdf). Contact information for Transparency International is as follows: (Phone) +49-30 3438 200, (Fax) +49 30 3470 3912 and (e-mail) [ti@transparency.org](mailto:ti@transparency.org).

### *2. Confronting Corruption - The Business Case for an Effective Anti-Corruption Programme (2008)*

**Description:** Developed by the PricewaterhouseCoopers (PwC), the report examines what companies are currently doing to manage the risk of corruption and the steps they can consider to better protect themselves in the future. A global survey and interviews with senior executives and anti-corruption experts have been included in the

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<sup>27</sup> Assurance Framework for Corporate Anti-Corruption Programmes. <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/compliance.aspx>. Retrieved March 8, 2014.

report, which indicate that business is more keenly aware than ever of the dangers of corruption but companies still need to expand the scope and rigor of their efforts to manage corruption risks with well-designed controls that are clearly communicated and enforced<sup>28</sup>.

More Information: PwC's Business Case for an Effective Anti-Corruption Programme can be accessed through <http://www.pwc.com/gx/en/forensic-accounting-dispute-consulting-services/business-case-anti-corruption-programme.jhtml>. Full copy of the global report can be downloaded at <http://www.pwc.com/gx/en/forensic-accounting-dispute-consulting-services/pdf/pwc-confronting-corruption.pdf>. Contact persons as indicated in the PwC website include David Jansen, Partner, (Phone) +1 646 471 8329 and Chris Kelkar, Partner, (Phone) +1 646 471 8963.

### *3. GIACC Project Anti-Corruption System (PACS) (2007-2008)*

Description: The Global Infrastructure Anti-Corruption Centre (GIACC) is an independent not-for-profit organization, which provides resources and services for the purpose of preventing corruption in the infrastructure, construction and engineering sectors for the assistance of governments, project owners, funders, contractors, consulting engineering firms and suppliers of equipment, materials and services. The Project Anti-Corruption System (PACS) is an integrated and comprehensive system designed to assist in the prevention and detection of corruption on construction projects. It uses a variety of anti-corruption measures, which can be integrated into project management. These measures impact on all project phases, on all major participants, and at a number of contractual levels<sup>29</sup>.

More Information: More information about the GIACC and PACS can be accessed through their website at [www.giaccentre.org](http://www.giaccentre.org). Imbedded on their homepage are useful anti-corruption links and relevant downloadables.

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<sup>28</sup> Confronting Corruption. <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/guidelines-and-integrity-systems.aspx>. Retrieved March 8, 2014.

<sup>29</sup> PACS. <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/guidelines-and-integrity-systems.aspx>. Retrieved March 8, 2014.

#### *4. Reporting Guidance on the 10th Principle Against Corruption (2009)*

**Description:** The Reporting Guidance on the 10th Principle Against Corruption was developed by the United Nations Global Compact and Transparency International<sup>30</sup>. The guidance is the most succinct, practical guide currently available to what anti-corruption aspects companies should report on. It equips business with a practical means to report on anti-corruption policies and actions comprehensively and effectively, as public reporting sends a strong signal to employees, investors and consumers, that a company is serious about clean business (UNGC, Transparency International, 2009).

**More Information:** Full version of the Reporting Guidance on the 10th Principle Against Corruption can be accessed at [www.unglobalcompact.org/docs/issues\\_doc/Anti-Corruption/UNGC\\_AntiCorruptionReporting.pdf](http://www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/UNGC_AntiCorruptionReporting.pdf). More Guidance Materials can be accessed at [http://www.unglobalcompact.org/Issues/transparency\\_anticorruption/Anti-Corruption\\_Guidance\\_Material.html](http://www.unglobalcompact.org/Issues/transparency_anticorruption/Anti-Corruption_Guidance_Material.html). Contact person for UN Global Compact is Ms. Olajobi Makinwa, Head of Transparency & Anti-Corruption Initiatives, UN Global Compact, (Phone) + 1 917 367 2283 and (e-mail) [makinwa@un.org](mailto:makinwa@un.org).

#### *5. Transparency International Business Principles for Countering Bribery (2002-2009)*

**Description:** The Business Principles for Countering Bribery provides a framework for companies to develop comprehensive anti-bribery programmes. The Transparency International Business Principles may thus be used by companies as a starting point for developing their own anti-bribery programmes. A 2009 edition of the principles has been released, which places greater emphasis on public reporting of anti-bribery systems and recommends that enterprises commission external verification or assurance of their anti-bribery programmes. A more updated version, the 2013 edition aims to maintain previous good practice recommendations

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<sup>30</sup> Reporting Guidance on the 10th Principle Against Corruption. <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/guidelines-and-integrity-systems.aspx>. Retrieved March 8, 2014.

while adding clauses that reflect more advanced practice. Through the Business Principles for Countering Bribery, TI encourages companies to consider using the business principles as a starting point for developing their own anti-bribery programmes or to benchmark existing ones<sup>31</sup>.

**More Information:** More information on Transparency International Business Principles for Countering Bribery can be accessed through the Transparency International website at [www.transparency.org](http://www.transparency.org). The 2003 and 2009 versions can be downloaded at <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/guidelines-and-integrity-systems.aspx>. The most updated and recent 2013 version of the Business Principles for Countering Bribery can be accessed through [www.transparency.org/whatwedo/pub/business\\_principles\\_for\\_countersing\\_bribery](http://www.transparency.org/whatwedo/pub/business_principles_for_countersing_bribery).

#### *6. International Centre for Collective Action (ICCA) of the Basel Institute on Governance*

**Description:** The Basel Institute on Governance is an influential not-for-profit organization with specialist knowledge and competencies in corruption prevention and public governance, corporate governance and compliance, anti-money laundering, and anti-corruption law enforcement and the recovery of stolen assets. The Institute launched the ICCA to assist companies and other concerned stakeholders in enhancing their ability to prevent corruption, with a particular focus on bribery solicitation. The ICCA serves as a platform for generating knowledge, practical tools and guidelines in relation to this relatively new concept, and for initiating new and facilitating existing anti-corruption collective action<sup>32</sup>.

**More Information:** Relevant information regarding ICCA of the Basel Institute of Governance can be accessed through their website at <http://www.baselgovernance.org/>. The Basel Institute on Governance can be contacted through: (Phone) +41 (0)61 205 55

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<sup>31</sup> Business Principles for Countering Bribery. <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/guidelines-and-integrity-systems.aspx>. Retrieved March 8, 2014.

<sup>32</sup> Governance and Anti-Corruption. <http://www.baselgovernance.org/gov/>. Retrieved March 8, 2014.

11, (Fax) +41 (0)61 205 55 19 and (e-mail) info@baselgovernance.org.

## **C. Anti-Corruption Training Tools and Manuals**

Anti-corruption training tools and manuals are meant to offer specific procedural guidance and assistance to companies and organizations in their fight against corruption and how it can be avoided. Oftentimes, companies can use these as guides in their corporate trainings as these training tools and manuals contain case-specific situationers on anti-corruption and bribery.

### *1. ICC Tools for Self-Regulation (2005)*

Description: Developed by the International Chamber of Commerce (ICC), the Rules of Conduct provide a solid foundation upon which an anti-corruption programme can be developed. The Rules of Conduct seeks to assist companies to comply with their legal obligations coupled with anti-corruption initiatives at the international level. This covers corruption in all its forms including prohibition of bribery and extortion, agents and other intermediaries, joint ventures and outsourcing agreements, political and charitable contributions and sponsorships, gifts, hospitality and expenses, facilitation payments, corporate policies, and financial recording and auditing<sup>33</sup>.

More Information: ICC has published Fighting Corruption-International Corporate Integrity Handbook, which can be ordered from their bookstore. More information about the ICC can be accessed through their website at <http://www.iccwbo.org/>, while a free copy of their Anti-Corruption Clause can be accessed at <http://store.iccwbo.org/t/ICC%20Anti-corruption%20Clause>.

### *2. The Fight against Corruption: E-Learning Tool*

Description: The E-learning tool offers an online learning platform that companies can easily access to obtain practical guidance on how to fight corruption in all forms through six (6) interactive

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<sup>33</sup> ICC Tools for Self Regulation. <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/voluntary-anti-corruption-principles.aspx>. Retrived March 8, 2014.



dilemma scenarios. (UNGC/UNODC, 2010). This e-learning tool is a joint product of the UN Global Compact and the UN Office on Drugs and Crime. It uses six (6) interactive learning modules to further the audience's understanding of the UN Global Compact's 10th principle against corruption and the UN Convention against Corruption as it applies to the private sector. The tool is targeted at everyone who acts on behalf of a company. Each module only lasts about five minutes, providing a quick and effective way of learning<sup>34</sup>. **More Information:** For further information about the E-learning tool, please contact: Olajobi Makinwa Head of Transparency & Anti-Corruption Initiatives, UN Global Compact, (Phone) + 1 917 367 2283 and (e-mail) makinwa@un.org. The E-learning tool can be accessed at <http://thefightagainstcorruption.org/certificate/>.

### *3. Business Anti-Corruption Portal Integrity System Tools (2006)*

**Description:** Developed by the Business Anti-Corruption Portal, the Global Advice Network integrity system tools to accommodate the needs of SMEs in their fight against corruption. Through a range of guiding procedures, the tools explain how a company can develop its own integrity system and anti-corruption policy and, in that way, significantly reduce the risk of being exposed to corruption<sup>35</sup>.

**More Information:** Additional information on the Integrity System Tools can be accessed at <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/guidelines-and-integrity-systems.aspx>.

### *4. Reform Toolkit - Combating Corruption: A Private Sector Approach (2008)*

**Description:** The Reform Toolkit introduces important concepts on corruption, explains how to address its underlying causes, and suggests concrete areas in which the private sector can lead governance reform. The toolkit contains explanations of the costs and causes of corruption, the different stages in the fight

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<sup>34</sup> The Fight Against Corruption E-Learning Tool. <http://thefightagainstcorruption.org/certificate/>. Retrieved March 8, 2014.

<sup>35</sup> Business Anti-Corruption Portal Integrity System Tools. <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/guidelines-and-integrity-systems.aspx>. Retrieved March 8, 2014.

against corruption, demand-side and supply-side ways to fight corruption, and case studies of anti-corruption programmes in Bulgaria, Colombia, and Serbia. This toolkit was developed by the Center for International Private Enterprise (CIPE) and the National Endowment for Democracy (NED)<sup>36</sup>.

More Information: A complete copy of the Reform Toolkit can be accessed at <http://www.cipe.org/sites/default/files/publication-docs/AntiCorruptionToolkit0308.pdf>. Contact information for CIPE can be found at their website at <http://www.cipe.org/>.

## Directory of Relevant Websites/Webpages

<b>Anti-Corruption Tool/Framework/ Agreement/Convention</b>	<b>Website/Webpage</b>
Basel Institute of Governance	<i><a href="http://www.baselgovernance.org">www.baselgovernance.org</a></i>
Business Anti-Corruption Portal	<i><a href="http://www.business-anti-corruption.com">www.business-anti-corruption.com</a></i>
Center for International Private Enterprise	<i><a href="http://www.cipe.org">www.cipe.org</a></i>
Global Infrastructure Anti-Corruption Centre	<i><a href="http://www.giacentre.org">www.giacentre.org</a></i>
International Chamber of Commerce	<i><a href="http://www.iccwbo.org">www.iccwbo.org</a></i>
Organization for Economic Cooperation and Development	<i><a href="http://www.oecd.org">www.oecd.org</a></i>
PricewaterhouseCoopers	<i><a href="http://www.pwc.com">www.pwc.com</a></i>
Transparency International	<i><a href="http://www.transparency.org">www.transparency.org</a></i>
United Nations Global Compact	<i><a href="http://www.unglobalcompact.org">www.unglobalcompact.org</a></i>

<sup>36</sup> Reform Toolkit-Combating Corruption. <http://www.business-anti-corruption.com/resources/anti-corruption-tools-inventory/guidelines-and-integrity-systems.aspx>. Retrieved March 8, 2014.

## **Conclusion**

The challenge in promoting integrity among businesses in a collective manner involves a shared responsibility among the members of the business sector so that both individuals and organization buy into the process. Moreover, organizations and business associations involved in collective action on anti-corruption must agree on common goals and objectives. Finally, the environment on which they operate needs to be less political and more supportive. In other words, the legal and regulatory settings provided by the government must be in place and implemented fairly and properly in order to accelerate the success of collective action.

Given these circumstances on which efforts to mainstream collective action operate, a key task of businesses and organizations is to work towards creating an enabling environment whereby fighting corruption and bribery through collective action becomes the norm or industry standard. The fight against corruption and bribery cannot be won single-handedly, which is precisely the process and outcome of a shared and common responsibility that members of the business sector must take on. This is after all, the essence of joint or common gains through collective action.

More positively, the increasing number of companies, businesses and organizations that sign, pledge, signify their intent, and willingly submit to various certification and accreditation demonstrate a trend that collective action is more than just an academic concept. As mentioned in the earlier sections of this document, collective action has already evolved to become an industry standard. Moreover, businesses and organizations have also transcended and upped the ante on fighting corruption and bribery from mere discourse and discussions to concrete and tangible actions.

Therefore, businesses, companies and organizations looking to jumpstart their own collective action initiatives or join already established ones need not to start from scratch. Access and understanding of frameworks and materials, which were developed by international organizations such as the United Nations, Transparency International, International Chambers of Commerce, etc., provide guidance to local companies and business associations on how to effectively promote integrity and implement collective

action. Evidently, the selected initiatives profiled in this Project use some international frameworks, for example, the UN Global Compact.

Relevant and useful frameworks, tools and agreements represent templates that are integral in collective action initiatives. They provide businesses and organizations with references and examples to replicate and also serve as blueprints to those who seek to develop a framework or tool of their own. Moreover, these frameworks, tools and agreements commonly have case studies and situationers that serve as guides for businesses and organizations facing business ethics and corruption dilemmas. On a long-term perspective, they also serve as hub for knowledge-sharing among those involved in collective action and anti-corruption initiatives, which in the future could be “best practice” models for others to replicate and adopt.

Initiatives that stand out are the Philippine’s Integrity Initiative – Project SHINE, Thailand’s Collective Action Coalition Against Corruption, Indonesia’s Collective Action for Fighting Corruption, and Corporate Integrity System Malaysia. The initiatives recognize and act on their countries’ national goal of eradicating corruption and are gradually integrating them in their specific activities.

However, as noted the extent of success of these collective action varies depending on the enabling environment and strong ability to eliminate a corrupt environment or to improve the economy and governance. And although these collective action initiatives already started with the promotion of an integrity pact or pledge for willing and compliant companies or members, they are still a work in progress and much more still needs to be accomplished. The ongoing efforts and enthusiasm on collective action show that there is momentum, and that is good. Nevertheless, this momentum must be sustained; the efforts must be broadened; and more (if not all) organizations should be involved, so that the impacts would be encompassing, holistic and long-term.

Drawing from these perspectives, the success of collective action against corruption and bribery on a wider scale should involve three (3) interrelated points. First, collective action must involve more organizations and stakeholders. As previously mentioned, its

core essence of being “collective” rests on more involvement from the sectors and stakeholders of the society. When more companies, businesses and organizations express their commitment on these collective action initiatives, it leads to the shrinking and eventual elimination of places and situations in which corruption and bribery may thrive. Secondly, a stable and sustainable source of funding must be considered by coalitions and organizations involved in collective action. The existing practice of sourcing funds from grants and aid from international development agencies and organizations, multinationals and large international firms may only provide the short-term benefits. The sustainability of the collective action may be in peril once the funder withdraws or the grant or aid expires. Therefore, coalitions and organizations involved in collective action must develop the capacity of funding their own operations and initiatives to become self-sustainable on the long-term. Lastly, broader support from the government and the public in general is also important. On the part of the government, this support may include establishing laws, statutes and legal structures that will create that enabling environment for collective action against corruption to be mainstreamed and considered as industry standard and regular business practice. For the general public, such broader support may manifest in the refusal to transact business with non-signatory, non-certified or non-accredited companies. In the end, the foundation of these collective action initiatives rests on the need to ensure the sincere commitment and broader support from the stakeholders, participating members as well as the general public in order to sustain its current momentum towards building a corruption and bribery-free business environment.

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