



GIACC

Global Infrastructure Anti-Corruption Centre



EN



Project Anti-Corruption System (PACS)



Overview

What is PACS?

The Project Anti-Corruption System (PACS) is a management system designed by GIACC to assist in the prevention and detection of corruption on infrastructure projects.

It comprises 15 PACS Standards which impact on all project phases, on all project participants, and throughout the project contractual structure.

Each PACS Standard deals with a separate category of anti-corruption measure. The measures in the 15 PACS Standards are designed to work together so as to result in an integrated and effective project anti-corruption system. These measures have been designed and written in a manner which enables their independent verification.

Each PACS Standard is contained on a separate webpage, is accompanied by supporting Guidance, and contains a link to the other Standards at the foot of each webpage.

An overview of, and link to, each PACS Standard is set out below.

An organisation can copy and use GIACC's PACS Standards at no charge. However, no organisation is permitted to sell the whole or part of the PACS Standards.

What is meant by “corruption” in the PACS Standards?

In the PACS Standards, “corruption” is used in its widest sense to include bribery, extortion, fraud, cartels, abuse of power, embezzlement, and money laundering. Limiting “corruption” only to bribery would be a mistake as it would miss other damaging criminal practices which can commonly occur on infrastructure projects.

Why is a project anti-corruption system necessary?

Corruption on infrastructure projects is a complex issue:

- It may occur in the form of bribery, extortion, fraud, cartels, abuse of power, embezzlement, and money laundering.
- It can take place during any phase of a project, including project selection, design, land acquisition, procurement, execution, operation and maintenance.
- It may involve members of government or other public officials, the project owner, funders, consultants, contractors, sub-contractors, suppliers, joint venture partners, and agents.
- It may occur at any level of the contractual structure.
- It is usually concealed, and those who are aware of it may be complicit in it or be reluctant to report it. This makes it more difficult to detect.

See [What is Corruption](https://giaccentre.org/what-is-corruption/) (https://giaccentre.org/what-is-corruption/), [How Corruption Occurs](https://giaccentre.org/how-corruption-occurs/) (https://giaccentre.org/how-corruption-occurs/), [Why Corruption Occurs](https://giaccentre.org/why-corruption-occurs/) (https://giaccentre.org/why-corruption-occurs/), and [Examples of Corruption](https://giaccentre.org/examples-of-corruption/) (https://giaccentre.org/examples-of-corruption/) for an explanation and

examples of corruption, and how it occurs in each project phase.

There is no single or simple method by which to prevent such corruption. These widespread  EN corruption risks can only be effectively dealt with by the implementation of anti-corruption measures throughout the project cycle.

During the last 30 years, material improvements have been made to the safety of personnel in factories and on construction sites. Similarly, significant improvements have been made to the quality of manufactured products and construction projects. These improvements have come about only as a result of improved management, oversight and enforcement practices. These practices include effective leadership, detailed written procedures, contractual obligations, training, independent verification, reporting and enforcement. These improvements have been achieved as a result of a genuine intent to make improvements and increased controls and resources. A similar approach needs to be taken in relation to corruption prevention.

Is PACS a public sector or private sector system?

PACS is designed and recommended for use on public sector projects (i.e. those which are wholly or partly owned, financed or guaranteed by a government or a tax-payer funded body). However, PACS can also be used on wholly private sector projects.

What size of project is PACS designed for?

PACS is designed to be used on large infrastructure projects. The cost threshold for “large” can be selected by the relevant government or project owner. GIACC suggests, as an indicative figure, that PACS could be implemented in full on all projects with an estimated cost of more than the equivalent of US\$5 million.

On smaller projects, it may be more appropriate to implement only some of the PACS Standards, or simplified versions of them.

Who can require PACS to be implemented on projects?

- A government regulatory authority may require (through law or regulation) that the PACS Standards are implemented on all public sector infrastructure projects, or on public sector projects above a specified value.
- A project funder may require the PACS Standards to be implemented on all projects funded by it, or on all projects above a specified value. It may make this requirement a condition of providing funding.
- A public or private sector project owner may decide to implement the PACS Standards on its projects.

How to use PACS

A government, or a public or private sector project owner, may use PACS as follows:

- It can compare its existing project anti-corruption measures with the measures recommended in the PACS Standards. In undertaking this comparison, it will be assisted by the accompanying Guidance.
- If it determines that it is not currently implementing a recommended PACS Standard at all, it may decide to implement the PACS Standard.
- If it determines that it is currently implementing a PACS Standard, but that its implementation can be improved in accordance with the recommended PACS Standard, it can introduce improvements.
- Implementation needs to be tailored to the size and value of the project. On major projects, all of the PACS Standards should be implemented in full. On smaller projects, it may be more appropriate to use only some of the Standards, or simplified versions of them.

Many governments and organisations have sophisticated and detailed regulations and management procedures in relation to projects. The PACS Standards are not intended to replace or supersede these regulations or procedures. They are intended to recommend anti-corruption measures which can be incorporated into the relevant regulations or procedures in relation to projects.



Who should be responsible for implementing PACS on a project?

PACS Standard 1 imposes on the Project Owner the overall responsibility for the anti-corruption management of the Project. It requires the Project Owner to design and implement written anti-corruption procedures in relation to the management of the Project which comply with relevant anti-corruption laws and regulations and which incorporate the requirements of PACS Standards 1 to 15. The Project Owner is the obvious organisation on which to impose the overall responsibility for implementing PACS on the Project as it owns the Project, can design the appropriate anti-corruption procedures, and can ensure that these procedures are implemented and enforced.

Adapting PACS to local conditions

Users of PACS should adapt the recommended PACS measures to their local requirements, taking into account their local laws and procedures.

Why use PACS?

PACS is not a guarantee against corruption. However, the use of PACS will:

- discourage corruption
- reduce the opportunity for corruption
- increase the chance of identifying corruption.

Therefore, the use of PACS will help:

- reduce project costs
- improve project quality and safety
- provide a level playing field for organisations undertaking the project works and services
- reduce the risk of a project participant being a victim of corruption
- encourage better quality and more ethical suppliers, contractors, consultants and funders to participate in the project
- satisfy the public that corruption is being tackled.

Can the effective implementation of PACS be independently verified?

Independent verification that the PACS Standards are being effectively implemented on a project is built into PACS due to the independent monitoring and audit requirements contained in PACS Standards 11 and 12.

If a further level of verification is required, then compliance with the PACS Standards can in addition be independently certified by a reputable third party certifier. The PACS Standards have been written in a manner which facilitates their certification as the certifier can verify that each provision of each PACS Standard is being properly implemented. Certification that the Project Owner has effective procedures in place in relation to the project which meet the PAC Standards can be undertaken prior to project commencement. This will give some comfort to potential project participants (such as funders, contractors, consultants and suppliers) that the project will be managed with integrity. The certification can then be renewed annually as the project progresses.

An experienced international certification industry already provides certification in relation to ISO management standards (such as ISO 37001 (anti-bribery management), ISO 9001 (quality management), ISO 14001 (environmental management) and ISO 45001 (safety management)). These certifiers could be used to certify a project to the PACS Standards.



Overview of the PACS Standards

An overview of the measures contained in each PACS Standard is as follows. Note that this overview is a summary, and does not include all the details of the measures of each PACS Standard. Click on the relevant heading below to access the full content of each Standard.

PS: Definitions: (https://giaccentre.org/pacs_definitions/) This page contains the defined terms used in PACS Standards 1 to 15

PS 1: Anti-corruption management of the Project: (https://giaccentre.org/pacs_ps1/) The Project Owner should have overall responsibility for the anti-corruption management of the Project. Anti-corruption procedures should be implemented by the Project Owner in relation to the Project which comply with anti-corruption laws and which incorporate the requirements of PACS Standards 1 to 15. The top management of the Project Owner, supported by the compliance manager, should be responsible for ensuring that these procedures are effectively implemented. Managers should be responsible for compliance with these procedures within the functions and processes that they manage. Project corruption risk assessments should be carried out. Personnel should be vetted and be required to comply with the anti-corruption procedures and obligations. Decisions should be made by managers of appropriate number and seniority, without conflict of interest, and with appropriate separation of function. Communications should be open and fair, and full records should be retained. The procedures in PACS Standard 1 apply to all measures contained in PACS Standards 2 to 15.

PS 2: Project selection, design and land acquisition (https://giaccentre.org/pacs_ps2/): A proposed Project should be selected for construction, development or implementation only where it has a legitimate purpose, is necessary, and provides value for money for the Project Owner. A proposed Project over a prescribed value threshold should be justified by a needs assessment, technical assessment and value for money assessment provided by a suitably skilled and independent third party. The Project design should be based on the legitimate needs of the Project Owner and should not favour any particular Supplier. Land should be acquired by the Project Owner only if and to the extent that the acquisition: is lawful; is necessary for Project purposes; will provide value for money for the Project Owner; is at arm's length and on market terms and conditions; and has been justified by a valuation and (where over a prescribed value threshold), by a written and objective needs assessment and value for money assessment, provided by a suitably skilled and independent third party.

PS 3: Procurement (https://giaccentre.org/pacs_ps3/): The criteria and procedures for the procurement of Project Contracts should be clear and objective, should ensure that there is no conflict of interest or favour to particular Suppliers, and should be determined and published in advance of the procurement process. All Project Contracts over a value threshold should be procured by the Project Owner using a competitive process which is open to all appropriately qualified Suppliers and which is designed to maximise competition. All Project Contracts under this value threshold should be procured by the Project Owner either using an open competitive process or a process under which at least three appropriately qualified Suppliers compete for the contract. Bidders should declare their beneficial ownership. Evaluation of submissions should be carried out honestly and impartially. The terms and conditions of the contracts awarded upon completion of the procurement exercise should be at arm's length.

PS 4: Contract provisions (https://giaccentre.org/pacs_ps4/): Project Contracts and Sub-contracts should contain provisions designed to deter, prevent and deal with corruption, including requirements for relevant contract parties to: comply with anti-corruption laws, regulations and procedures; implement an anti-corruption

management system in their organisations (PS 7); comply with a Project Code of Conduct (PS 8); provide anti-corruption training to relevant staff (PS 9); report corruption (PS 13); and enforce anti-corruption remedies (PS 14). Contract parties should ensure that their personnel comply with the Project Code of Conduct. A contract party should be entitled to terminate a contract where there is sufficient evidence of corruption and should be entitled to recover compensation for loss suffered as a result of corruption by another contract party.

PS 5: Contract management (https://giaccentre.org/pacs_ps5/): The management of Project Contracts should be carried out in compliance with anti-corruption laws, regulations and procedures. The Project Owner's contract managers should operate without any conflict of interest or corruption, and should ensure: that the works, equipment, materials, products, services, and finance under the Project Contract are being undertaken or provided in accordance with the contractual design, specification and requirements, and free from any conflict of interest or corruption; that any modifications to or under Project Contracts are made only where they are necessary and appropriately approved and controlled; and that they do not approve contract performance or claims, or recommend payments, unless they have taken all reasonable steps to verify, and reasonably believe, that such approvals or recommendations are justified.

PS 6: Financial management (https://giaccentre.org/pacs_ps6/): Financial management of the Project should be carried out in compliance with anti-corruption laws, regulations and procedures. The Project Owner's finance managers should operate without any conflict of interest or corruption, and should ensure: that complete and accurate Project accounts are maintained by the Project Owner; that all sums owed by or to the Project Owner in relation to the Project are paid in full; and that no payment is made by or on behalf of the Project Owner in relation to the Project unless the payment is appropriately authorised, lawful and properly due under the relevant Project Contract. All payments by the Project Owner over a de minimis threshold should be made through the banking system.

PS 7: Controls for Major Suppliers and Major Sub-suppliers (https://giaccentre.org/pacs_ps7/): Major Suppliers and Major Sub-suppliers should implement a recognised anti-corruption management system within their respective organisations for the duration of the Project, and should obtain annual certification of the effective implementation of such system from a reputable third-party certifier. They should appoint a compliance manager with responsibility for ensuring that they are properly implementing the anti-corruption management system and that their anti-corruption obligations in relation to the Project are complied with.

PS 8: Project Code of Conduct (https://giaccentre.org/pacs_ps8/): The Project Owner and all Suppliers and Sub-suppliers should comply with, and ensure that all of their personnel comply with, the Project Code of Conduct in relation to their Project activities. The Code of Conduct should prohibit involvement in corruption and should contain specific provisions designed to ensure integrity in relation to all Project activities. Personnel must co-operate fully with the independent monitor and independent auditor, and must report any suspected breach of the Project Code of Conduct under the Project Owner's reporting system.

PS 9: Training (https://giaccentre.org/pacs_ps9/): The Project Owner and all Suppliers and Sub-Suppliers should provide appropriate anti-corruption training to their relevant personnel involved in the Project. Training may be simple or comprehensive depending on the level of corruption risk faced by the relevant personnel in their Project roles. This training should instruct the trainees on: the relevant anti-corruption procedures and the Project Code of Conduct; the types of corruption they may face in their role; the damage caused by corruption; the risks to personnel and their employers of involvement in corruption; how to avoid, prevent and report such corruption; and the importance of compliance with applicable laws, anti-corruption procedures and the Project Code of Conduct.

PS 10: Government permits (https://giaccentre.org/pacs_ps10/): The Project Owner should inform all those Suppliers and Sub-suppliers which may require government permits in connection with the Project of: the type of permits needed; how to obtain the permits; the legitimate fees for the permits; and the timescales involved in

obtaining them. Suppliers and Sub-Suppliers should report to the Project Owner any delays, problems or suspicions of corruption in relation to the permit issuing process, in which case the Project Owner should take all reasonable steps to assist the Suppliers and Sub-suppliers resolve the issues complained of.  EN

PS 11: Independent monitoring (https://giaccentre.org/pacs_ps11/) An appropriately qualified and experienced independent monitor should be appointed for the duration of the Project to monitor whether there is any suspicion of corruption or breach of procedures in relation to Project selection, design, land acquisition, procurement, contract management and financial management. Where the monitor identifies reasonable grounds to suspect corruption, the monitor should report such suspicions to the Project Owner and to the law enforcement body.

PS 12: Independent auditing (https://giaccentre.org/pacs_ps12/): Financial audits should be carried out which verify that all payments by and to the Project Owner in respect of the Project were properly made to or received from legitimate persons and for legitimate purposes. Technical audits should be carried out which verify that the Project has been designed and specified in accordance with good technical practice, provides good value for money, and has been properly completed in accordance with the design and specification. Where the auditor identifies reasonable grounds to suspect corruption, the auditor should report such suspicions to the Project Owner and to the law enforcement body.

PS 13: Reporting and investigation (https://giaccentre.org/pacs_ps13/) The Project Owner should provide a system which enables any individual or organisation involved in the Project and any member of the public to report suspected or actual corruption or breach of anti-corruption laws, regulations, procedures, contractual commitments, or the Project Code of Conduct. Confidential and anonymous reporting should be permitted. The Project Owner should publicise the reporting system and encourage reporting. All reports received should be investigated by a suitable independent person. The Project Owner should review the outcome of the investigation and determine the appropriate action which should be taken in consequence. If there are reasonable grounds to suspect corruption, the report should be referred to the law enforcement body.

PS 14: Enforcement (https://giaccentre.org/pacs_ps14/): The Project Owner, Suppliers and Sub-suppliers should enforce contractual and employment remedies against any parties or personnel who are involved in corruption in relation to the Project or who are in breach of the Project Code of Conduct or of their anti-corruption commitments. If there are reasonable grounds to suspect corruption, the matter should be referred to the law enforcement body.

PS 15: Transparency (https://giaccentre.org/pacs_ps15/): The Project Owner should promptly publish on a freely accessible public website complete, comprehensive, up-to-date and intelligible information in relation to the Project. This should include information in relation to Project selection, design, land acquisition, procurement, contract management, financial management, monitoring and auditing. The Project Owner should be obliged to provide, within a reasonable period, any further information or documents reasonably requested by any person regarding any matter relating to the Project.

Conditions of use of PACS

GIACC has published PACS as a free-issue product as a public service. It can be downloaded, adapted and used by anyone free of charge. No-one is permitted to charge a fee for the use of PACS or to pass PACS off as its own product.

Feed-back and improvements to PACS

GIACC welcomes suggestions on how PACS can be improved. GIACC also welcomes feedback on whether you have found PACS useful or have implemented PACS in whole or in part on your projects. If you have any suggestions or feedback, please Contact GIACC (<https://giaccentre.org/contact/>).

History of PACS

PACS was the first certifiable project anti-corruption system to be published internationally.  **EN**

The First Edition of PACS was published by GIACC in May 2008. Minor modifications were subsequently made from time to time.

The Second Edition of PACS was published by GIACC in November 2021. The Second Edition is a significant revision to the First Edition. It is built on many years of GIACC experience in developing and assessing government, organisational and project anti-corruption measures, and also takes account of the publication of major international certifiable anti-corruption programmes, such as [ISO 37001](https://giaccentre.org/certification-iso37001/) (<https://giaccentre.org/certification-iso37001/>) (2016) and the [Commonwealth Anti-Corruption Benchmarks](https://giaccentre.org/commonwealth-benchmarks/) (<https://giaccentre.org/commonwealth-benchmarks/>) (2021).

As PACS is a website based publication, it is updated by GIACC periodically online. The date of any page update is contained at the foot of each page.

Links to the PACS Standards:

PACS Overview

PS: [Definitions](https://giaccentre.org/pacs_definitions/) (https://giaccentre.org/pacs_definitions/)

PS 1: [Anti-corruption management of the project](https://giaccentre.org/pacs_ps1/) (https://giaccentre.org/pacs_ps1/)

PS 2: [Project selection, design and land acquisition](https://giaccentre.org/pacs_ps2/) (https://giaccentre.org/pacs_ps2/)

PS 3: [Procurement](https://giaccentre.org/pacs_ps3/) (https://giaccentre.org/pacs_ps3/)

PS 4: [Contract provisions](https://giaccentre.org/pacs_ps4/) (https://giaccentre.org/pacs_ps4/)

PS 5: [Contract management](https://giaccentre.org/pacs_ps5/) (https://giaccentre.org/pacs_ps5/)

PS 6: [Financial management](https://giaccentre.org/pacs_ps6/) (https://giaccentre.org/pacs_ps6/)

PS 7: [Controls for Major Suppliers and Sub-suppliers](https://giaccentre.org/pacs_ps7/) (https://giaccentre.org/pacs_ps7/)

PS 8: [Project Code of Conduct](https://giaccentre.org/pacs_ps8/) (https://giaccentre.org/pacs_ps8/)

PS 9: [Training](https://giaccentre.org/pacs_ps9/) (https://giaccentre.org/pacs_ps9/)

PS 10: [Government permits](https://giaccentre.org/pacs_ps10/) (https://giaccentre.org/pacs_ps10/)

PS 11: [Independent monitoring](https://giaccentre.org/pacs_ps11/) (https://giaccentre.org/pacs_ps11/)

PS 12: [Independent auditing](https://giaccentre.org/pacs_ps12/) (https://giaccentre.org/pacs_ps12/)

PS 13: [Reporting and investigation](https://giaccentre.org/pacs_ps13/) (https://giaccentre.org/pacs_ps13/)

PS 14: [Enforcement](https://giaccentre.org/pacs_ps14/) (https://giaccentre.org/pacs_ps14/)

PS 15: [Transparency](https://giaccentre.org/pacs_ps15/) (https://giaccentre.org/pacs_ps15/)

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