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Project Code of Conduct



PACS Standard 8 forms part of GIACC's [Project Anti-Corruption System \(PACS\)](https://giaccentre.org/pacs-overview/) (<https://giaccentre.org/pacs-overview/>), which comprises 15 PACS Standards (see links at foot of this webpage).

Requirements

The Project Owner, and all Suppliers and Sub-suppliers, should, for the duration of their participation in the Project:

1. comply with, and ensure that all of their relevant personnel comply with, an anti-corruption code of conduct in relation to all of their Project activities which is the same as or materially equivalent to the sample Project Code of Conduct below ("the Project Code of Conduct")
2. ensure that all of their relevant personnel are given a copy of the Project Code of Conduct immediately upon their commencing work in relation to the Project, and that all such personnel sign a confirmation that they will comply with the Project Code of Conduct
3. post up an easily visible copy of the Project Code of Conduct at any office location where they are undertaking Project activities.

Project Code of Conduct

All organisations and individuals participating in [name of Project] ("the Project") must comply with the following obligations in relation to the Project:

You must:

- *behave in a manner which is truthful, honest, and fair*
- *comply with all laws, regulations, Project procedures and Project contractual commitments which are applicable to you.*

You must not participate in any criminal activity. In particular, you must not:

- *defraud or deceive anyone*
- *offer, give, request, or accept a bribe, or any other unlawful payment, benefit, or advantage*
- *make or receive any payment except to the extent that such payment is legitimate payment for legitimate services*
- *participate in any unlawful cartel or price fixing arrangement*
- *abuse the powers with which you have been entrusted*
- *embezzle or misuse funds with which you have been entrusted*
- *participate in any money laundering activity*
- *plan, facilitate, or help to conceal any of the above actions.*

You must not participate in any activity which could constitute, or be seen to constitute, an improper influence or conflict of interest. In particular, you must not:

- *offer, give, request, or accept any gift, hospitality, entertainment, donation, or other similar benefit to or from any public official or any other person in relation to the Project (other than persons who work in the same organisation as you)*

- *participate in situations in which your own, or your family's or friends' or associates', personal or business interests could conflict with your professional or employment functions responsibilities in relation to the Project.*



You must not knowingly or recklessly:

- *provide false, inaccurate, or misleading information*
- *withhold information which another person has the right to see, or where such withholding could mislead another person*
- *provide or conceal work, materials, products, equipment, or services which are not of the quality and quantity required under law or contract*
- *make or submit false, inaccurate, misleading, or exaggerated records, invoices, claims, applications for contract modifications or extensions of time, or requests for payment*
- *approve work, materials, products, equipment, or services which are not of the quality and quantity required under law or contract*
- *without good reason refuse or fail to approve, or delay in approving, work, materials, products, equipment, services, invoices, claims, applications for contract modifications or extensions of time, or requests for payment*
- *recommend payment or approve payment for work, materials, products, equipment, services, or claims which are not of the quality and quantity required under law or contract, or where the payment is not contractually due*
- *without good reason refuse or fail to pay, or delay in paying, sums due.*

Where you have a management responsibility over any function, activity or personnel, you must, in relation to such function, activity or personnel:

- *not authorise or condone any corrupt activity*
- *take reasonable and proportionate measures to prevent any corrupt activity from occurring*
- *in the event that any corrupt activity is reported or suspected, take reasonable and appropriate steps to investigate and deal with such corruption.*

Where you have a duty to act impartially, such as in relation to the evaluation of tenders, or the approval or certification of payments, extensions of time, contract modifications, or the value, quantity, or quality of work, materials, products, equipment, services or claims, then you must make all decisions in this regard impartially and free from improper outside influence.

Direct and indirect actions: The above principles apply to any actions taken by you either directly or through or on behalf of any other person or organisation.

Co-operation with the independent monitor and independent auditor: In relation to the performance by the independent monitor and independent auditor of their duties in relation to the Project, you must at all times:

- *co-operate fully with the independent monitor and independent auditor*
- *not interfere with or try to influence the independent monitor and independent auditor*
- *without requiring advance notice, allow the independent monitor and independent auditor unrestricted access to you, your office, Project premises and site locations, records, correspondence, work, materials, products, and equipment.*

Reporting of breach of this Code of Conduct: If you believe in good faith or on reasonable grounds that any person has breached or is about to breach any part of this Code of Conduct, then you must report such suspicion as soon as possible under the reporting system set up by the Project Owner

which can be accessed at [\[website link\]](#). In all cases, you may report anonymously. If you do not make your report anonymously, you may, at the time of reporting, request that your identity is kept confidential.



Guidance

G1: What is the purpose of the Project Code of Conduct?

The purpose of the Project Code of Conduct is to introduce a binding and clear set of integrity principles which must be complied with by all organisations and individuals involved in the Project.

The sample Project Code of Conduct contained in this PACS Standard applies to all Project participants, all types of corruption and all phases of the Project, and takes account of the different roles that personnel may have on the Project.

Corrupt activities which may take place in relation to a Project are numerous and varied. For example:

- Bribes may be paid in return for:
 - the awarding of contracts
 - the issuing of permits
 - the approval of work done, of claims for contract modifications and extensions of time, or of payments
- Project participants may defraud other participants by:
 - exaggerating their experience and resources in tenders or job applications
 - concealing defective work
 - providing false or misleading information in relation to the cost of work done, or the cause and extent of a Project delay
 - creating false reasons for delaying or refusing payment to another Project participant.
- Project participants may form cartels with other participants during a tender and pre-agree the winner at an inflated price.
- Project participants may embezzle funds or abuse their office.

Project participants may also breach the Project Procedures or their Anti-Corruption Contractual commitments. For example, there may be a breach of the procurement procedures by the Project Owner awarding a contract without a competitive process, or a Supplier may breach its commitment to implement an anti-corruption management system or provide training to its personnel.

See GIACC's resource "[How Corruption Occurs](https://giaccentre.org/how-corruption-occurs/)" (<https://giaccentre.org/how-corruption-occurs/>) for a detailed analysis of the various types of corruption which can occur throughout the Project.

The Project Code of Conduct is designed to prohibit and deter all of these types of corruption.

G2: Reporting of breach of the Code of Conduct

The last provision of the sample Project Code of Conduct requires that suspected or actual breaches should be reported under the reporting system set up by the Project Owner. This is the reporting system which should be established by the Project Owner under PACS Standard 13.

G3: How does PACS make compliance with the Project Code of Conduct a binding and enforceable requirement?

- **Obligation to comply with the Project Code of Conduct:** PACS Standard 4 (paragraph 2) provides that it should be a commitment in all Project Contracts that the Project Owner and Supplier should comply with, and should ensure that their personnel comply with, the Project Code of Conduct. An equivalent obligation is required to be included in all Project Sub-contracts (see paragraph 3 of PACS Standard 4).
- **Enforcement of that obligation:**
 - PACS Standard 14 requires the Project Owner to take appropriate enforcement action against Suppliers and personnel for breach of the Project Code of Conduct.
 - PACS Standard 4 (paragraph 3) requires Suppliers:
 - to take appropriate enforcement action against their Sub-suppliers for breach of their Anti-Corruption Contractual Commitments (which include compliance with the Project Code of Conduct)
 - to take appropriate disciplinary action against their personnel for breach of the Project Code of Conduct
 - to include equivalent provisions in their Project Sub-contracts.



Links to the other PACS Standards

[PACS Overview](https://giaccentre.org/pacs-overview/) (https://giaccentre.org/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/)

[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/)

Updated on 1st November 2021

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