

U4 Expert Answer



Tools to reduce private sector engagement in grand corruption during the award of public contracts, concessions and licenses

Query

Please give an overview of the main tools and levers (in country and internationally) that can best deter grand corruption between government and the private sector during the award/implementation of public procurement contracts and major concessions and licenses. Please cite developing country examples where possible.

Purpose

We are planning a guidance note and short training module for staff on assessing and responding to the risks of corruption for private sector growth. This note will help us to target our note.

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Caveat

The country examples used in this paper are taken mostly from OECD countries. Only a small number of examples from developing countries could be found.

Summary

All stakeholders have a role to play in building a clean procurement system. This includes civil society and the media who are key to ensuring that the laws, rules and contracts are properly and truthfully implemented.

Public procurement and the award of government contracts is a sphere of government activities that is particularly vulnerable to corruption, being at the meeting point of the public and private sector.

To promote integrity in public procurement and government concessions both the supply and demand side of corruption should be tackled. Open contracting, enhanced transparency, integrity and monitoring mechanisms and training of procurement officials, as well as corporate integrity and incentives and deterrents for the private sector should be combined to reduce grand corruption.

What is grand corruption?

Grand corruption is generally understood as a type of large-scale corruption that involves public officials and businesses and concerns substantial amounts of money. It is often associated with international business transactions, government contracts and public procurement (World Bank no date). Here, grand corruption will be understood as large scale corruption in the awarding of government contracts, licenses and leases through public procurement. It is defined by Transparency International as the "acts committed at a

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high level of government that distort policies or the central functioning of the state, enabling leaders to benefit at the expense of the public good" (Transparency International, 2009). For the U4, "the kinds of transactions that attract grand corruption are usually large in scale - and therefore involve more money than bureaucratic or "petty" corruption" (U4 no date).

1. Integrity and transparency in public procurement and licensing

Corruption in the awarding of government contract manifests in different forms, including bribery, facilitation payments and collusion, conflicts of interest, bid-rigging and trading of influence. It can appear throughout different phases of the procurement cycle: the needs assessment, preparation, contract/supplier selection and contract award, contract execution and final accounting and payment (Transparency International 2010). In addition to the large amounts of money involved (in 2002, the OECD estimated the value of government procurement markets worldwide to be US\$ 2 trillion annually), the lack of transparency, accountability and integrity in procurement procedures create opportunities for corruption to occur.

Promoting transparency at all stages of the procurement cycle, open contracting, integrity and accountability mechanisms as well as stakeholder participation in monitoring government contracts are some of the main strategies pursued by governments to reduce the engagement of state officials and private sector companies in grand corruption. Civil society has an important role to play in ensuring that anti-corruption rules in procurement are implemented properly and truthfully.

Promoting transparency

International initiatives and framework

Many international anti-corruption conventions urge state parties to establish a legal and institutional framework making public procurement transparent and accountable. The United Nations Convention against Corruption promotes the establishment of "appropriate systems of procurement, based on transparency, competition and objective criteria in decision-making, that are effective, inter alia, in preventing corruption" (Art. 9); state parties shall adopt measures to prevent

"the misuse of procedures regulating private entities, including procedures regarding subsidies and licences granted by public authorities for commercial activities" (Art. 12).

Open contracting goes beyond the procurement of goods and services, covering other types of government contracts, such as concessions and licenses. Standards for open contracting are emerging, with increasing numbers of freedom and access to information laws serving as a legal basis (Chene 2012). A number of international multi-stakeholder initiatives are promoting open contracting, understood as enhanced transparency and equal access to information and opportunity for participation, as a means to reduce the opportunity for corrupt behaviour in the award of government contracts, leases and licenses, such as the Extractive Industry Transparency Initiative (EITI), the Construction Sector Transparency Initiative (CoST), the Medicines Transparency Alliance (META), the Global Initiative on Fiscal Transparency (GIFT), and the Open Government Partnership (OGP) more broadly.

Example of EITI

The EITI is a coalition of governments, civil society, investors and international organisations that promotes revenue transparency in the traditionally opaque sector of extractives. The EITI supports the regular publication of information concerning the implementation of extractives concessions such as payments from companies to governments and all material revenues received by government from companies.

Example of CoST

CoST is a country centred multi-stakeholder initiative designed to promote transparency and accountability in publicly financed construction. It involves government procuring entities and oversight agencies, private sector consultants and contractors, and civil society groups working together to improve transparency. CoST seeks to complement rather than replace a country's supervision, audit, regulatory, investigative, and judicial functions. It provides support to governments to put systems in place that allow public access to reliable and detailed construction project information, as well as to multi-stakeholder groups to oversee the validation and interpretation of the information and build the capacity of the target audiences to understand what the information means to them.

Example of OGP

The [Open Government Partnership](#) (OGP) is a new multilateral initiative that aims to secure commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. In the spirit of multi-stakeholder collaboration, OGP is overseen by a steering committee of governments and civil society organizations. 51 governments to date have endorsed the initiative.

The Philippines, for example, developed a Good Governance and Anti-Corruption Plan (GGAC) as part of its efforts to commit to the OGP. An initial success has been a directive by President Aquino to the government's cabinet ministers to pass the Freedom of Information Act, which has languished in the Congress for over a decade. In addition, the GGAC Plan hopes to contribute to greater emphasis on fiscal discipline, including public expenditure reforms in the proposed 2013 National Budget, and a new way of preparing the national budget that incorporates public input and uses a breakthrough bottom-up approach.

Country-level transparency tools

The OECD has developed a range of tools to be used throughout the procurement cycle, during the pre-bidding, the bidding and the post bidding phase, some of which are outlined below. Most tools and incentives designed for public procurement can also be used for the award of other government contracts such as concessions and licenses since they are generally assigned through public tenders.

The OECD toolkit can be accessed here: <http://www.oecd.org/governance/procurement/toolbox/indexoftoolsbyprocurementcycle.htm>

Pre-tendering phase

During the pre-tendering phase, governments can consult involved stakeholders to develop the specification of the procurement project, item, methods etc.

The very first step is taken with the needs assessment by making sure that the goods/services purchased or the investment made are economically and socially justified. The use of independent consultants as well as public hearings are suitable means to ensure integrity and transparency in needs assessments (Transparency International 2006).

Pre-bidding consultations can contribute to the development of unbiased tender requirements. For this purpose, the OECD makes available a Template for Market Study Report to collect information about a specific market and assess the achievability of requirements, completed by a Template to Solicit Supplier Information that helps to collect information from market suppliers and document the contacts established between the procurement authority and suppliers. The information collected through these tools serve to establish the appropriate tender method and criteria based on the strategic importance and on the nature of the acquisition as well as the public interest in the latter.

The checklist to design tender methods to reduce bid rigging serves to promote effective competitiveness and avoid any collusion or dishonest arrangements; this checklist contains guidance on how to best design the tender process, to maximise the participation of genuine suppliers, to clearly define the requirements, to reduce communication among bidders and to choose the most appropriate selection criteria.

Integrity Pacts are a tool for reducing the opportunities of corruption in public contracting. This tool consists of an agreement between the government agency offering a contract and the bidding companies to abstain from bribery, collusion and other corrupt practices for the extent of the contract. Integrity Pacts provide improved access to information, increasing the level of transparency in public procurement. For example, Proética, the Peruvian National Chapter of TI, in 2004 signed a Memorandum of Understanding with the Regional Government of Lambayeque to monitor the centralised procurement process of fuel and lubricants for the Government's vehicles through the implementation of an Integrity Pact. Three elements preceded the implementation of the Integrity Pact: a participatory discussion that comprised the elaboration of a corruption risk map and a declaration of commitment from the officials to fight those risks; an expert support from Proética in analysing the bidding documents; and public participation in discussing the bidding documents.

Tendering phase

The evaluation of the bids and the selection of the supplier is the phase of the procurement cycle most vulnerable to corruption. Transparency mechanisms are necessary to ensure that the evaluation is fair and

unbiased, and that the contract goes to the best bidder at the best price.

New information and communication technologies (ICTs) are increasingly used to ensure transparency in the tendering phase of the procurement cycle. E-procurement (electronic procurement) can reduce administrative costs, speed up the process, increase openness, facilitate monitoring, encourage cross-border competition and support the development of a centralised procurement administration.

South Korea, for example, adopted its Government e-Procurement System (GePS) in 2002, providing integrated bidding information as a one-stop shop for customers and enabling the electronic processing of the entire procurement process. The bidding system and procurement information are available through mobile phones. According to the OECD, South Korea's e-procurement system has significantly reduced the risks of corruption, through the enhanced transparency made possible by the digitalisation of information, and increased competition.

To reduce the opportunities for corruption in the bidding phase, the OECD highlights the importance of ensuring that bidders receive clear and equal documentation on the procurement opportunity and criteria, as well as potential amendments. This could be done by model document or set standards and guidelines, as well as ex-ante legality controls. Bidders can be asked to provide integrity assurances and to disclose investigations or convictions relating to corruption offenses (Transparency International, 2006). The timeframe to prepare and submit bids should also be clearly stated; the World Bank Procurement Guidelines indicates that the timeframe should generally not be less than six weeks.

In Hungary, the Public Procurement Council requires a legality control before the publication of procurement notices. The legality control is conducted by the Council's Editorial Board and serves as a filter to verify compliance of procurement notices with the relevant legislation and to identify and prevent any unlawful element before the tendering process starts. In 2005, according to the statistics provided by the Hungarian government to the OECD, the Public Procurement Council had to request that almost 75% of the submitted documents be adjusted before their publication.

Communication of the award results: it is essential to ensure transparency all the way through

communicating award results. The minimum standard, applied by most OECD countries, is the communication of the evaluation process, the successful bidder and the reasons for the rejection of the unsuccessful ones. Debriefings to unsuccessful bidders are usually offered on demand and in writing, but can be done orally in some countries (Canada, Ireland, UK etc.). Most countries have a standstill period between the communication of the award decision and the moment when the contract enters into force, to allow all candidates to challenge the decision if need be. The OECD has developed [Guidelines for supplier debriefings](#) and a [Model format for supplier debriefing](#) to help procurement officials handle complaints properly and to improve bidders understanding of the process, the decision and feedback.

Post-tendering phase

Even though they are rarely covered by procurement regulations, the steps following the evaluation and actual contract award are as vulnerable to corruption as the previous phases of the procurement cycle and it is essential to have a mechanism in place to make sure the contract is implemented properly, without changes in costs or level of quality.

Adopting clear and transparent limits for contract changes, in procurement laws or in the actual contracts, serves as an effective safeguard against post-tendering manipulations (Transparency International 2006).

Online reporting: The OECD encourages governments to use online reporting to increase transparency and accountability to the public of post-award contract performance. This can be done through a centralised website providing the financial and non-financial performance status of procurement packages through qualitative and quantitative information.

Objectives and performance: Experts promote the establishment of clear and specific objectives for the project from the very beginning to facilitate the monitoring of the implementation, as well as the appointment of a board for contract appeals. Performance ratings of winning bidders have also pointed out as an efficient deterrent (Heggstad et al. 2010).

Integrity mechanisms to prevent conflicts of interest

It is crucial for states to take measures to prevent conflicts of interests to occur and to guarantee the integrity and impartiality of the public officials involved, who should not be able to take advantage of their position for their own private gain. Conflicts of interest arise if a public procurement official has an economic interest in one of the bidding companies or is offered a future employment in one of them (Heggstad et al. 2010).

Provisions regulating conflicts of interest in public procurement are generally governed by generic conflict of interest legislation, civil service legislation, procurement regulations or codes of conduct. These can forbid procurement officials to hold stakes in a company doing business with the state; to accept, during a set time, a post-public employment position in companies with which the state has had contracts; to hold a position in another branch of government; or to be part of a statutory organ of a private entity (Martini, 2013).

Turkey, for example, underwent a major reform of its public procurement system in 2002. The subsequent public procurement law established the autonomous public procurement authority of which the board members cannot have any relationship with political parties. More importantly, they cannot be involved in any official or private jobs, freelance or trade activities, and cannot be a manager or shareholder in any type of partnerships based on commercial purposes (OECD 2007).

Clear rules concerning acceptable behaviour from the part of procurement officials should be set out in a code of conduct containing specific guidelines concerning gifts, entertainment and other favours, as well as political donations and nepotism. The OECD has developed a generic code of conduct that can be adapted to local contexts. In order to ensure integrity in public procurement and prevent conflicts of interest, three main areas should be regulated: functions and positions held by procurement officials; declaration and registration of interests; actions to be taken may a conflict of interest arise (Transparency International 2006; Heggstad et al. 2010).

Experts also cite the declaration of personal assets of relevant officials as a good practice to promote integrity in public procurement. Ideally, procurement officials ought to regularly declare their income, assets,

liabilities, gifts and benefits, as well as unpaid employments and contracts, participation in organisations and post-tenure positions. This information must be properly checked by an independent oversight body to ensure effective implementation (Martini 2013). Sanctions and processes following the detection of corrupt practices should be clearly outlined, and suspicions ought to be promptly investigated (Transparency International 2006). When a conflict of interest is detected, the related procurement official shall be excluded from the evaluation committee and contract awarding process (Martini 2013).

In Turkey, procurement officials are required to submit a declaration of property within the month following the start of the employment and expiry of mandate, and every year during the time in service (OECD 2007).

Ideally, the evaluation of bids and the award decision should be conducted by different people, and preferably by a group of people (the "four-eye-rule") rather than a single individual. Regular rotation of staff can also contribute to reducing corruption opportunities in public procurement (Transparency International 2006).

Accountability and monitoring mechanisms

In addition to preventive measures, procurement systems should be equipped with internal and external control structures, internal and external audit mechanisms as well as effective whistle-blower protection. Public procurement should also be scrutinized by other stakeholders such as civil society, the media, the public etc. through social control.

A prerequisite for an effective and transparent monitoring of public procurement is the conservation of accurate written records. The retention time varies from one country to another (for example, 3 years in Australia and 10 years in Sweden). States should ensure that there are procedures in place to keep well documented, justifiable and substantiated procurement decisions. Such records are increasingly kept in electronic form and can be made available to the public (OECD 2007). Adequately recorded procurement information gives a variety of stakeholders the opportunity to monitor the phases of the procurement cycle and to identify abuses.

The existence of such records contributes to the effectiveness of internal control mechanisms, which

should comprise financial control, internal audit and management control. The OECD developed a set of [Guidelines for detecting bid rigging in public tenders](#) to help procurement officials identify abuses and suspect behaviour in a timely manner. Internal control structures can be reinforced by inspections and enforcement of administrative or criminal sanctions. Red flags, checklists or indicators are often used by procurement professionals as a tool to identify potential problems regarding governance, conflicts of interest and corruption in the award of government contracts. Such warning signs exist for all phases of the procurement cycle. The World Bank developed a [list of red flags](#) that was completed by Transparency International's [Handbook](#).

Clear records should be coupled with reporting mechanisms and whistle-blower protection. Providing individuals with channels to report wrongdoings and protecting them from reprisal contribute to encouraging people to act against abuses and reduce the opportunities for corruption. Complaints can also come from outside the institution and states should establish adequate, timely and independent recourse mechanisms to allow persons to challenge procurement decisions. Such complaint procedures allow for an effective monitoring of the integrity of public procurement (OECD 2007).

An increasing number of countries have opted for having their public procurement externally audited, often by the country's supreme audit institution. External audit can also contribute to the improvement of key processes through informed recommendations and to identify specific risk factors and vulnerabilities to the integrity of the system (OECD 2007). Besides oversight from a parliamentary body or the ombudsman, a number of stakeholders can play important roles in monitoring the public procurement process. The international community contribute to monitoring public procurement reforms in aid recipient countries through methodologies such as the OECD Development Assistance Committee (DAC) Joint Venture for Procurement. The main trend to promote integrity and efficiency of public procurement is the emergence of direct social control, involving civil society, the media, the private sector, end-users and the general public, in the monitoring of the various phases of the awarding of government contracts. Media and social control can be good incentives to reduce corruption through the empowerment of communities to keep officials to account (Hanna et al. 2011).

Mexico, for example, has introduced the practice of the social witness to reduce corruption risks in the country's procurement system, following the recommendation of *Transparencia Mexicana*. The social witness is a representative of civil society, independent from the parties involved. S/he monitors all phases of the award of the procurement contract. The Ministry of Public Administration publishes the list of all the individuals entitled to be social witnesses. The introduction of social witnesses into the procurement system has proved efficient, according to the Mexican government, which declared that millions of USD had been saved in the procurement of the *Comision Federal de Electricidad* alone.

To facilitate the participation of citizens, Transparency International USA developed a procurement monitoring guide for civil society. This guide contains a "step-by-step forensic lens" that will help civil society organisation to identify potential corruption risks in government procurement. This handbook aims to assist CSOs in choosing what to monitor, in dealing with all sorts of problems that might arise, in identifying the techniques to isolate corruption risks, collusion, fraud etc. and in knowing what steps to take when a corruption case is found. Based on this tool, Transparency International USA developed a Country Specific Procurement Monitoring Guide for the Philippines and for Indonesia, taking into account the specific context and needs of these countries.

Enhanced capacities through training and incentives

Engaging in bribery and corrupt activities can be a consequence of the lack of motivation to behave ethically and/or of adequate skills and knowledge about laws and ethical rules. Ensuring adequate capacities for procurement authorities and officials as well as incentives to attract and retain qualified staff is an effective means of reducing corruption risks in this sector.

Procurement officials have to deal with considerable amounts of work of highly technical nature and, increasingly, governments adopt measures to attract well-skilled professionals to positions in procurement authorities. Providing adequate incentives such as competitive salaries and bonuses can also contribute to reducing the temptation to engage in bribery and corruption. Motivation and professionalism should be incentivised through a performance measurement and

reward scheme, giving recognition to the officials that performed well.

Chile is a good example of the use of incentives to promote efficient and fair public procurement. Chile's Public Management Improvement Programme is a national programme aiming at improving public management. Public procurement is one component of this broader programme and its management improvement section contains performance indicators and establishes rewards at individual and organisational levels. The programme's ultimate objective is to improve the capacity of the procurement function through agency and employees' incentives linked to performance.

Retaining talents is fundamental to ensure professionalism in public procurement; and investing in human capital and personal development programmes contribute to providing incentives to perform well and remain in service. Professional training is key to helping procurement officials take informed decisions and to promote ethical behaviour. Specific trainings can contribute to raising awareness about corruption risks and assist procurement professionals handle complex situations (OECD 2007).

A number of institutions have developed specialised trainings for public procurement officials. The United Nations Development Programme (UNDP), for example, offers specialised procurement training and certification, accredited by the Chartered Institute of Purchasing and Supply (CIPS), to staff from the UN system, non-governmental organisations, international development financing institutions and their borrowers, and governments. Several levels are offered, covering the basics of procurement rules, evaluation etc., strategic decision making, risk management etc. More [here](#).

2. Promoting corporate integrity

Corruption comes at a cost for the business community as a whole. The World Bank estimates that bribery and corruption increase the cost of doing business globally by 10% and adds about 25% to the cost of procurement in emerging markets (World Economic Forum et al., no date). In addition, corruption brings about reputational, legal and operational risks for private sector companies who can only benefit from a level playing field.

Public procurement is at the meeting point between public and private sector, thus promoting corporate

integrity is the other side of the coin of reducing corruption risks in this sector. Preventing unethical behaviour and undue influence on the supply side of corruption is essential to ensuring effective and reliable public procurement. Corporate integrity has become an important concern for companies, investors, consumers and private sector employees. This section provides an overview of corporate social responsibility (CSR) frameworks and internal rules regarding procurement, and of existing incentives for corporate integrity.

Corporate Social Responsibility

Levelling the playing field with regards to public procurement requires comprehensive corporate integrity frameworks and compliance, as much as it needs integrity and transparency in procurement authorities. The private sector has an essential role to play to reduce corruption in the award of government contracts.

Corporate social responsibility (CSR) is crucial to the integrity of public procurement as it encourages companies to have in place a process to integrate social, ethical and consumer concerns into their operations and strategy. In addition to international conventions and national laws criminalising bribery of public officials, CSR offers internal guidance on how to behave ethically, on what is permitted and what is forbidden when it comes to competing to win government contracts. It is essential that companies not only adopt such measures but also establish compliance mechanisms to ensure truthful and proper implementation.

There are a number of standards, principles and frameworks available to companies who want to adopt strong anti-corruption policies as part of the Corporate Social Responsibility structure. For example:

- Transparency International's [Business Principles for Countering Bribery](#) is a tool for companies dealing with the challenge and risks posed by bribery. The tool reflects recent developments in anti-bribery practice worldwide and incorporates approaches by business, academia and civil society. The Business Principles provide a framework for companies to develop comprehensive anti-bribery programmes. It contains guidance on how to develop and implement a comprehensive anti-corruption programme covering multiple forms of corruption, including internal and external stakeholders.

- The OECD developed a set of [Principles of Corporate Governance](#) to provide guidance and suggestions for investors, corporations, and other parties that play a role in the process of developing and implementing good corporate governance. These principles promote transparency and integrity, and encourages companies to set up efficient internal control and compliance mechanisms to reduce the opportunities for corruption.

Reporting and risk management

Companies are often exposed to the solicitation of bribery from public officials, especially in large procurement projects. In response to this issue, in 2012 the B20 Task Force on Improving Transparency and Anti-Corruption called on governments to “establish appropriate forms of *high-level reporting mechanisms* to address allegations of solicitation of bribes by public officials”.

The Basel Institute on Governance and the OECD developed the concept of such a mechanism for reporting bribery solicitations and extortion attempts. The mechanism is not a replacement of the formal judicial system but aims to provide companies with guidance on how to constructively handle solicitation and extortion with the assistance of a dedicated institution. Colombia is the first country to pilot such an initiative, launched in April 2013, with a focus on procurement in the infrastructure sector, and other countries in Southern Africa and Eastern Europe have expressed their interest in setting up similar mechanisms (Basel Institute OECD 2013).

Incentives for integrity and corruption deterrents

Law enforcement

Both at the national and international levels, anti-bribery regulations are becoming increasingly comprehensive, putting more pressure on companies to adopt strong anti-corruption policies and mechanisms, and augmenting the risk of a company being sanctioned. Almost all countries throughout the world criminalise bribery and the criminalisation of foreign bribery is a growing trend. The issue of corporate liability also emerges as a trend, with a significant number of countries introducing criminal liability for legal entities. Last but not least, several countries have adopted stronger penalties for bribery of both domestic and

foreign public officials. Companies can also be held liable for damages occurred due to corruption in the procurement process. A commonly-used practice is the stipulation in the contract that if damages were to be paid, the amount would represent a set percentage of the contract value (Transparency International 2006).

Debarment

According to a survey conducted in 2012 by the Humboldt-Viadrina School of Governance on anti-corruption incentives and sanctions, respondents from both public and private sectors list “restriction of business opportunities (debarment)” as the most important factor in motivating companies to fight corruption, followed closely by the “restriction of operations (revocation of business licenses etc.)”. (Humboldt Viadrina, 2012). Debarment has been hailed as an efficient deterrent in the fight against corruption by many experts. Debarment has been qualified as a “virtual death sentence” and effectively “sound[ing] the death knell” for companies (Stevenson, Wagoner 2011).

As a result of a bribery case, a company can be suspended or excluded from public procurement processes for a certain period of time (debarment). Many governments as well as international organisations, such as the World Bank, the European Bank for Reconstruction and Development, the Asian Development Bank, the Inter-American Development bank and the African Development Bank Group, have adopted procurement “black lists”.

The cost of debarment for businesses can only be estimated on a case-by-case basis since it is linked to the loss of potential markets during the debarment period. Some government or international bodies make their black lists public, the World Bank and the USA (Excluded Parties list system) for example, which adds the potential losses due to reputational risks to the losses linked to the exclusion from bidding processes.

White lists and preferred supplier status

Engaging in the fight against corruption can help companies win new markets. Complying with anti-corruption standards and pro-actively enhancing integrity and accountability can grant companies a “preferred supplier status”, give them access to certain procurement processes open only to ethical companies, put them on “white lists” etc.

The Integrity Initiative's Integrity Pledges, implemented by the European Chamber of Commerce of the Philippines, are formal expressions of commitment by companies to comply with ethical business practices and to support the fight against corruption. These pledges give participating companies privileges such as "preferred supplier status" for private and government contracts, recognition as "Clean or Ethical Company" and perks from participating government agencies. Companies increasingly adopt policies requiring their supplier to comply with ethical standards. JPMorgan Chase, for example, required companies that want to become suppliers to comply with their anti-corruption policy that refers to the FCPA and the UK Bribery Act among other provisions.

Procurement can be used as an incentive, on top of being used to sanction non-compliant companies. The use of a "white list" can reward compliant companies that act with high integrity through the visibility and publicity generated by their appearance on the list. The use of "white lists" is not common but Brazil's Controladoria-Geral da União publishes a list of companies that have adopted strong integrity mechanisms and voluntarily went through a compliance check, thus creating high standards for businesses in Brazil. To some extent, the research projects targeting companies conducted by Transparency International, such as Transparency in Reporting on Anti-Corruption (TRAC) or Promoting Revenue Transparency (PRT), are of similar utility, using the "naming and shaming" effect with opaque and non-compliant companies while paying tribute to the well-performing ones.

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