



From Pandemic to Recovery:

Building Resilient Economies through Transparency, Integrity, and Trust





Thai Private Sector Collective Action Against Corruption

Session 1 on Business Integrity: Collective action initiatives

About CAC

The Thai Private Sector Collective Action Against Corruption (CAC) was founded in 2010 as a result of the initiative of the Thai private sector, aiming to encourage companies that recognize the importance of conducting transparent business to participate in collective action format to combat corruption.



8 2010
Founders

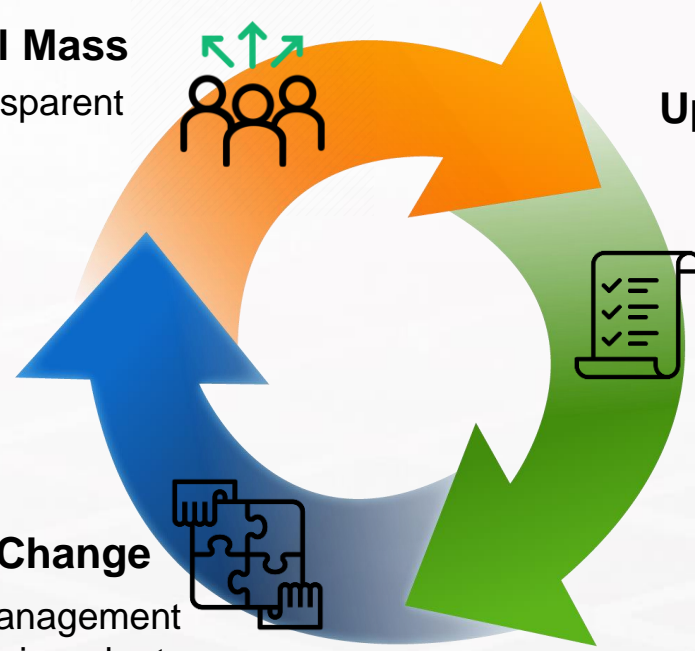
2011
Signatory Companies
27

2023
Signatory Companies
1345
Certified Companies
513

Our Mission

Gain Critical Mass

The expansion of private partnerships for transparent businesses without bribery.



Uplift Compliance Standards

Improvement of operational standards that are able to control the corruption risk of the private sector.



Co-Create Change

Collaborating to bring about change in the management and service delivery of government agencies, in order to increase efficiency and transparency.



Self Evaluation Tool for Anti-Corruption Development



- 1) **Corruption Risk Assessment**
- 2) **Internal controls for Corruption Risks**
 - Operational controls
 - Environmental controls
 - Financial controls
 - Monitoring & Auditing
 - Support functions
- 3) **Anti-corruption principles & policies**
 - Gift & Hospitalities
 - Sponsorship
 - Donations
 - Political contributions
 - Conflict of interests
 - Facilitation payment
 - Revolving door
 - Affiliates, agent, subsidiaries, third parties
- 4) **Human resources**
- 5) **Communication**
- 6) **Raising concerns and seeking guidance**
- 7) **Review, assess and improve**

The assessment applied by EU Transparency International has been modified for the Thai business context. As a result, there are now 71 checklists for large companies and 17 for SMEs, categorized into 7 main sections.

Allegations of Corruption in 2022

Allegations	Number of Cases	The project budget or the cost of corruption (Million Baht)
Performing or omitting to perform an act in the position or duties in bad faith	2,802	3,403.95
Procurement	1,869	3,044.81
Conflict of interests between personal interest and public interest	123	1,527.89
Embezzlement/misappropriation of money or government property	769	896.47
Human resources management (recruitment/appointment/promotion/transfer/disciplinary action)	427	373.69
Corruption in budgeting/projects/ fraudulent disbursement on the project	328	224.84
Unusual wealth	117	98.12
Bribes	420	74.20
Issuing document of land right	171	2.91
Violation of ethical standards	18	0.00
Total	7,044	9,646.89

❑ Corruption in procurement has the second highest number of allegations in 2022

❑ There were 1,869 cases and the total value of the project budget or the amount of fraud was up to **3.04 billion baht**.

Source: report on the situation of corruption in Thailand 2022, NACC

Allegations of Corruption in 2022

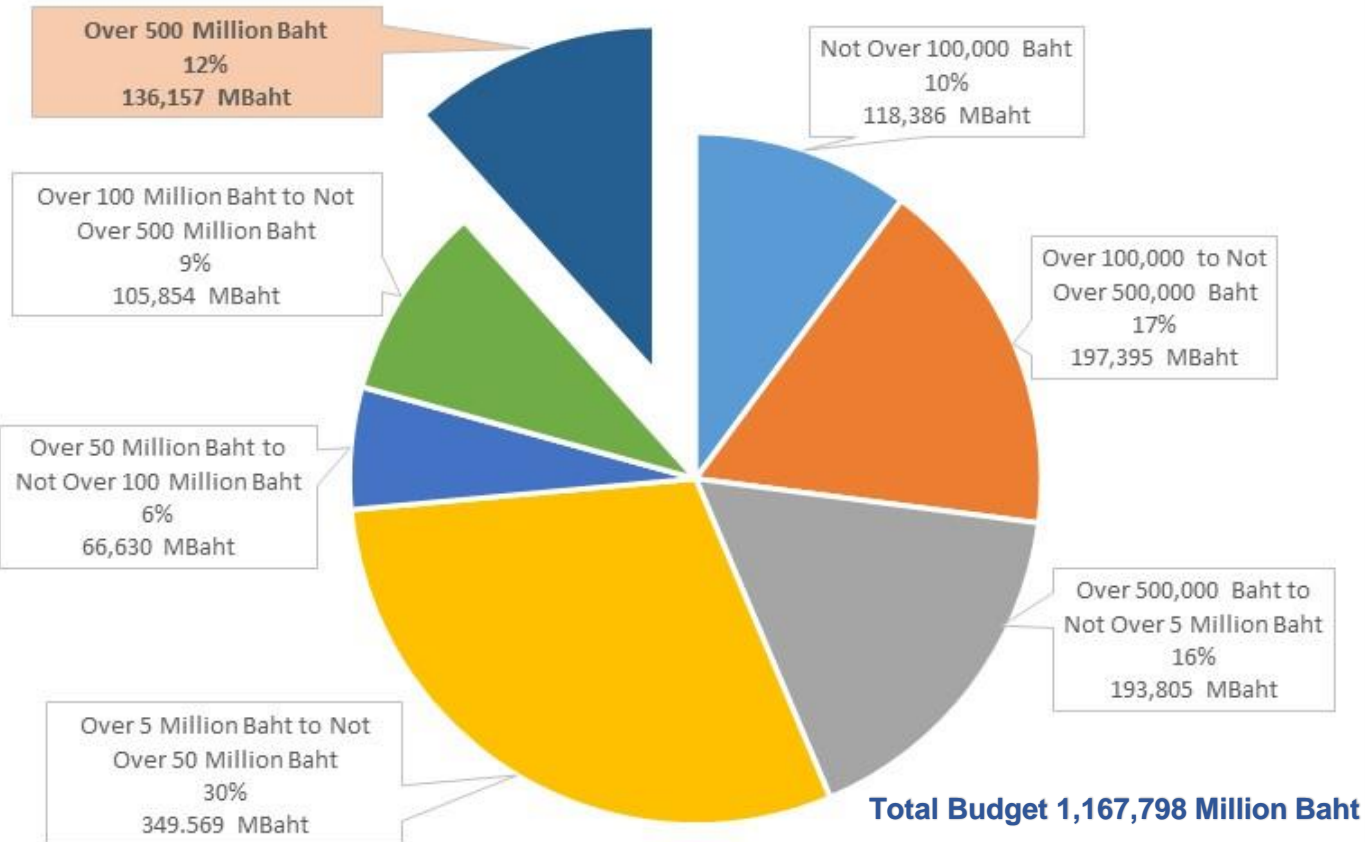
Year		The project budget or the cost of corruption (Million Baht)		
		Under 500 Mbaht	Over 500 Mbaht	Total
2019	Number of Cases	6,750	23	6,773
	The project budget	14,225,224,867	223,984,773,082	238,209,997,949
	Average Budget/Case	2,107,441	9,738,468,395	9,740,575,836
2020	Number of Cases	6,051	9	6,060
	The project budget	8,959,341,913	85,044,937,302	94,004,279,215
	Average Budget/Case	1,480,638	9,449,437,478	9,450,918,116
2021	Number of Cases	5,915	6	5,921
	The project budget	4,090,996,642	23,910,740,000	28,001,736,642
	Average Budget/Case	691,631	3,985,123,333	3,985,814,964
2022	Number of Cases	7,041	3	7,044
	The project budget	5,861,651,520	3,785,233,791	9,646,885,311
	Average Budget/Case	832,503	1,261,744,597	1,262,577,100
Total	Number of Cases	25,757	41	25,798
	The project budget	33,137,214,642	336,725,684,175	369,862,898,817
	Average Budget/Case	1,286,532	8,212,821,565	8,214,108,097

□ The average budget per case is **1.29 Million Baht**

Source: report on the situation of corruption in Thailand 2022, NACC

Public Procurement in 2022

Procurement results for the fiscal year 2022



Source: Proportion of procurement value Classified by procurement budget range Fiscal Year 2022, Comptroller General's Department, Ministry of Finance

❑ 1.17 trillion baht in public procurement 2022

❑ Current government procurement Act

- Integrity pacts - projects 1 billion baht+
- Minimum standards for policies and guidelines to prevent corruption in procurement - projects 500 million baht+

❑ 11.66% of the total value of procurement contracts with a budget of over 500 M baht

❑ 88.34% of the budget, representing 1.03 trillion baht that do not have any corruption control from Business and Government sides

❑ 153,873 companies ++ do not have any corruption prevention guidelines in concrete

CAC Next Step

Raising the Anti-Corruption Standards of Private Companies for Public Contracting

- CAC is proposing to the Ministry of Finance that the budget range requirements for companies entering into contracts with government procurement and supplies management regulations be expanded
 - ❑ Companies that have contracts with the government worth **more than 1 million baht** must have minimum standards for formulating anti-corruption policies and guidelines in their organizations
 - ❑ Policies and guidelines must be certified by the CAC, ISO 37001, or a government agency

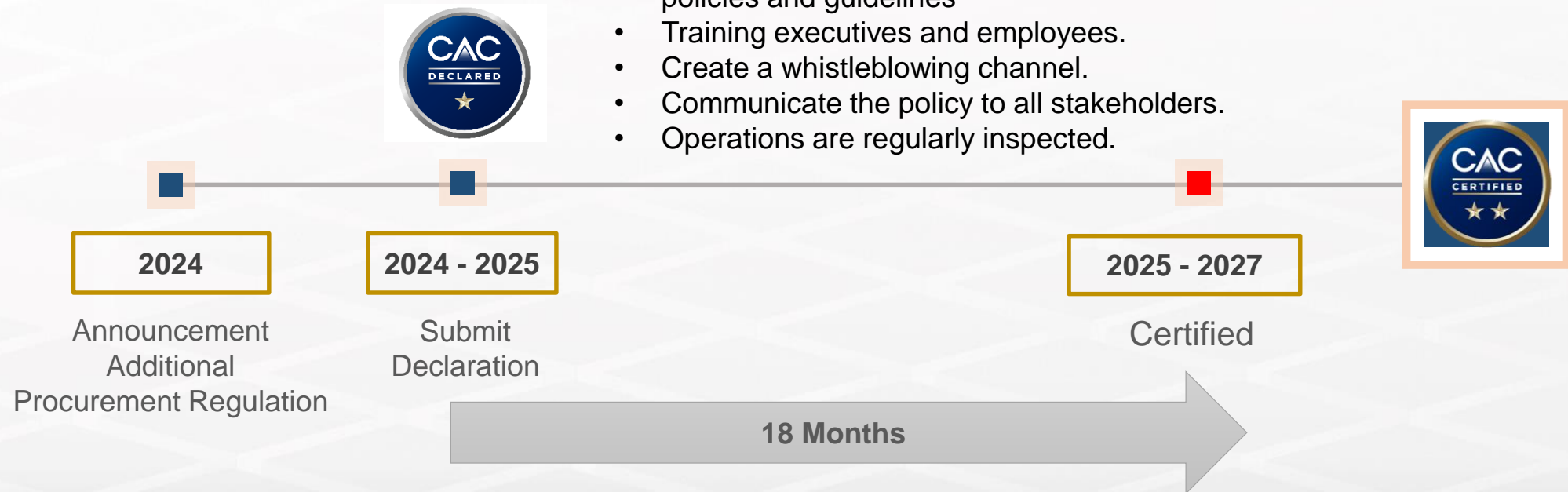
Key Objectives:

1. To **raise awareness** of corruption prevention in private sector
2. To **ensure that private companies** who are parties to contracts with the government have **implemented policies and guidelines for anti-corruption**
3. To **mitigate the risk of corruption** when entering into contracts with the government sector and to **minimize allegations of corruption in private and public procurement**
4. To **create a transparent and fair competition environment** within the business sector's ecosystem
5. **Raising the Corruption Perception Index score** of countries

Our Plan

Raising the Anti-Corruption Standards of Private Companies for Public Contracting

- Corruption Risk Assessment.
- Develop and prepare risk control measures.
- Define policies and guidelines as well as implementing policies and guidelines
- Training executives and employees.
- Create a whistleblowing channel.
- Communicate the policy to all stakeholders.
- Operations are regularly inspected.



Our Progress

Raising the Anti-Corruption Standards of Private Companies for Public Contracting



สำนักงาน ป.ป.ช.
ชื่อสัตย์ เป็นธรรม มืออาชีพ
โปร่งใส ตรวจสอบได้

สำนักงาน ป.ป.ช. สำนักงานคณะกรรมการนโยบายรัฐวิสาหกิจ
สำนักงานคณะกรรมการกำกับหลักทรัพย์ และตลาดหลักทรัพย์
สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย และหน่วยงานรัฐวิสาหกิจ 51 แห่ง

**ลงนามความร่วมมือการขับเคลื่อน
ธรรมาภิบาลและบรรษัทภิบาล
หวังการร้องเรียนทุจริตในภาครัฐวิสาหกิจลดลง**

สำนักงาน ป.ป.ช.      

- Office of the NACC,
 - State Enterprise Policy Office
 - Securities Commission and stock exchange
 - Thai Institute of Directors Association (CAC)
 - 51 state-owned enterprises
- Signed a cooperation agreement to drive good governance and corporate governance

20 April 2023

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Thank you!



Benefit for SMEs

The benefit of the Change Agent Program for SMEs or their suppliers

- If their suppliers submit a declaration of intent to CAC, they will receive an additional 10% score in the selection process
- If they have received certification from CAC, they will be granted a 20% increase in their selection process score
- The company will consider selecting business partners who are already involved in the CAC project first, if their prices and quality meet the conditions and are equal or similar.
- Provide advice and assistance in supporting the certification fees with CAC.
- Produce promotional materials for business partners and advertise the company's products to the public
- Credit term reduced from 60 days to 45 days.

SMEs Case in Thailand

“**Corruption** is a disease of the societies just as cancer is to people.”



Vibeke Lyssand Leirvag
Founder & Managing Director
Felicia (Thailand) Ltd.

Domenica Piantedosi
General Manager
Felicia (Thailand) Ltd.

thai-cac.com

ธุรกิจปลอดคอร์รัปชัน



CAC Next Step

Gain Critical Mass

- Retain and expand membership base**
 - Expand the membership base of listed companies.
 - Encourage SME companies to participate in the project.
- Collaborating large companies to support partners to join CAC via CAC Change Agent Program**
- Communication and public relations for the CAC project to create awareness.**

Uplift Compliance Standards

- Improving the certification standards to be suitable for the size and nature of the business group.**
- Develop additional courses and E-learning include issues related to ESG.**
- Expanding the network of independent auditors for certification**

Co-Create Change

- Coordinate cooperation with government agencies**
 - Encourage government agencies to promote and regulate private companies that are trading partners with the government to obtain certification for anti-corruption policies and measures.
 - Encourage government agencies that are at risk of corruption to improve their operational guidelines, making them transparent and capable of efficiently facilitating the private sector.
- Working together with the anti-corruption alliance, both domestically and internationally, to advance projects.**
- Conducting a survey of the private sector in the CAC to gather their perceptions, opinions, and perspectives on transparency and the situation of corruption in the country, and disseminating the results to the public.**