

Toolkit for raising awareness and preventing corruption in SMEs

Please cite as: OECD (2022), *Toolkit for raising awareness and preventing corruption in SMEs*, OECD Business and Finance Policy Papers, OECD Publishing, Paris, <https://doi.org/10.1787/19e99855-en>.

This paper evaluates foreign bribery and corruption risks for small and medium enterprises (SMEs) and offers an awareness-raising toolkit on the importance of adopting anti-corruption measures. Based on data collected through research, interviews with SMEs, business organisations and legal professionals in countries Party to the OECD Anti-Bribery Convention and others, the toolkit presents initiatives that will enable governments, business organisations and large companies to better support SMEs in preventing and fighting foreign bribery and corruption.

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This report was prepared with the support of the Government of Sweden.

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Foreword

Small and medium-sized enterprises (SMEs) dominate the business landscape, create a significant share of global GDP and drive job growth and innovation. Yet they often lack the resources necessary to keep abreast of best practices in anti-corruption and compliance. As their exposure to corruption risks is typically comparable to that of larger companies, this makes them particularly vulnerable to bribery and corruption.

To help bridge this gap, this toolkit identifies actionable ways in which governments and other stakeholders can engage SMEs in the fight against corruption. It explains how to design initiatives to support SMEs in understanding their risk exposure and adopting effective anti-corruption measures. Moreover, this toolkit identifies which entities – from government authorities to business and civil society organisations – are best positioned to implement them. It offers a set of tried anti-corruption awareness-raising initiatives that have proven effective across various industries and countries. For each initiative, the toolkit offers case studies detailing where and how it has been successfully implemented.

This toolkit is one component of a two-part project supported by the Government of Sweden. This project focuses on corporate anti-corruption measures that are integral to supporting sustainable business practices (the second component of the project is entitled *Anti-corruption compliance in times of crisis: Building resilience and seizing opportunities*). Drawing on desk research and data collected by the OECD, the initiatives covered range from developing digital tools to disseminate industry-specific anti-corruption guidance to promoting legal incentives for corruption prevention and integrity reward systems.

Emphasising the importance of avoiding a “one-size-fits-all” approach, the toolkit informs policy-making on how to facilitate and promote anti-corruption compliance in SMEs and supports SMEs in evaluating their corruption risks and compliance challenges.

I hope that the conclusions in this report will provide concrete support to governments, stakeholders and companies when developing their policies and compliance programmes, and usher in a new era of more effective anti-corruption work.



Johan Forssell

Minister for International Development Cooperation and Foreign Trade of Sweden

Acknowledgements

The OECD would like to thank the Government of Sweden for their generous financial support of this study. We also wish to express our gratitude to Ina Sandler, on behalf of the OECD Business and Industry Advisory Committee (BIAC) at the OECD, and Viviane Schiavi, on behalf of the International Chamber of Commerce (ICC), for their support and co-operation in the initial phases of this study. Additionally, we would like to express gratitude to the survey respondents, counsels, and compliance experts who chose to participate in interviews, which form the basis of many of the examples shared in this study.

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1 Introduction

Small and medium-sized enterprises (SMEs)¹ play an important role in the economy: they create a large share of global GDP, as well as jobs and innovation. SMEs also dominate the business landscape. They represent 99% of all businesses in the European Union² and 70% to 95% of all firms worldwide (OECD, 2017^[1]). This translates into a large number of diverse enterprises doing business across different industries and countries, which can create obstacles for government authorities and other stakeholders to reach them.

SMEs are particularly affected by corruption³ and other global crises, including the current COVID-19 pandemic. Unlike their large counterparts, SMEs are largely unable to keep up with best practices in compliance, including anti-corruption prevention. While their exposure to corruption risks is often comparable to that of large companies, SMEs are generally of the view that anti-corruption compliance programmes or measures are not needed or they do not dispose of adequate resources. Hence they often lack even rudimentary anti-corruption compliance structures. The few SMEs that take their risk exposure seriously are often confronted with a lack of sufficient resources to create or implement adequate compliance programmes.

This combination of large economic representation and heightened vulnerability to corruption and foreign bribery has highlighted the need for awareness-raising initiatives targeted at SMEs. However, the Working Group on Bribery's (WGB) country evaluation reports indicate that many member countries struggle to effectively reach out to their SMEs. While monitoring the implementation of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (hereafter the OECD Anti-Bribery Convention), the WGB assesses, inter alia, whether its member countries are promoting meaningful steps to raise awareness in the private sector, including among SMEs operating abroad (see Box 6). In this context, the WGB has often recommended that countries undertake greater efforts to raise awareness and promote anti-corruption compliance among their SMEs. Moreover, during WGB consultations with external stakeholders in the context of the 2019-21 review of the OECD Recommendation of the Council for Further Combating Bribery (hereafter the OECD Anti-Bribery Recommendation), several private sector representatives called on countries, in co-ordination with business organisations, to better support SMEs in their anti-corruption efforts.

Reaching out to SMEs with anti-corruption awareness-raising initiatives has proven challenging for government authorities. Data obtained for the purpose of the present Toolkit indicates that government authorities find it difficult to identify representatives from SMEs willing to engage on anti-corruption compliance matters. The main reason, as mentioned above, may be the perception that anti-corruption compliance is not really needed for SMEs. Another reason put forward by some countries that responded to a survey for this Toolkit, is that SME representatives tend to wear many 'hats' in an organisation: they may therefore lack specialised knowledge of anti-corruption regulations and are often too busy with the company's business. The authors of this Toolkit experienced this challenge first-hand while trying to engage SMEs to respond to a survey and participate in interviews, despite the assistance of business organisations and legal professionals across the world.

The objective of the present Toolkit is to offer a toolkit for countries and other relevant stakeholders to raise awareness of corruption risks within SMEs. Based on data collected through background research, surveys of government authorities, and interviews with experts in anti-corruption and compliance, this Toolkit

identifies methods for designing and implementing effective awareness-raising initiatives, and the stakeholders responsible for developing these (government authorities, business organisations, professional associations, large companies, etc.). The proposed toolkit puts forward ten simple initiatives, and offers concrete examples where such initiatives were successfully implemented.

The Toolkit may be read in conjunction with the study on *Anti-corruption compliance in times of crisis: Building resilience and seizing opportunities*, also funded by the Swedish Government (OECD, 2022^[2]).

Box 1. The OECD Anti-Bribery Convention and the 2021 Anti-Bribery Recommendation

The OECD Anti-Bribery Convention

The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the OECD Anti-Bribery Convention or the Convention) contains legally binding standards to criminalise bribery of foreign public officials in international business transactions and establish the liability of legal persons for such misconduct. It was signed in 1997 by 29 Parties – there are 44 Parties in 2022 – and entered into force in 1999.

The Convention focuses on the ‘supply side’ of corruption. In addition to the prohibition of foreign bribery, the Convention contains provisions on corporate liability; sanctions and confiscation; jurisdiction; enforcement and independence of investigations and prosecutions; statute of limitations; money laundering and false accounting; and international co-operation.

The Convention also establishes [a peer review mechanism to monitor the implementation](#) of these provisions, which is the responsibility of the OECD Working Group on Bribery, made up of the State Parties to the Convention. The Working Group’s country monitoring reports contain recommendations developed on the basis of rigorous examinations of each country. This open-ended peer-review monitoring system is conducted in successive phases and is considered by Transparency International to be the ‘gold standard’ of monitoring.

The 2021 Anti-Bribery Recommendation

The OECD Anti-Bribery Convention is complemented by a set of related instruments containing measures that Parties to the Convention must implement in order to reinforce their efforts to prevent, detect and investigate foreign bribery, in particular the 2021 Recommendation of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions. Other related subject-specific recommendations include, the Recommendation of the Council on Tax Measures for Further Combating Bribery of Foreign Public Officials in International Business Transactions (2009), the Recommendation of the Council on Bribery and Officially Supported Export Credits (2019) and the Recommendation of the Council for Development Co-operation Actors on Managing the Risk of Corruption (2016). As part of its peer review process, the Working Group on Bribery monitors the implementation of the Convention and all the related instruments by member countries.

The 2021 Recommendation is the result of an extensive review of the 2009 Recommendation, to reflect recommendations made by the Working Group on Bribery in its country monitoring, and ensure that it continues to respond to the new threats and challenges in the fight against foreign bribery. The review was informed by consultations with a broad range of stakeholders, including the private sector and the civil society. Reflecting the emerging topics and evolutions in the area of anti-corruption, the 2021 Recommendation introduces provisions on issues such as whistleblower protection, sanctions and confiscation, non-trial resolutions, international co-operation and data protection. Following the outbreak of the COVID-19 crisis, the 2021 Recommendation stresses the importance of the vigorous implementation of the Anti-Bribery Convention in times of crisis, and further expands on provisions in the 2009 Recommendation, introducing new requirements on promoting business integrity:

- The Good Practice Guidance on Internal Controls, Ethics, and Compliance (Annex 2 to the Recommendation) has been strengthened, including by emphasising that businesses’ compliance efforts should be tailored to risk, visible and accessible. It is clarified that anti-corruption compliance provisions are applicable to state-owned enterprises (SOEs) as well as private companies.
- Countries should implement incentives for businesses to invest in anti-corruption compliance.

- Countries should promote and engage in anti-bribery collective actions with the private sector.
- The 2021 Recommendation includes extensive provisions to ensure comprehensive and effective protection of whistleblowers in the public and private sectors.
- Countries should address the solicitation and acceptance of bribes and better support companies facing bribe solicitation risks.
- The Recommendation recognises the potential role of innovative technologies in advancing public and private sectors efforts to combat foreign bribery.

Source: [2021 OECD Anti-Bribery Recommendation](#)

Data collection and methodology

The development of the Toolkit relies on a combination of the following:

- desk research based on open sources, including the Working Group on Bribery's country evaluation reports, OECD thematic reports, and studies by business organisations, professional associations, civil society organisations and other relevant stakeholders;
- a survey of government representatives, including governments of member countries of the Working Group on Bribery (hereafter the country survey); and
- interviews with experts on anti-corruption compliance from the business sector, including SMEs.

Background research

The background research reviewed the WGB country monitoring reports on implementation of the OECD Anti-Bribery Convention as well as thematic studies by materials by the OECD, and other publications by international organisations, academics, practitioners, and civil society organisations on anti-corruption awareness-raising targeted at SMEs and anti-corruption more generally. In particular, the WGB country monitoring reports were reviewed to determine the existence of successful initiatives in WGB member countries regarding awareness-raising on corruption among SMEs, and the challenges encountered.

Survey of Working Group on Bribery members and other countries

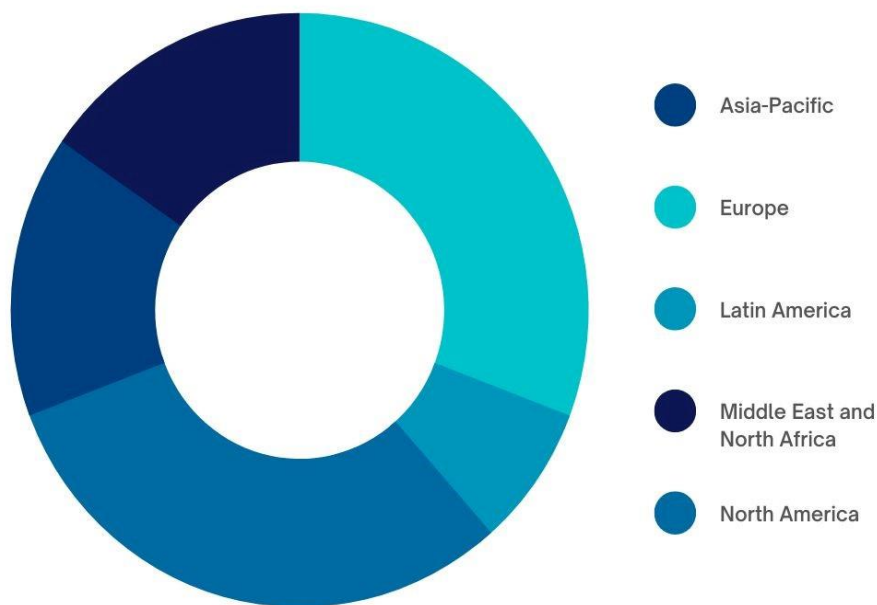
For the purpose of developing the present toolkit, the 44 member countries of the Working Group on Bribery and three non-member countries were solicited through a survey. Representatives from 16 countries, including 13 members of the Working Group responded to the country survey, which included questions on:

- the existence and nature of initiatives to raise SMEs' awareness of corruption and foreign bribery risks and compliance needs;
- the existence and nature of initiatives to provide support to SMEs in the development of anti-corruption compliance measures, including any initiative undertaken in collaboration with business organisations or other private sector actors,
- and an assessment of the efficacy of such initiatives, to reflect challenges and successful experiences.

Interviews of relevant stakeholders

In March and April 2022, 13 persons were interviewed, representing a wide variety of countries across regions. The interviewees were primarily compliance lawyers who provide anti-corruption guidance to companies of any size, including SMEs, as well as compliance consultants, a large company's in-house compliance counsel, and representatives from business organisations and professional associations. The interviewees provided helpful and pragmatic perspectives on how to approach SMEs with awareness-raising and corruption prevention initiatives.

Figure 1. Interviewees by region



2 Designing and implementing awareness-raising initiatives for SMEs

Who is best-placed to reach out to SMEs on anti-corruption risks and compliance?

Raising awareness and preventing corruption among SMEs is a collective effort. Public and private sector representatives as well as civil society organisations are well positioned to develop and implement the initiatives proposed in this toolkit, in particular:

- **Government authorities:** Several **Government** authorities are well positioned to develop and implement successful awareness-raising initiatives to SMEs. Where they exist, anti-corruption agencies can map SMEs' level of awareness and develop tailor-made guidance for SMEs in their countries. Business registries can provide anti-corruption guidance upon the registration of a new company. Agencies in charge of export credit and guarantees and official development assistance should include anti-corruption clauses in their contracts and actively inform SMEs of corruption risks abroad. Embassies and other forms of overseas' representations, such as trade promotion agencies, can provide country risk assessment analysis as well as on-site support for their national SMEs operating, or planning to operate, in foreign countries and. Law enforcement authorities can increase the level of scrutiny on SMEs doing business in high risk industries and/or markets.
- **International organisations (IOs):** IOs offer an evidence based policy making input to all relevant stakeholders as well as directly to SMEs. Several IOs – in particular the OECD – work on anti-corruption and private sector engagement issues, which enables them to support relevant stakeholders to design and implement their awareness raising strategies. IOs are also well positioned to promote their own awareness raising initiatives, such as the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance. Moreover, IOs offer a fora for countries to share their experience on challenges and successes.
- **Business organisations:** By virtue of their leadership in the business community, business organisations can be a great channel for raising awareness and preventing corruption among SMEs. National and international business organisations are in close contact with businesses and understand their needs. Industry specific business organisations are extremely well-positioned to develop and implement initiatives focused on the risks and constraints faced by SMEs acting in a specific industry or sector.
- **Professional associations:** By promoting integrity standards among professions such as lawyers and accountants that provide advice to SMEs, professional associations can play an essential role in raising awareness, encouraging and assisting SMEs in developing internal controls, ethics, and compliance programmes or measures for the purpose of preventing and detecting corruption.

Indeed, a study developed by the Association of Chartered Certified Accountants shows that three-quarters of SME respondents worldwide would welcome advice from their accountants in relation to anti-corruption policies and practices.⁴

- **Large companies:** Large companies may also play an important awareness-raising role. The 2020 OECD “Corporate Anti-Corruption Compliance Drivers, Mechanisms, and Ideas for Change” report indicates that “pressure from the supply chain may be a particularly strong motivator in the case of SMEs, which may not fear enforcement of corruption offences, but do want to maintain business relationships with larger companies.” (OECD, 2020^[3]) A senior compliance officer at a large company interviewed in the context of developing this Toolkit confirmed that large companies should be helping SMEs in their compliance efforts. They considered it their “company’s moral obligation and also an initiative good for business for both large companies and SMEs.”
- **Civil society organisations (CSOs):** CSOs can offer a not-for-profit, non-state, non-partisan perspective to help SMEs to comprehend the benefits of adopting anti-corruption compliance programmes and/or measures. They can also provide support to SMEs wishing to report corruption allegations.

Box 2. The role of business organisations and professional associations in the 2021 OECD Anti-Bribery Recommendation

The 2021 OECD Anti-Bribery Recommendation highlights the role of business organisations and professional associations in several sections, including:

- **Promoting internal controls, ethics, and compliance (Section XXIII.C.ii)**

business organisations and professional associations, where appropriate, in their efforts to encourage and assist companies, in particular small and medium size enterprises, in developing internal controls, ethics, and compliance programmes or measures for the purpose of preventing and detecting foreign bribery, taking into account the Good Practice Guidance on Internal Controls, Ethics, and Compliance, set forth in Annex II hereto;

- **Actions by Business Organisations and Professional Associations (Good Practice Guidance on Internal Controls, Ethics and Compliance (Annex II).B.4)**

Business organisations and professional associations may play an essential role in assisting companies, in particular SMEs, in the development of effective internal control, ethics, and compliance programmes or measures for the purpose of preventing and detecting foreign bribery. Such support may include, inter alia:

1. dissemination of information on foreign bribery issues, including regarding relevant developments in international and regional forums, and access to relevant databases;

2. making training, prevention, due diligence, and other compliance tools available;

3. general advice on carrying out due diligence; and

4. general advice and support on resisting extortion and solicitation, including, where appropriate, by promoting collective action.

Professional associations that exercise regulatory powers over certain professions may also play a significant role in adopting and implementing robust ethics standards for their members, including by setting out frameworks on actions to be taken by their members to prevent bribery or when confronted with suspected acts of foreign bribery and related offences committed by clients or employers.

Source: [2021 OECD Anti-Bribery Recommendation](#)

Supporting collective action initiatives

Governments and private sector stakeholders can further improve the level of anti-corruption awareness of SMEs if they support, encourage, and/or get involved with collective action initiatives. As mentioned above, SMEs represent a significant portion of businesses acting in several industries. Government authorities alone often do not have the same knowledge of the risks and needs of SMEs operating in a certain industry. Business organisations, on the other hand, have a good knowledge of the sectors/industries they operate and the leadership needed to bring businesses together. Large companies can build partnerships with CSOs or professional associations to develop training and materials to SMEs in their supply chains. These are only a few examples of how different stakeholders can join efforts to promote anti-corruption standards in SMEs. Accordingly, collective action initiatives can offer the tools and the environment for successful multiple stakeholder collaboration.

The 2021 OECD Anti-Bribery Recommendation encourages its member countries to promote collective action for awareness-raising purposes, including in co-ordination with business organisations (see Box 3 below). Government authorities can promote and support collective action initiatives against corruption in

several ways. For instance, the Basel Institute on Governance published a guidance for corruption prevention authorities on how to engage the private sector in collective action against corruption. The guidance emphasises that governments should collaborate with the private sector on corruption prevention activities, support and incentivise such activities, and demonstrate leadership by becoming a participant in collective action.⁵

Box 3. Collective action in the 2021 OECD Anti-Bribery Recommendation

The 2021 OECD Anti-Bribery Recommendation encourages collective actions, including through public-private partnerships, in several sections, namely:

- **Raising awareness of foreign bribery among the private sector (Section IV.ii)**

*awareness-raising in the private sector, in particular among enterprises operating abroad, including small and medium size enterprises, for the purpose of preventing and detecting foreign bribery as well as, where appropriate, through targeted, profession and sector-specific initiatives, including on the Good Practice Guidance on Internal Controls, Ethics and Compliance, as set out in Annex II hereto, which is an integral part of this Recommendation, and **through collective action and partnerships between the private and public sector in awareness-raising activities;***

- **Addressing the Demand Side (Section XII.iv)**

*consider fostering, facilitating, engaging, or participating in **anti-bribery collective action initiatives with private and public sector representatives**, as well as civil society organisations, aiming to address foreign bribery and bribe solicitation*

- **Actions by Business Organisations and Professional Associations (Good Practice Guidance on Internal Controls, Ethics and Compliance (Annex II).B.4)**

Business organisations and professional associations may play an essential role in assisting companies, in particular SMEs, in the development of effective internal control, ethics, and compliance programmes or measures for the purpose of preventing and detecting foreign bribery. Such support may include, inter alia:

*4.general advice and support on resisting extortion and solicitation, including, where appropriate, by **promoting collective action.***

Source: [2021 OECD Anti-Bribery Recommendation](#)

Private sector collective action initiatives

Collective action initiatives can serve as platforms for SMEs to implement anti-corruption measures. In a typical collective action, “different players commit themselves to a new normative balance”.⁶ This generates “incentives for stakeholders to avoid bribery and corruption and eliminate violations by individual members.”⁷ It creates a collaborative environment mutually beneficial to all its members, especially SMEs that often lack resources for implementing effective anti-corruption measures (OECD, 2020^[4]).

SMEs may decide to join an anti-corruption collective action initiative for a variety of reasons, including to protect their company’s reputation. As noted by the United Nations Global Compact, companies that decide not to join collective actions “might be facing not only the financial and business consequences of not abiding to collectively agreed, self-regulated standards that their peers are implementing (e.g. not being able to participate in a tender or not being eligible as a provider or supplier) but also risking their reputations.”⁸

Business organisations and large companies can play an important role in bringing SMEs together in a collective action initiative. The leadership of business organisations and their industry expertise guarantees the companies' interest for such initiatives.⁹ Large companies play a fundamental role by effectively encouraging SMEs to join collective action initiatives through supply chain management.¹⁰

Box 4. Collective action initiatives involving SMEs and how government authorities can incentivise collective action

The B20 Collective Action Hub

Launched in 2013, the B20 Collective Action Hub is a global resource centre on anti-corruption collective action. It offers a range of anti-corruption publications and tools, plus a database of over 280 collective action initiatives and projects designed to raise standards of integrity and fair competition. The B20 Hub was developed and is maintained by the Basel Institute in collaboration with its institutional partners. All resources are freely accessible.

The B20 Collective Action Hub database include some interesting collective action initiatives involving SMEs, e.g.:

- [Virtuous alliance: SMEs and public enterprises. Co-creating environments of integrity for sustainable and inclusive growth](#); energy sector, Argentina.
- [Global Compact Network Ukraine Collective Action Initiative](#); cross sector; Ukraine.
- [Strengthening the private sector capacity to prevent corruption and enhance integrity in the Arab Countries](#); cross sector; Egypt, Iraq, and Lybia.
- [Global Compact Brazil - Urban Cleaning, Solid Waste and Effluent Anti-Corruption Collective Action](#); waste management; Brazil.

Source: [B20 Collective Action Hub](#), database.

Public-private partnership initiatives

Governments have an opportunity to bring SMEs together within public-private partnerships. Business organisations also have a large part to play in these initiatives since they can help SMEs voice their concerns by giving them an amplified voice. When asked whether they would consider working closely with business organisations in the development of awareness-raising and prevention initiatives targeted at SMEs, over 70% of the respondents to the country survey replied affirmatively. One of the respondent countries stated that collaboration with business organisations is considered “a necessary condition to test the interest and ensure the commitment of the private sector actors, especially SMEs, whose managers are not always aware of the necessity to fight corruption and have strong compliance systems in place.” Another respondent asserted that “the co-ordination work with the private sector is essential to launch initiatives that require work and co-ordination between both sectors.”

Box 5. Example of public-private partnerships involving SMEs

Australia: Bribery Prevention Network (BPN)

The BPN is “a public-private partnership that brings together business, civil society and government with the shared goal of supporting Australian business to prevent, detect and address bribery and corruption and promote a culture of compliance.” The BPN was launched in 2020 in response to an

OECD Working Group on Bribery Phase 4 recommendation that Australia find additional ways to encourage companies, particularly SMEs, to develop and adopt adequate internal controls, ethics and compliance programmes or measures for the purpose of preventing and detecting foreign bribery. In addition, one of the reasons for the establishment of the BPN, as explained by Australia in its country survey, is that it presents a vehicle for joint funding from the public and private sectors, at a time when it would be difficult for government to wholly fund an initiative of this kind on its own.

Source: Australia's responses to the survey and [BPN website](#).

Asia-Pacific Economic Co-operation (APEC) – Business Ethics for APEC SMEs – Biopharmaceutical Sector

APEC launched the Business Ethics for APEC SMEs Initiative in 2010, the world's largest public-private partnership. It aims at strengthening ethical business practices and driving a level playing field in the biopharmaceutical sector. One of the stated goals of this initiative is to engage with governments to promote strategies to encourage ethical business conduct.

Source: [APEC, Business Ethics for APEC SMEs, Biopharmaceutical Sector website](#).

How to develop and implement awareness-raising initiatives?

Setting the scene

Convincing SMEs that “compliance is good for business”

SMEs are largely focused on the bottom line; if they hear convincing arguments proving that compliance improves business prospects, they will be more inclined to implement anti-corruption compliance programmes or measures. For this reason, government agencies, international organisations, business organisations, and large companies need to develop and disseminate information focused on the positive impact of compliance on business results.

Several approaches can convince SMEs that compliance is good for business. For instance, incentives for anti-corruption compliance can be highlighted, focusing on procurement and other public advantages for SMEs that have adopted an anti-corruption compliance programme. The linkages between ethical corporate behaviour and better financial results can also be advertised; this correlation has long been recognised for large companies¹¹ as well as for SMES, notably in a recent study published by the APEC (Asia-Pacific Economic Co-operation) SMEs initiative (see Box 6).

Improving public transparency and digitalisation

There is a broad consensus that lack of transparency in the public sector offers incentives and opportunities for corruption. This is specially true for SMEs, “which often lack the capacity to cope with an opaque public sector, design and implement anti-corruption strategies and lobby for their needs in the absence of an established framework for participation in public decision making”. (OECD, 2019^[2]) Accordingly, public sector transparency, effective regulation, and digitalisation can serve as powerful deterrents to corruption. For instance, where digitalised processes are in place, SMEs may have more limited direct interactions with public officials, thereby significantly lowering the number of opportunities for bribe payments or solicitation. Indeed, SMEs may be particularly susceptible to bureaucratic corruption due to their often informal governance structure, limited financial resources, and lack of influence and bargaining power needed to resist bribery solicitation. As noted by the OECD, “E-procurement systems can significantly

enhance visibility about how public money is spent, help fight corruption and increase the efficiency of public procurement. They save money and time by reducing administrative burdens and potential mistakes that might arise during public procurement cycles.” (OECD, 2021, p. 166^[2])

Box 6. Compliance is good for business

The value of business ethics in the APEC SMEs report

Compliance is good for small business. The 2021 APEC Small and Medium Enterprises Working Group’s report “*The value of business ethics for APEC SMEs: Economic gains and ethic programme maturity in health-related sectors during the pandemic*”, shows that “health related SMEs with high or medium ethic programme maturity had stronger economic performance during the COVID-19 pandemic.”

The study was based on data obtained through a survey conducted from 18 August to 20 September 2021. The authors received and analysed over 220 responses from SMEs in health-related industries from 18 different APEC economies. As a result, the correlation between a better economic performance and the maturity of the integrity programme during the COVID-19 crisis was successfully demonstrated.

Source: APEC. [The value of business ethics for APEC SMEs: Economic gains and ethic programme maturity in health-related sectors during the pandemic.](#)

Developing smarter anti-corruption compliance guidance and requirements for SMEs

Relevant stakeholder, specifically government authorities, should design smarter anti-corruption compliance guidance and requirements for SMEs. The interviewees for this Toolkit unanimously agreed that SMEs should be held to the same standards as large companies when it comes to anti-bribery laws. As one of the interviewees rightfully stated, “the law is the law, and everyone needs to comply”. Nevertheless, there was also a strong consensus from the experts interviewed for this Toolkit that current anti-corruption compliance guidance and requirements in some countries should be simplified for SMEs. Often designed with large companies in mind, current anti-corruption compliance guidance and requirements can be overwhelming for resource-strapped SMEs.¹² Country level anti-corruption compliance guidance and requirements should provide specific recommendations on how SMEs should adapt their anti-corruption compliance policies, so they are tailored to their risks and constraints. Qualitative and vague standards should be replaced by quantitative, measurable, and simplified guidance that the SMEs can easily follow and implement.

Creating an awareness raising and prevention of corruption strategy targeted at SMEs

Map the targeted businesses

The first step to developing and implementing an effective awareness raising strategy is to know the targeted audience. Relevant stakeholders should map the businesses they want to impact with awareness raising initiatives. This exercise should take into consideration factors such as industry/sector, size, local of operations, and other indicators that would help the elaboration of tailor-made awareness raising strategies.

Promote public consultations

After the mapping exercise, relevant stakeholders should invite the targeted businesses to discuss their views and needs on adopting anti-corruption compliance measures. SMEs would be more receptive to an

awareness raising strategy they were involved since the beginning. Besides giving them a sense of co-ownership, public consultations can also mobilise businesses and highlight leadership players. In addition to business organisations, large companies may be called upon to mobilise SMEs in their supply chain to participate in these consultations.

Take into consideration the variety of SMEs

SMEs represent a very broad variety of businesses, from small shops, like the bakery next door, to sophisticated business such as tech startups with over 200 employees and multimillion Euro annual turnover. When developing their awareness-raising strategies, relevant stakeholders should take into account the specificities of the businesses they are targeting. This reinforces the need to focus on industry or sector specific strategies and map the businesses by size, market of operation, and potential risk exposure. In such a diverse poll, one size fits all approaches are likely to be unsuccessful.

Continuously review your strategy and initiatives

Relevant stakeholders should continuously review their strategies and initiatives to guarantee they remain relevant and appropriate, including to take into consideration specific periods of global crisis, be they sanitary, economic and/or link to political events.

Box 7. Mapping businesses and measuring anti-corruption compliance

Australia: BPN study to identify its SME users' needs in relation to preventing bribery and corruption

In 2021, Australia's Bribery Prevention Network (BPN) commissioned a study to identify its SME users' needs in relation to preventing bribery and corruption, and how these needs could be met by the BPN website. The study, conducted by the University of Technology Sydney's Design Innovation Research Centre collected data that supported a series of recommendations for the BPN to improve its website and overall engagement strategy with SMEs.

Source: Australia's responses to the survey.

France: AFA's National diagnostic of anti-corruption systems in businesses

Since 2020, the French Anti-Corruption Agency (AFA) runs a biannual nationwide diagnostic of the level of maturity of French businesses' anti-corruption compliance programmes (*Diagnostic national sur les dispositifs anticorruption dans les entreprises*), regardless of their size and turnover. This exercise is conducted through an anonymous survey distributed to businesses with the assistance of professional federations. In September 2022, AFA published the results of the second diagnostic, where 20% of respondent businesses were SMEs.

Source: [AFA website](#).

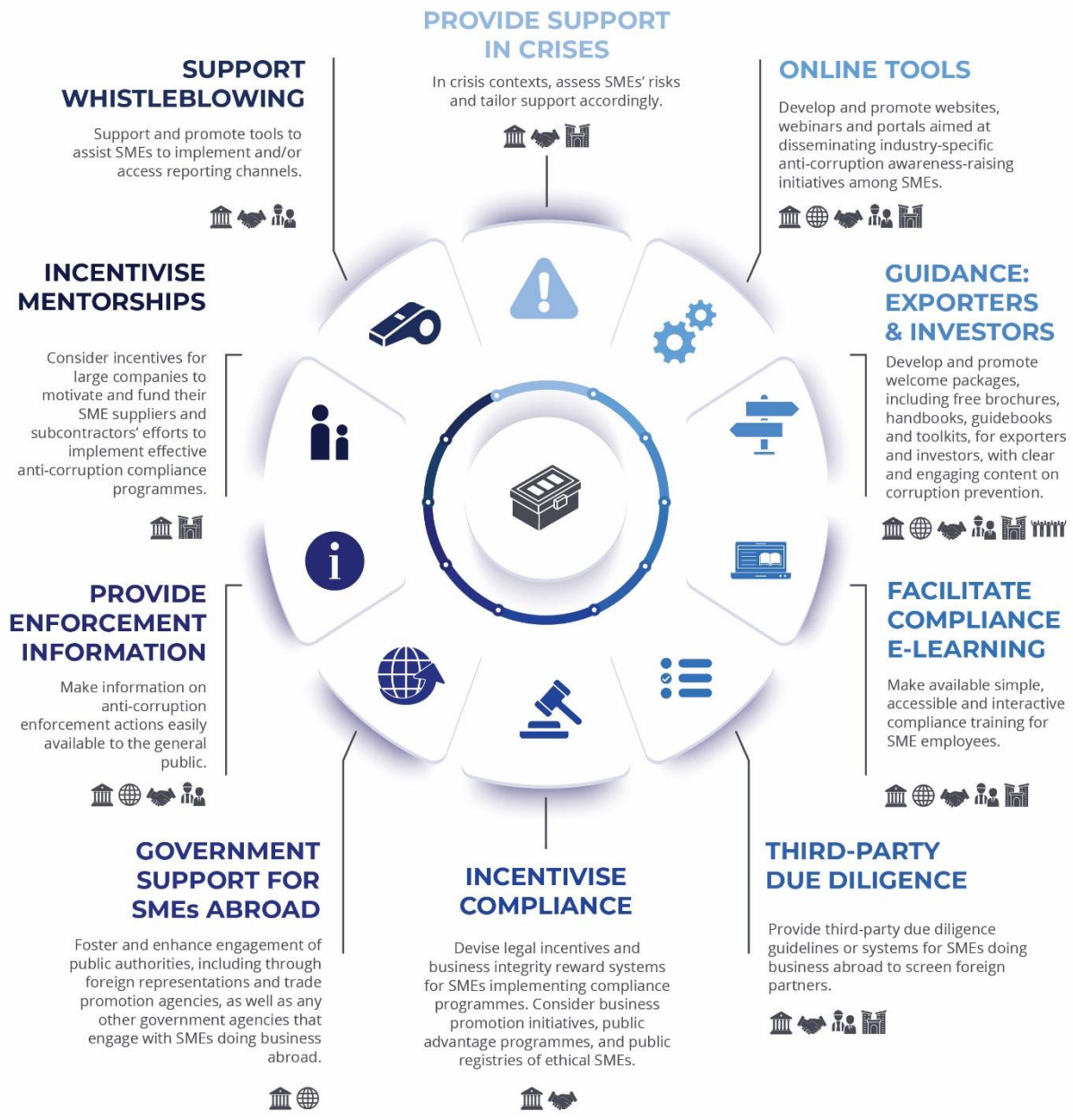
3

Toolkit for raising awareness and preventing corruption in SMEs

Based on the above information, this chapter proposes a toolkit that includes ten initiatives for raising awareness and preventing corruption in SMEs. Each of the nine items below:

- Describes briefly each initiative;
- Identifies the stakeholders that should be involved in each initiative. Collaboration between the different stakeholders identified is strongly recommended as it is more likely to increase the efficiency of the initiative;
- Presents, in boxes, information on cases where those initiatives have been successfully applied or studies indicating their effectiveness.

Infographic 1. Overview of the toolkit



Who should implement these initiatives?

	GOVERNMENT AUTHORITIES		BUSINESS ORGANISATIONS		LARGE COMPANIES
	INTERNATIONAL ORGANISATIONS		PROFESSIONAL ASSOCIATIONS		CIVIL SOCIETY ORGANISATIONS

Source: This infographic has been designed using assets from Freepik.com.

Develop clear and easily accessible online tools

Initiative: Develop and promote websites, webinars and portals with basic information, general guidance, and other online tools aimed at disseminating industry-specific anti-corruption awareness-raising initiatives among SMEs. These tools should be simple to use and succinct, notably to take into consideration resources available to SMEs.

Who should promote it: Government authorities, international organisations, business organisations, professional associations, large companies.

Box 8. Websites, webinars, and other online tools

Latvia: KNAB's: virtual awareness-raising tools

In December 2020, the Latvian Corruption Prevention and Combating Bureau (KNAB) organised a webinar focused on controls, corruption, crises, and competition to emphasise the role of internal anti-corruption controls in times of crisis when businesses, including SMEs, participate in state and municipal tenders. The event was attended by representatives of the public and private sector with the Prime Minister of Latvia and the Director of KNAB opening the discussion.

In April 2021, the Latvian Government published an [article](#) detailing 1) the exposure of Latvian companies to foreign bribery, 2) reasons to develop an anti-corruption control system, and 3) domestic criminal repercussions for foreign bribery and related offences committed by Latvian companies abroad.

Source: [2021 OECD Working Group on Bribery Phase3 Follow-up Report of Latvia](#).

Norway: ØKOKRIM's corruption prevention checklist

ØKOKRIM, the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime, has developed a [web page](#) that provides accessible information on bribery. The [website](#) also includes a 9-point checklist to help companies, including SMEs, to prevent corruption.

Source: [2021 OECD Working Group on Bribery Phase4 Report of Norway](#)

Switzerland: "Fight against corruption" website

The State Secretariat of Economic Affairs (SECO) developed an anti-corruption informational website in four languages (DEU, FRA, ITA, ENG) called "[Fight against corruption](#)". The website includes a page on "[information to companies](#)" where the user can find a series of helpful publications such as guides for prevention of corruption to SMEs, a checklist for SMEs to self-evaluate their risk, a guide on gifts and invitations to SMEs, and a general guide for Swiss companies doing business abroad.

Source: Switzerland's responses to the survey.

OECD "Self-Evaluation Tool for Corruption Risk Assessment Processes"

In 2021, the OECD launched "[The Self-Evaluation Tool for Corruption Risk Assessment Processes](#)", specifically tailored for SMEs. The self-evaluation tool was designed to be sufficiently broad such that it accounts for the diversity of SMEs, which may vary considerably in their characteristics. It builds on key topics found in national and international corruption risk standards and may be used by SMEs to identify areas of potential improvement in established corruption risk assessment processes.

Source: OECD Initiative for Asia-Pacific, South East Asia Anti-Corruption and Business Integrity (SEACAB) Project.

Disseminate anti-corruption guidance for new exporters and investors

Initiative: Develop and promote welcome packages, including free brochures, handbooks, guidebooks and toolkits, for current and new exporters and investors, with clear and engaging content on corruption prevention.

These documents should include, at least, information on anti-bribery laws and regulations that apply to the SMEs in their operations abroad, available reporting channels, whistleblower protection information, and legal and other incentives for adopting anti-corruption measures. This documentation should be easily accessible and broadly and regularly disseminated in the business community. Public and private sector stakeholders should consider developing tailor-made documents for specific sectors of industry or geographical operations, taking into account their particular risks and other singularities.

Who should promote it: Government authorities, international organisations, business organisations, professional associations, large companies and civil society organisations.

Box 9. Brochures, handbooks, guidebooks, toolkits and welcome packages

Australia: Global Compact Australia and Department of Foreign Affairs and Trade Guidance for SMEs

A simple and visually engaging guide for SMEs on corruption issues, entitled "[Are your anti-bribery procedures adequate - Guidance for SMEs](#)", funded by the Australian Government through the Department of Foreign Affairs and Trade, was published in October 2021, as part of Global Compact Network Australia. The three page brochure provides succinct and easy to understand information on the importance of preventing foreign bribery, on SMEs' obligations to manage corruption risks and on steps to take to establish adequate anti-bribery procedures. The guidance lists six key elements that comprise effective anti-bribery compliance systems: (i) Management and senior employee commitment to developing, implementing and promoting anti-bribery policies; (ii) Thorough and ongoing risk assessments to determine a business's bribery risk profile; (iii) Performing comprehensive due diligence when entering new business relationships and contexts; (iv) Effective and confidential reporting and investigation mechanisms; (v) Clear communication and training on bribery prevention policies for all employees and associates; and (vi) Regularly monitor and review anti-bribery policies and procedures, adjusting where appropriate.

Source: Australia's responses to the survey.

Brazil: Micro and Small Business Support Service's Integrity guide

In 2017, the Brazilian Micro and Small Business Support Service published a [integrity guide](#) to micro and small companies. The guide offers simple to understand information on the meaning and importance of integrity, risk assessment, and how to develop anti-corruption programmes and measures. The guide is available online and in Portuguese.

Source: Brazil's responses to the Survey and Brazilian Micro and Small Business Support Service website.

Finland: Ministry of Economic Affairs and Employment “Anti-corruption Guide for SMEs”

In 2020, the Ministry of Economic Affairs and Employment of Finland published a guide entitled [“Anti-corruption Guide for SMEs”](#) as part of its efforts to assist SMEs in their anti-corruption efforts. To increase accessibility, the guide is available in Finnish, Swedish and English. The guide is divided into three sections. Section 1 identifies the targeted audience, which rules apply to Finnish companies, and the reasons why SMEs should fight corruption. Section 2 provides a set of tools to combat corruption and details the role of company ethics programmes, centred on prevention, detection and response. The guide explains the importance for companies of designating a person to oversee compliance, and provides guidance on how to develop a code of conduct. Section 2 also highlights the importance of developing procedures for controlling third parties, the terms of the relationship between business partners and informing the company, customers and stakeholders. Finally, Section 3 summarises the key points for SMEs to retain. It indicates where bribery and corruption related actions can be reported in Finland and the European Union, including the relevant internet links. It provides SMEs with further useful anti-corruption information sources they may use. The back of the guide provides a useful glossary to the reader who may need help in defining key words used throughout the guide.

Source: 2020 OECD Working Group on Bribery Additional Written Follow-up report to the Phase 4 report of Finland and Ministry of Economic Affairs and Employment of Finland official website, [Anti-corruption Guide for SMES](#).

France: French Anti-Corruption Agency “Practical Anti-Corruption Guide for SMEs”

In December 2021, the French Anti-Corruption Agency (AFA) published a practical guide targeting SMEs and intermediate-sized enterprises. The [“Practical Anti-Corruption Guide for SMEs”](#) (*Guide Pratique Anticorruption à Destination des PME et des Petites ETI*) is available in French, and provides SMEs and intermediate-sized enterprises with clear and comprehensive information supported by visuals on the following: (i) identifying corruption, its stakes and risks; (ii) protecting enterprises from these risks; (iii) defining the role of the enterprise’s CEO through explaining good and bad practice; (iv) explaining the role of a Code of Conduct and how to develop one; (v) encouraging multi-level training on corruption and its risks throughout the enterprise; (vi) evaluating the integrity of business partners; (vii) developing internal reporting channels and internal auditing; (viii) implementing sanctions for violations of the Code of Conduct; (ix) providing further resources available to SMEs.

Source: Agence Française Anticorruption, L’AFA publie un [Guide pratique anticorruption à destination des PME et des petite ETI](#)

Netherlands: Dutch Government authorities and International Chamber of Commerce (ICC) the Netherlands joint guidance on doing business honestly

In 2017, ICC the Netherlands launched its second version of the booklet [“Doing business honestly without corruption”](#). This booklet is an example of public and private sector co-operation as it is a joint publication between the Ministry of Foreign Affairs, the Ministry of Security and Justice, the Ministry of Economic Affairs, the International Chamber of Commerce Netherlands, the Confederation of the Netherlands Industry and Employers and the Royal Association MKB-Nederland. The guide offers tools to internationally operating SMEs or SMEs wishing to internationalise to prevent corruption and deal with foreign bribery. An updated version of this guide is available in Dutch at the ICC the Netherlands website.

Source: [ICC the Netherlands](#) website.

Spain: Balearic Island’s Office for the Prevention and Fight against Corruption and World Compliance Association’s integrity compliance guide for SMEs

In December 2021, the Office for the Prevention and Fight against Corruption in the Balearic Islands and the World Compliance Association have jointly published the [“Integrity and Compliance Guide for SMEs in the Balearic Islands”](#). This document, available in Spanish, provides a useful tool for SMEs to understand the legal framework and implement a compliance programme. The guide includes sections on risks identification, training, reporting channels for whistleblowers, and internal investigations.

Source: Spain’s responses to the survey and Office for the Prevention and Fight against Corruption in the Balearic Islands [Integrity and Compliance Guide for SMEs in the Balearic Islands](#).

The OECD Good Practice Guidance on Internal Controls, Ethics and Compliance (2021)

The OECD Working Group on Bribery issued its first Good Practice Guidance on Internal Controls, Ethics, and Compliance in 2009. The guidance was the first intergovernmental anti-corruption guidance for businesses. In 2021, the guidance was revised as part of the review of the Anti-Bribery Recommendation. The guidance lists 16 good practices companies should consider for “ensuring effective internal controls, ethics, and compliance programmes or measures for the purpose of preventing and detecting foreign bribery”.

It also proposes actions by business organisations and professional associations such as:

- dissemination of information on foreign bribery issues, including regarding relevant developments in international and regional forums, and access to relevant databases;
- making training, prevention, due diligence, and other compliance tools available;
- general advice on carrying out due diligence; and
- general advice and support on resisting extortion and solicitation, including, where appropriate, by promoting collective action.

The Guidance further emphasises the role of professional associations in “adopting and implementing robust ethics standards for their members, including by setting out frameworks on actions to be taken by their members to prevent bribery or when confronted with suspected acts of foreign bribery and related offences committed by clients or employers.”

Source: [2021 OECD Anti-Bribery Recommendation](#), Annex 2.

G20 and B20 Anti-Corruption Toolkit For Small And Medium Sised Companies

In 2015, the G20 Anti-Corruption Working Group and the B20 Anti-Corruption Task Force published an anti-corruption toolkit for SMEs. The toolkit was designed to be ease to use, short and simple. It covers, for instance, measures SMEs can adopt to protect their businesses against corruption, resist to bribery solicitation, train their employees, and engage in the anti-corruption fight. The toolkit is available in English at the G20 Türkiye’s Presidency website.

Source: [G20 Türkiye Presidency website](#).

CIPE Doing Business With Integrity report

Following the publication of the [“Strengthening Ethical Conduct & Business Integrity: A Guide for Companies in Emerging Markets”](#) report, in December 2020, the Center for International Private Enterprise (CIPE) published a report providing providing specific, real-world examples of business integrity challenges that SMEs face and approaches they use to overcome such challenges. The [“Doing Business with Integrity: Stories From Small and Medium-Sised Enterprises in Europe and Eurasia”](#) report brings stories of real life SMEs’ struggles to survive while being mindful of the importance of business integrity. This report is publicly available in English.

Source: CIPE website.

Transparency International Switzerland tools for SMEs

In September 2021, Transparency International Switzerland published a series of four anti-corruption tools for SMEs. They cover a range of important issues such as a general guide for the prevention of corruption, a risk self-evaluation tool, and two handbooks on managing whistleblower reports and gifts and invitations. These guides are available in French and German.

Source: [Transparency International Switzerland website](#).

SCCE “A Compliance & Ethics Program on a Dollar a Day: How Small Companies Can Have Effective Programs”

In 2019, the Society of Corporate Compliance and Ethics (SCCE) published a guide on how small companies can develop compliance programmes with minimal resources. It includes “steps toward a diligent compliance and ethics programme”, which covers simple and clear steps SMEs can follow to develop their compliance programmes. The guide is available in Arabic, Chinese, English, French, German, Russian, and Spanish at the SCCE website.

Source: [SCCE website](#).

Facilitate compliance e-learning for SME representatives

Initiative: To alleviate the strain on SME resources, make available simple, easily accessible, and interactive compliance training for SME employees, including through in-person training, e-learning and invitation to relevant conferences, including at industry-specific level.

Many SMEs lack the basic know-how needed to identify corruption risks. Providing training on effective systems for preventing and detecting corruption can therefore constitute an invaluable asset for reaching out to SMEs and encouraging anti-corruption compliance. Professional associations can be a great resource in this endeavour. In particular, SMEs can greatly benefit from basic “red flag” training on recognition of problematic transactions, such as demands for cash payments, demands for payments of invoices issued by front companies for questionable or non-existent services, demands for fees for fictitious consulting services or professional opinions, or demands for unreasonably high commission fees.

Conferences and other forums devoted to best practices in anti-corruption compliance are also an effective tool. They allow SMEs to learn and exchange about bribery prevention while also networking with their peers who face the same challenges, possibly in the same geographical regions or in similar industries/sectors. Government authorities, international and regional organisations, and business organisations can play an important role in organising and promoting such conferences as a means of sharing expertise. While it might be challenging to convince SMEs to devote their time and resources to a conference, there might be ways to mitigate the burden, by allowing virtual attendance or by making the meetings short and concise.

Who should promote it: Government authorities, international organisations, business organisations, professional associations, large companies.

Box 10. E-learning, in person trainings, and conferences to SME representatives

Australia: Foreign bribery e-learning module and “Raising the bar” forum

Australia’s Attorney-General’s Department (AGD) launched a revised version of its [foreign bribery online learning module](#) as well as broader guidance about foreign bribery on its public website. The short interactive training module provides information about Australia’s anti bribery regime including relevant laws and where they apply, what conduct can constitute bribery, and who is a foreign public official. The module also outlines steps that businesses, including SMEs, can take to promote compliance, how to report foreign bribery and where to seek further information. It also features video interviews with Australian Federal Police representatives and a short quiz. The AGD has also developed adequate procedural guidance for companies of all sizes, including SMEs, concerning steps that companies should put in place to prevent the bribery of a foreign public official by an associate.

Sources: Australia’s [Foreign Bribery Online Learning Module](#) and [2019 OECD Working Group on Bribery Phase 4 Written Follow-up Report of Australia](#).

Lithuania: STT e-learning tool

Lithuania’s Special Investigation Service (STT) has developed a new interactive anti-corruption education tool available online for the general public. The [STT anti-corruption e-learning platform](#) provides trainings on anti-corruption and certificates to the participants that complete them. During the six-month period of September 2021 to March 2022, nearly 9 700 users registered on the platform and more than 12 750 unique e-certificates were issued.

Source: Lithuania’s [STT anti-corruption e-learning platform](#).

Sweden: training films and virtual events

The Swedish Foreign Ministry in conjunction with the Swedish Anti-Corruption Institution, Business Sweden, the Swedish Export Credit Agency and the Swedish Export Credit Corporation held two virtual events targeting company members of regional Chambers of Commerce on different issues concerning corporate social responsibility. Anti-corruption was a focal point within these events. The Swedish Anti-Corruption Institute has also proactively developed four training films on anti-corruption to the benefit of companies, including SMEs. These are available in Swedish.

Source: [Instituted Mot Mutor website](#) and Sweden’s responses to the survey.

Provide third-party due diligence guidelines and systems

Initiative: Provide third-party due diligence guidelines or systems for SMEs doing business abroad to screen foreign partners.

Effective due diligence of third-parties is critical for SMEs that engage in business operations abroad, either directly or indirectly, through local partners. Third party management systems are costly however and, in most cases, beyond the financial and logistical reach of SMEs. At the same time, third parties could represent a very significant corruption risk. According to the OECD, intermediaries and other third parties were involved in 81% of the concluded foreign bribery cases between 1999 and 2014 (OECD, 2020^[7]). Facilitating SMEs’s access to tools that facilitate third party due diligence therefore constitutes an invaluable resource for these companies.

Who should promote it: Government authorities, business organisations, professional associations, large companies.

Box 11. Foreign third-party risk management systems

United States: International Trade Administration's due diligence tools

The US Department of Commerce, International Trade Administration office provides a useful tool for companies planning to engage with third parties in a foreign jurisdiction through its website. SMEs accessing this website can find instruction and lists of resources on how to perform due diligence, as well as extensive information in Country Commercial Guides which list various market challenges, including corruption. Although the information in this website is high level, it is provided in an easy to use and interactive format and can be helpful in sensitizing SMEs to the importance of proper vetting of their foreign business partners. The guidance focuses on three essential elements SMEs need to consider as they expand into new countries, namely: country risk (understanding political, economic and business risks), company/partner risk (how and where to get information to properly evaluate a potential foreign partner), and purchasing risk (information on how to avoid fraud in a foreign market).

Source: [U.S. Department of Commerce International Trade Administration, How to Perform due diligence website](#)

ICC anti-corruption third-party due diligence: a guide for small and medium size enterprises

In 2015, the ICC published an [anti-corruption third-party due diligence guide for SMEs](#). "It provides practical advice on how SMEs can cost-effectively conduct due diligence on third parties they engage to perform services on their behalf. It focuses on corruption risks associated with engaging third party suppliers, contractors and consultants in an international and domestic setting and how those risks can be managed." Besides English, the guide is also available in [Spanish](#) and [Swedish](#).

Source: ICC [Anti-Corruption Third-Party Due Diligence Guide for SMEs](#).

Incentivise anti-corruption compliance for ethical SMEs

Initiative: Devise legal incentives and business integrity reward systems for SMEs which are making an effort to implement compliance programmes. In addition, countries could consider business promotion initiatives, public advantage programmes, and public registries of ethical SMEs.

Legal incentives can work both as carrots and sticks. As carrots, they can provide benefits for SMEs that adopt anti-corruption measures, such as preferential treatment in public procurement, integrity reward systems, and mitigating factors to be considered at sentencing. Governments are frequently the largest purchasers of goods and services, and they can easily leverage this purchasing power to encourage ethical business conduct. Moreover, the effective implementation of anti-corruption measures may also be considered a defence or mitigating factor in corruption and bribery-related enforcement actions against SMEs. The 2020 OECD drivers of compliance study shows that companies are more inclined to adopt anti-corruption programmes in countries where the law provides for enforcement credit (OECD, 2020^[31]).

On the other hand, sticks are sometimes essential to instil change in the local business culture. Establishing legally binding obligations for SMEs to design and implement anti-corruption measures can also be a powerful awareness-raising tool. The enactment of anti-corruption laws including obligations to implement adequate anti-corruption measures and sanctions for failing to do so may encourage an anti-corruption compliance culture. It is important, though, to take into consideration the constraints mentioned

above affecting SMEs, as well as the efficacy, dissuasiveness, and proportionality of the sanctions when elaborating such laws and regulations.

Who should promote it: Government authorities with the support of business organisations for implementation.

Box 12. Legal incentives, integrity rewards systems, public registries, and preferential treatment of ethical SMEs

Incentives for compliance in the 2021 OECD Anti-Bribery Recommendation

The 2021 OECD Anti-Bribery Recommendation introduces new standards on incentivising anti-corruption compliance, and recommends that member countries adopt the following measures (Section XXIII.B):

Member countries should:

i. encourage their government agencies to consider, where international business transactions are concerned and as appropriate, internal controls, ethics and compliance programmes or measures for the purpose of preventing and detecting foreign bribery in their decisions to grant public advantages, including public subsidies, licences, public procurement contracts, contracts funded by official development assistance, and officially supported export credits;

ii. where member countries implement measures to incentivise enterprises to develop such compliance programmes or measures, provide training and guidance to their relevant government agencies, on how internal controls, ethics and compliance programmes or measures are taken into consideration in government agencies' decision-making processes, and ensure such guidance is publicised and easily accessible for companies;

iii. encourage law enforcement authorities, in the context of enforcement of the foreign bribery and related offences, to consider implementing measures to incentivise companies to develop effective internal controls, ethics, and compliance programmes or measures, including as a potential mitigating factor. Member countries should nevertheless ensure that the mere existence of internal controls, ethics and compliance programmes or measures does not fully exonerate the legal person from its liability, that the final consideration of such programmes or measures remains the sole responsibility of judicial, law enforcement, or other public authorities, and that sanctions remain effective, proportionate and dissuasive, in accordance with Article 3 of the OECD Anti-Bribery Convention;

iv. where member countries implement measures to incentivise companies to develop such compliance programmes or measures, ensure that competent authorities consider providing training and guidance on assessing the adequacy and effectiveness of internal controls, ethics and compliance programmes or measures for the purpose of preventing and detecting foreign bribery, as well as on how such programmes or measures are taken into consideration in the context of foreign bribery enforcement, and ensure such information or guidance is publicised and easily accessible for companies, where appropriate.

Source: [2021 OECD Anti-Bribery Recommendation](#)

Brazil: Office of the Comptroller General's Pro-Ethics Programme

In 2010, the Brazilian Office of the Comptroller General (CGU) launched the “Pro-Ethics registry”. In 2015, CGU has redesigned the initiative, now called the Pro-Ethics Programme. Every two years, the Pro-Ethics Programme publishes a list of approved and recognised ethical companies. The 2020-21 list had the participation of 327 companies. Of these, 67 companies were approved and recognised as Pro-Ethics Companies. “Approved companies enjoy the benefits of public recognition that they are committed to preventing and fighting acts of fraud and corruption, positive publicity and the evaluation of the integrity programme by a specialised team.”¹³

Source: [2017 OECD Working Group on Bribery Written Follow-up report to the Phase 3 report of Brazil](#) and [Pro-Ethics Programme website](#).

APEC resource guide on ‘Government Strategies To Encourage Ethical Business Conduct’

The *Business Ethics for APEC SMEs Initiative* launched [a resource guide](#) for governments with strategies to encourage ethical business conduct, in August 2020. The resource guide focuses on six areas: (1) Convening Power, (2) Procurement, (3) Regulatory Practices, (4) Enforcement Recognitions and Incentives, (5) Government Supported Business Ethics Training, and (6) Trade Agreements. The resource guide’s introduction stresses that: “While it is necessary for governments to ensure consistent enforcement actions are taken against those who violate laws designed to prevent unethical business conduct, governments can also take proactive steps to encourage ethical business conduct before unethical activity occurs.”

Source: APEC, Business Ethics for APEC SMEs, [Government Strategies to Encourage Ethical Business Conduct: A Resource Guide for Economies from the Business Ethics for APEC SMEs Initiative](#)

Provide targeted government support for SMEs doing business abroad

Initiative: Take measures to foster and enhance the engagement of public authorities, including through foreign representations and trade promotion agencies, as well as any other government agencies that engage with SMEs doing business abroad. This includes providing extensive anti-corruption training to all diplomats and administrative staff before their deployment to foreign countries, ensuring they, in turn, act as a useful resources for SMEs operating in foreign jurisdictions. Government authorities could share their experiences and mutually support each other in this respect through international fora such as the OECD Working Group on Bribery, including its regional initiatives, and/or meetings at embassies locally.

Who should promote it: Government authorities, with the assistance of international organisations.

Box 13. Fostering the engagement of foreign representations with SMEs doing business abroad

Korea: Awareness-raising initiatives for companies doing business abroad

The Korean Ministry of Foreign Affairs instructs all Korean diplomatic missions to educate Korean companies operating abroad on the OECD Anti-Bribery Convention and related domestic laws through workshops, seminars and meetings. As of 2020, over 40 missions reported holding such events to raise public awareness of foreign bribery risks and related legislation.

Source: [2021 OECD Working Group Phase 4 Two-Year Follow-Up Report of Korea](#)

United States: Training provided by US overseas services to companies operating abroad

The legal offices of the Departments of Commerce and State provide basic training on the FCPA and related anti-corruption instruments to U.S. Department of Commerce Foreign and Domestic Commercial Service and State Department Foreign Service Officers, who in turn provide general information and resources to U.S companies operating abroad on the FCPA and related anti-corruption issues.

Source: [2020 OECD Working Group Phase 4 Report of the United States](#)

Facilitate access to case studies and information on concluded enforcement actions

Initiative: Make information on anti-corruption enforcement actions easily available to the general public, including through press releases and case summaries. In addition, stakeholders can provide practical and interactive “dilemma” and “case study” trainings, based on real anti-corruption prosecutions.

Many in-house compliance professionals use the case study method to sensitise their clients to corruption risks. Real life examples, particularly those showing prosecution of companies and their representatives in the same sector, are a powerful tool. The 2020 OECD report on drivers for compliance refers to it as “the bystander effect” (OECD, 2020^[3]). Senior executives and owners of businesses tend to pay very close attention to the fate of their peers who end up paying large fines and being incarcerated as punishment for corrupt business practices. The prospect of receiving effective, proportionate, and dissuasive sanctions is highly deterrent to most business people and has a positive effect of truly focusing their attention on the risks of corruption. This, combined with legal incentives to implement anti-corruption measures, can propel SMEs to adopt and implement anti-corruption compliance measures.

Furthermore, the 2021 Anti-Bribery Recommendation (Section XV.ii) recommends member countries to “make public and accessible, consistent with data protection rules and privacy rights, as applicable, and through any appropriate means, important elements of resolved cases of bribery of foreign public officials and related offences under Articles 7 and 8 of the OECD Anti-Bribery Convention (hereinafter “related offences”), including the main facts, the natural or legal persons sanctioned, the approved sanctions, and the basis for applying such sanctions”

Who should promote it: Government authorities, international organisations, business organisations, and professional associations.

Box 14. Access to case studies and information on concluded enforcement actions

Australia: Bribery Prevention Network website's case studies

Australia's Bribery Prevention Network's website offers links to government and international resources, and provides [case studies as well](#). Case studies provide direct examples to Australian companies, including SMEs, with specific scenarios to help support their business. Importantly, the Bribery Prevention Network provides case studies across a range of industries to increase the relevance of the information provided to the company accessing the information.

Source: Australia's Bribery Prevention Network's [website](#)

OECD Working Group on Bribery country monitoring and thematic studies reports

The WGB country monitoring and horizontal studies reports contain valuable information on case studies and concluded enforcement actions. Each [country monitoring report](#) contain case studies and information regarding the evaluated country's legal and institutional framework for combating foreign bribery. The OECD and the WGB also promote thematic studies on cross-cutting issues involving enforcement of the OECD Anti-Bribery Convention. Recent reports focused on [drivers for anti-corruption compliance](#), [non-trial resolutions](#), and [detection of foreign bribery](#). All reports are publicly available on the OECD website.

Source: OECD website.

Encourage large companies to provide anti-corruption compliance mentorship to SMEs

Initiative: Consider incentives for large companies to motivate and fund their SME suppliers and subcontractors' efforts to implement effective anti-corruption compliance programmes.

A notable example of a successful initiative – albeit indirectly related to anti-corruption – is the US “mentor-protégé” programme, created in 1991 to provide small businesses with resources and support in the federal procurement sector. This type of mentorship model could be easily adjusted and used in the anti-corruption compliance space. A recently published academic article highlights the benefits of such an approach:

The mentor-protégé template could benefit both small and large companies for several reasons. First, the protégé will benefit from the compliance guidance and resources shared by the mentor. By sharing resources and offering guidance, the mentor can elevate the protégé's ethics and compliance programme to better reflect industry best practices. The partnership will also help the protégé self-identify potential areas of corruption risk, which will benefit the entire supply chain.¹⁴

Investing in anti-corruption compliance mentorship of smaller business partners is mutually beneficial. In many countries, large companies can be held liable for acts of SMEs in their supply chains. At the same time, SMEs would greatly benefit from large companies' anti-corruption compliance experience, policies, and mechanisms. Thus, it is in everyone's best interest to have trustworthy and reliable business partners.

For this type of mentorship programme to be successful, the government can provide incentives for large businesses to participate. Such incentives can take several forms. They can be financial (i.e. through direct funding, tax compensations or access to certain subsidies) or public procurement related (i.e. preferential

treatment for companies that invest in anti-corruption compliance mentorship to SMEs in their supply chain).¹⁵

Who should promote it: Large companies, including with the support of government authorities.

Box 15. Large companies' ethics and anti-corruption compliance mentorship of SMEs

Ethics mentoring programme offered to a large company's suppliers

Since 2017, one of the world's top companies in the defence sector offers an ethics mentoring programme to its suppliers. The programme begins with a self-assessment of the suppliers' existing ethics programmes, followed by a series of steps aiming at improving such programmes in consultation with the mentor company's specialists. The mentor company also provides free, self-service resources for the suppliers to develop their programme and other kinds of support.

Source: "The Compliance Mentorship Program: Improving Ethics and Compliance in Small Government Contractors", Jessica Tillipman & Vijaya Surampudi, The George Washington University Law School, 2020.

Helping smaller firms as an opportunity for large firms

A large German company that decided to prevent potential reputational impacts by reaching out to its suppliers with anti-corruption compliance mentoring. The report describes a case in which this large company offered free consulting advice on compliance issues to a foreign SME in its supply chain. The large company conducted an audit, interviews, and visited the factories of its foreign SME supplier. The large company then provided recommendations on how its SME supplier could improve its corporate culture. Based on this and other successful experiences, the large company also decided to implement a global due diligence system for suppliers.

Source: [OECD \(2020\), Corporate Anti-Corruption Compliance Drivers, Mechanisms, and Ideas for Change](#), p. 24.

Support and promote whistleblower reporting channels, including for SMEs

Initiative: Support and promote tools to assist SMEs to implement and/or access reporting channels.

Whistleblowers play an important role in exposing corruption and foreign bribery (OECD, 2017^[8]). Robust whistleblower protection legislation covering SME employees and easily accessible and diversified channels for reporting is essential, not only to uncover allegations, but also to instil a positive and transparent company culture. Governments are increasingly providing whistleblowers with more consistent legal protections, even though such protections are still somewhat fragmented and inconsistent across countries. With the advent of the 2019 EU Whistleblower Protection Directive, and the new provisions in the 2021 OECD Anti-Bribery Recommendation on whistleblower protection, the need for reporting channels is likely to increase in the following years. Government authorities and other relevant stakeholders should also raise awareness of the legal protections and reporting channels available for whistleblowers from SMEs. Given their size, SMEs can rarely be expected to implement their own reporting channels. There is, therefore, a strong need for centralisation, which can be offered by governments and/or business organisations, provided there is sufficient trust, autonomy, and transparency of the body that will receive the reports.

Who should promote it: Government authorities, business organisations, and professional associations.

Box 16. Whistleblower protection laws and reporting channels for SMEs

Protection of reporting persons provisions in the 2021 OECD Anti-Bribery Recommendation

The 2021 Anti-Bribery Recommendation (Section XXII) includes extensive provisions to ensure comprehensive and effective protection of whistleblowers in the public and private sector. In particular, the Anti-Bribery Recommendation recommendation provides for:

- A broad definition of who should be considered a whistleblower, including persons in the public and private sector, and third persons connected to the reporting person
- A broad protection for whistleblowers, including confidentiality, prohibition of waivers in contracts and of disciplinary proceedings against reporting persons
- A broad definition of what constitutes retaliation against a whistleblower, not limited to workplace retaliation
- Appropriate remedies for whistleblowers, to compensate direct and indirect consequences of retaliatory actions following a report
- Sanctions for those who retaliate against whistleblowers, including a shift of the burden of proof on retaliating persons
- An effective institutional framework, including sufficiently-resourced and well-trained competent authorities to receive reports and to investigate complaints, awareness and training, and periodic reviews to review the effectiveness of the legal and institutional frameworks for the protection of reporting persons.

Source: [2021 OECD Anti-Bribery Recommendation](#).

European Union Directive 2019/1937 on the protection of persons who report breaches of Union law

The European Union Directive 2019/1937 provides that legal entities with 50 or more employees have the obligation to establish internal reporting channels corresponding with their size and the level of risk of their activities. The Directive further states that this obligation should be without prejudice “to Member States being able to encourage legal entities in the private sector with fewer than 50 workers to establish internal channels for reporting and follow-up., including by laying down less prescriptive requirements for those channels than those laid down under this Directive, provided that those requirements guarantee confidentiality and diligent follow-up.” According to the website [EU Whistleblowing Monitor](#), 10 EU countries have adopted legislation transposing the EU Directive 2019/1937 as of the time of publication of this Toolkit: **Croatia, Cyprus, Denmark, France, Ireland, Latvia, Lithuania, Malta, Portugal, and Sweden.**

Source: [Directive \(EU\) 2019/1937 of The European Parliament and of the Council of 23 October 2019](#) on the protection of persons who report breaches of Union law and EU Whistleblowing Monitor.

Support SMEs in times of crises to ensure resilience to corruption

Initiative: Promptly assess SMEs’ crisis-related corruption risks and tailor support accordingly.

The COVID-19 pandemic set in motion a global economic downturn. Likewise, other crises, whether linked to environmental or geopolitical events, can cause considerable disruption to business across the globe. The 2022 *OECD study on Anti-Corruption compliance in times of crises: Building resilience and seizing opportunities* highlights SMEs’ vulnerability to increased corruption risks during crises. ing SMEs in the

context of crises should notably help companies assess the evolving corruption risks and compliance challenges, and could take the form of public guidelines, specific trainings, and electronic platforms to offer advice and share good practices. Provided that this support is tailored to the specific risks and challenges related to the crisis in question, it would help to convey the image of a government committed to helping businesses, in particular SMEs, face the challenges wrought by the crisis (OECD, 2022^[8]).

The 2022 *OECD study on Anti-Corruption compliance in times of crises: Building resilience and seizing opportunities* further points out the importance of anti-corruption compliance mentorship for SMEs. Providing SME suppliers and subcontractors with resources and support to develop and implement anti-corruption programmes and measures could mitigate the company's exposure to corruption and foreign bribery risks when crises occur and ensure greater resilience through the entire supply chain.

Who should promote it: Government authorities, business organisations and large companies.

Box 17. Support to SMEs in times of crises

UNIC grant support programme for Ukrainian SMEs

In September 2022, the Ukrainian Network of Integrity and Compliance (UNIC), supported by the European Union Anti-Corruption Initiative (EUACI), launched a grant programme to support Ukrainian SMEs affected by the war. The programme will offer up to EUR 5 000 grants to selected SMEs doing business in specific sectors to implement anti-corruption compliance practices. The grants will cover a broad list of compliance good practices, from initial risk assessments to the development of methods to assess the effectiveness of a functioning compliance programme.

Source: [EU4Business website](#).

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- OECD (2017), *The Detection of Foreign Bribery*, <https://www.oecd.org/corruption/anti-bribery/The-Detection-of-Foreign-Bribery-ENG.pdf>. [8]

Notes

¹ The definition of Small and medium-sized enterprises (SMEs) varies depending on the country and region. For the purposes of this Toolkit, SMEs are the businesses that fit the criteria in the country or region where they were registered.

² European Commission, [Entrepreneurship and SMEs: SME definition](#).

³ For the purposes of this Toolkit the term corruption includes foreign and domestic bribery.

⁴ ACCA (2019), [Combating bribery in the SME sector](#), London, p. 21.

⁵ Basel Institute on Governance (2022), [Engaging the private sector in Collective Action against corruption](#), Basel, p.2.

⁶ UNODC, *E4J University Module Series: Anti-Corruption, Module 5, Private Sector Corruption, Collective action and public-private partnerships against corruption, December 2019*.

⁷ World Bank Institute (2008), *Fighting Corruption through Collective Action: A Guide for Business, Washington, DC, p.23*.

⁸ Uniting Against Corruption, *A Playbook on Anti-Corruption Collective Action*, United Nations Global Compact, 2021, p. 10.

⁹ Uniting Against Corruption, *A Playbook on Anti-Corruption Collective Action*, United Nations Global Compact, 2021, p. 17.

¹⁰ Working Paper 27: Anti-corruption Collective Action: Success factors, sustainability and strategies, Basel Institute on Governance, 2018.

¹¹ Ethisphere. [2022 World's Most Ethical Companies Announcement](#).

¹² "The Compliance Mentorship Program: Improving Ethics and Compliance in Small Government Contractors", Jessica Tillipman & Vijaya Surampudi, The George Washington University Law School, 2020.

¹³ CGU, [Pró-Ética: "Triplicamos o número de empresas aprovadas o que demonstra um reconhecido desenvolvimento da integridade no país", afirma ministro da CGU](#).

¹⁴ The Compliance Mentorship Program: Improving Ethics and Compliance in Small Government Contractors', Jessica Tillipman & Vijaya Surampudi, The George Washington University Law School, 2020, p. 237-238.

¹⁵ Idem.

