



The coronavirus (COVID-19) global health and economic crisis is impacting businesses of all sizes worldwide for the long term. Extraordinary public and private resources are necessary to address and mitigate the economic repercussions of the COVID-19 crisis.

As the trusted institutional private sector partner for business, governments and international organisations, representing over 45 million companies in more than 100 countries, the International Chamber of Commerce (ICC) is developing recommendations for business and policymakers, in line with its commitment to chart an effective international response to the pandemic.

ICC [welcomed](#) steps to fight COVID-19 and stem human and economic losses at the conclusion of the virtual G20 Summit held on 26 March 2020, including the G20's commitment to ease the flow of essential medical equipment and maintain large scale fiscal stimulus in the global economy. ICC also issued its pioneering [Corporate Call to Action](#), urging corporate leaders to Save Our SMEs by ensuring support to suppliers and distributors across supply chains.

The COVID-19 pandemic creates environments that increase risks for corruption, bribery, fraud, money-laundering and other forms of illicit behaviour affecting business. ICC encourages corporate leaders to continue to uphold the highest standards of integrity in business transactions and to continue to act responsibly with respect to human rights, good governance, and integrity rules when conducting business. Corporate leaders should also coordinate with their suppliers/distributors, so they do the same. A crisis is no excuse to engage in unethical and corrupt business conduct. [ICC's Business Integrity Compendium](#) can be a helpful tool for companies big and small to assume their business responsibility in this regard.

The key drivers guiding policy makers and businesses alike during the response to the Covid-19 crisis and the rebuild thereafter should be those of integrity and transparency.

1. Integrity and transparency in procurement during times of crisis

The pandemic has created a heightened risk of systemic bribery and corruption in procurement with respect to access to health products (i.e. drugs, medical equipment, sanitary equipment and vaccines) as well as other essential goods (i.e. food). The high public investments necessary to deal with pandemic issues, as well as the urgency to adopt strong measures, can result in a substantial risk of procurement fraud. Opportunistic behaviour can lead to price gouging during tenders and to counterfeit products that may risk lives. Both the public sector and business should comply with transparency and competition principles during the procurement process. All rules concerning the tendering process need to be transparent, clear and understandable to the community and to businesses.

As recently called for by the Council of Europe's Network of Corruption Prevention Authorities (NCPA), both governments and businesses should seriously and quickly consider integrating qualified instruments of corruption prevention in their decision-making processes and operations. These processes can include simplified, open and transparent, fast-track procedures for public and private procurement, paired with clauses of reinforced accountability and ex-post auditing. [See OECD](#) measures to help governments maintain integrity in procurement processes during the crisis.

Digitalisation and e-procurement are highly recommended for enhanced speed and transparency in the tender process. Digitalising government tools, such as digital licensing and permitting, can be central to governments' recovery strategies to accelerate rebuilding, while simultaneously strengthening transparency and integrity to promote sustainable growth.

2. Counter Illicit Practices in Times of Crisis

Some are exploiting the COVID-19 pandemic to profit illegally, and are harming consumers through the sale of counterfeit medicines, fake medical supplies and equipment (i.e. test kits, N95 respirators and surgical masks), and fast-moving consumer goods, such as hand sanitizers and cleaning disinfectants. Others are engaging in fraud, cybercrime, and trade-based money laundering. ICC's Business Action to Stop Counterfeiting and Piracy (BASCAP) carries out crucial work to combat counterfeiting and ICC stands to work with partners, including with the OECD Task Force on Countering Illicit Trade, to counter these illegal practices.

Applications for government funding (loans, equity, grants, deferred taxes/social contributions, etc.) designed to support business entities sustaining adverse impact from COVID-19 present risks, including the submission of falsified supporting materials to meet the thresholds. Criteria for the allocation for this funding should include ESG targets.

Conversely, both the public and private sector need to counter usurious and often illicit lending practices that arise when struggling small businesses are unable to obtain credit in times of crisis.

Also, the way donations are made and received needs to carefully adhere to laws and best ethical practices as to donations, gifts and hospitality, conflicts of interest and compliance.

3. Maintain use of due diligence to address risks of corruption and human rights impacts presented by global supply chain disruptions

While virus containment and mitigation measures can create extraordinary circumstances, a balance should be achieved between these exigencies and maintaining due diligence efforts during this period. Due diligence is an ongoing process of identifying and mitigating risk in supply chains. As a result of COVID 19's ongoing disruption of global value chains, the vetting of suppliers and other parties is sometimes shifting to online means or being done in a more cursory way, without conducting the appropriate risk management controls to ensure compliance with integrity and human rights standards.

An integrated approach to supply chain Due Diligence should be used in this regard. [ICC's Third-Party Due Diligence Guide for SMES](#) can help less resourced companies to do quick and effective checks of potential partners. Digital tools such as the Basel Institute's [Basel Open Intelligence](#) can enhance the speed and efficiency of supply chain due diligence as well as provide vital proof of process.

4. Address corruption risks related to customs

There is also increased corruption risk with major customs delays, while companies and governments try to get urgently needed supplies across borders. Joint public-private action is needed to ensure that the integrity of supply chains remains a priority for both. ICC has set forth [recommendations](#) on how to tackle these new customs challenges, designed specifically with small businesses in mind.

5. Preserving the rule of law during crisis

Exceptional crisis circumstances can lead some governments to take exceptionally strong powers, without specifying when this strong use of power will cease. Laws and policies should provide clear limits as to the scope and duration of the government's exceptional use of power. Such concerns are especially acute in certain countries characterized by poor governance, weak regulatory oversight, partial judicial systems, and corruption. The crisis should not be used as a justification for lessening the adherence to the rule of law, to human rights and to just, open societies. Companies have the responsibility to address workers' rights during these challenging times, and the plight of migrant workers needs to be heeded.

Business Integrity is fully part of the Corporate Social Responsibility (CSR) policy of a company. Now more than ever, the CSR and corporate compliance functions/departments should work hand in hand. Building back better aims at contributing to a sustainable transition, which includes requiring public investment to contribute to the transition to a low-carbon economy.

Despite presenting new integrity challenges for both governments and businesses, the current pandemic also creates new opportunities to raise awareness on the need for all to abide by high standards of integrity and transparency, as well as to innovate with new collaborative solutions towards these aims.

ICC remains committed to continue its role as the preferred and trusted partner for business, to help companies and governments do their part in this regard.

ABOUT THE INTERNATIONAL CHAMBER OF COMMERCE (ICC)

The International Chamber of Commerce (ICC) is the institutional representative of more than 45 million companies in over 100 countries. ICC's core mission is to make business work for everyone, every day, everywhere. Through a unique mix of advocacy, solutions and standard setting, we promote international trade, responsible business conduct and a global approach to regulation, in addition to providing market-leading dispute resolution services. Our members include many of the world's leading companies, SMEs, business associations and local chambers of commerce.



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