



WORLD FEDERATION
OF ENGINEERING
ORGANISATIONS:
ANTI-CORRUPTION
STANDING COMMITTEE

PREVENTING CORRUPTION IN THE INFRASTRUCTURE SECTOR ANTI-CORRUPTION ACTION STATEMENT

The need for action

Corruption in the infrastructure sector is damaging:

- a) It damages countries, resulting in inadequate infrastructure, and in projects which may be unnecessary, defective, dangerous and/or over-priced. This damages sustainable development, and can lead to economic damage, poverty, injury and death.
- b) It damages organisations working in the sector, resulting in reduced project opportunities, tendering uncertainty, wasted tender expenses, increased project costs, economic damage, extortion, and reputational damage.
- c) It damages individuals, resulting in personal harm and extortion.

All parties involved in the infrastructure sector share responsibility for preventing corruption. Corruption can only be prevented if governments, funders, project owners, the companies providing the work, equipment, materials and services, and professional institutions take effective and co-ordinated action. In addition, the individuals working in the sector can play a crucial role.

There is no single or simple method by which to prevent corruption. Comprehensive anti-corruption measures need to be adopted by both the public and private sectors as an integral part of corporate and project management, in much the same way as safety and quality measures have been adopted.

In this Action Statement, the World Federation of Engineering Organisations' Anti-Corruption Standing Committee identifies specific key anti-corruption actions which can be taken by various participants in infrastructure projects, and calls on these participants to take effective action.

Actions by engineers to prevent corruption

Engineers can play a crucial role in preventing corruption. In doing so, they will not only help avoid the damage which they as individuals and their organisations and countries may suffer as a result of corruption. They will also be acting in accordance with their professional and ethical duty to ensure that they work for the public good.

- (1) **Individual engineers:** Individual engineers can have an impact both on an individual level and on an organisational level. Engineers may be employed by government, funders, project owners, consulting engineers, contractors, sub-contractors and suppliers and are able to influence the anti-corruption measures adopted by these organisations. They are also able to influence the policies of their professional institutions. Individual engineers should, therefore, take the following steps:
 - a) Not participate in any activity which they believe or suspect involves dishonesty.
 - b) As far as safe to do so, report any activity which they believe or suspect involves dishonesty.
 - c) Abide by the ethical code of their professional institution.

- d) In mentoring more junior engineers, emphasise the need for ethical conduct at all times. Lead by example.
 - e) Encourage their organisations to adopt anti-corruption measures as an integral part of corporate and project management.
 - f) Encourage their professional institutions to take the steps set out in paragraph (2) below.
- (2) **Professional engineering institutions:** Professional institutions represent individual professionals, and ensure the integrity of their professions in their own countries. They can have significant influence in the formation and implementation of government and corporate policy in relation to infrastructure. Professional institutions should, therefore, take the following steps:
- a) Publicly speak out against corruption.
 - b) Ensure that they adopt and actively promote ethical codes which include express prohibitions of corruption, and proportionate sanctions for corruption by their members.
 - c) Provide anti-corruption training and guidance to their members and engineering students, to ensure that they are aware of the nature and risks of corruption.
 - d) Promote the adoption and implementation of anti-corruption measures as an integral part of corporate and project management
 - e) In pursuing the above objectives, they should work in collaboration with other professional institutions, government bodies, funders, business associations and companies and seek to develop a co-ordinated approach to anti-corruption issues.

Actions by governments to prevent corruption

Governments should take the following steps:

- (1) Make it a legal requirement that:
 - (a) Adequate anti-corruption measures are implemented and maintained on public sector infrastructure projects as an integral part of project management.
 - (b) Companies bidding for public sector projects implement and maintain adequate anti-corruption measures within their own organisation.
- (2) Take steps to eliminate extortion by officials in the issue of government approvals and permits by:
 - (a) Ensuring that there are adequate controls to prevent extortion.
 - (b) Ensuring that public sector employees are paid a reasonable wage and are paid on time, so that they do not resort to extortion to supplement their wages.
- (3) Provide a reporting mechanism whereby individuals and organisations may report corruption to the authorities in a safe and confidential manner.
- (4) Provide an independent and properly funded body to prevent, investigate and prosecute corruption, which operates honestly, transparently, fairly and without interference from government.
- (5) Co-operate with a view to establishing an international court with jurisdiction over corruption offences.

Actions by organisations involved in a project to prevent corruption

- (1) **Project owners:** Organisations which own or develop projects must:
 - a) Implement and maintain adequate anti-corruption measures within their own organisations. These would include measures such as publishing an anti-corruption code of conduct, training their employees, implementing effective financial and commercial controls which help prevent corruption, instituting disciplinary procedures for employees who fail to comply with the policy, and implementing a confidential whistle-blowing system.
 - b) Implement and maintain adequate project anti-corruption measures on all their projects.

- (2) **Project Funders:** Organisations which provide finance, guarantees or insurance to projects must:
- a) Implement and maintain adequate anti-corruption measures within their own organisations (as per paragraph (1)a)).
 - b) Provide finance, guarantees or insurance in relation to a project only if that project adopts adequate project anti-corruption measures.
- (3) **Companies:** Companies providing the works, equipment, materials and services for projects (such as construction companies, consulting engineering firms, sub-contractors and suppliers) must:
- a) Implement and maintain adequate anti-corruption measures within their own organisations (as per paragraph (1)a)).
 - b) Encourage the implementation and maintenance of adequate project anti-corruption measures on all projects on which they are participating.

Resources

The following is a list of some resources which can assist in the implementation of the above anti-corruption measures:

ACET - Global Anti-Corruption Education and Training initiative has published “Ethicana” which is an anti-corruption film and supporting training materials. <http://www.asce.org/ethicana/>

Business Anti-Corruption Portal has published anti-corruption resources and tools. <http://www.business-anti-corruption.com/>

FIDIC - International Federation of Consulting Engineers has published its Business Integrity Management System (BIMS), which is designed to help businesses deal with integrity risks. <http://www1.fidic.org/resources/integrity/>

GIACC - Global Infrastructure Anti-Corruption Centre has published a free on-line Anti-Corruption Resource Centre which contains anti-corruption information, advice, programmes and tools. <http://www.giacentre.org/>

ICC - International Chamber of Commerce has published Combating Extortion and Bribery: ICC Rules of Conduct and Recommendations (2005)
<http://www.iccwbo.org/policy/anticorruption/id870/index.html>

OECD - Organisation for Economic Co-operation and Development has produced the following two tools:

- OECD Guidelines for Multinational Enterprises (June 2000)
<http://www.oecd.org/dataoecd/56/36/1922428.pdf>
- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones
<http://www.oecd.org/dataoecd/26/21/36885821.pdf>

TI - Transparency International has produced, in conjunction with several leading international organisations, the Business Principles for Countering Bribery suite of documents designed to assist organisations to implement and manage an effective anti-bribery system. http://www.transparency.org/global_priorities/private_sector/business_principles

WEF PACI - World Economic Forum – Partnering against Corruption Initiative has adopted the PACI Principles for Countering Bribery. <http://www.weforum.org/en/initiatives/paci/index.htm>

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