



---

## **FIDIC**

### **International Federation of Consulting Engineers**

Represented by its President Gregs G. THOMOPULOS  
PO Box 311, 29 route de Près-Bois, World trade Center II, Geneva Airport  
CH-1215 Geneva 15, Switzerland  
E-mail: [fidic@fidic.org](mailto:fidic@fidic.org)  
Tel: +41 22 799 49 00 Fax: +41 22 799 49 01  
[www.fidic.org](http://www.fidic.org)

and

## **CICA**

### **Confederation of International Contractors' Associations**

Represented by its President Manuel R. VALLARINO  
10, rue Washington  
F-75008 Paris  
E-mail: [cica@cica.net](mailto:cica@cica.net)  
Tel.: +33 1 44 13 32 15; Fax: + 33 1 44 13 32 98  
[www.cica.net](http://www.cica.net)

agree on the following

## **Private Sector Statement on Fighting Corruption In the Construction Sector**

1. FIDIC represents the global consulting engineering industry. It currently has 84 member countries represented through national associations, with membership exceeding 45,000 consulting firms.
2. CICA, through its regional member-federations, represents the Construction Industry at the world level, involving contractors of all sizes with a combined annual turnover of US\$ 4 trillion and a work force of 110 million people, from developing, emerging and developed countries.
3. Both FIDIC and CICA acknowledge the enormous impact of the construction industry on the global economy. Total annual expenditure in the sector is estimated at 9% of the world's GDP. The added value to economies and societies is of course much higher. It has been acknowledged that good infrastructure is vital to economic growth; to mitigating poverty; and to improving health and well being of citizens. Investment in infrastructure should therefore always pursue quality objectives.
4. FIDIC and CICA also acknowledge the inherent challenges and propensity for corrupt practices that can impact on all parties involved in construction projects. Corruption, defined as "the abuse of power to achieve a personal gain", is morally and economically damaging. Firstly, it jeopardizes the project delivery process, it is always unfair, and it is often criminal. It steals money from required development projects and adversely affects their quality. Secondly, corruption is basically wrong because it undermines the values of society, breeds cynicism, and demeans the individuals involved. It is more than stealing funds, it is stealing trust.



- 
5. FIDIC and CICA further believe that corruption damages the public image of the industries they represent. It creates the risk of adversely affecting staff within the companies which are members of their association; it generates unnecessary costs; it distracts them from the quest for technical and economical progress; and it is always deeply frustrating. Such practices prevent reputable companies from bidding or offering services. This reduces competition and best value solutions.
6. The industry acknowledges that corrupt practices can occur at all stages of a project:
- during its initial planning and conception;
    - in the decision making process; in the procurement of engineering and construction services;
  - during the design;
    - in preparing tender documents and specifications; in pre-qualifying companies; in evaluating proposals and tenders; in selecting suppliers
  - during the execution of the work;
    - in supervising the performance of those carrying out all phases of construction; in the deliberate sabotage of completed and ongoing construction; in the issuing of payment certificates to contractors and in the payment of consultants; while making decisions on contractors' claims; while dealing with sub-consultants and subcontractors; etc.

Such corrupt practices can be initiated by any party, either private or public, whether involved directly or indirectly in the execution of the contract. The range of these practices extend from bribery of public officials and inspectors, through coercion and extortion by payment delays instigated by government officials and owners, to sabotage, work trafficking and violence by unethical unions, NGO's, and even terrorist groups. This incomplete list of the types of corrupt practices suggests the impact of corruption on cost, an impact that is difficult to evaluate but certainly very high.

7. Over the years FIDIC and CICA have condemned corruption and corrupt practices at all levels:
- a. FIDIC has taken a leading role in developing an internationally accepted guide for integrated compliance tools and management systems geared towards the consulting industry, but applicable to any business sector, and in so doing promotes high ethical standards, recommends the implementation of integrity management, and cooperates with agencies mitigating corruption. It has also developed similar systems for use by government procurement agencies;
  - b. CICA has been committed to realistic measures aimed at combating corruption. It has joined the worldwide effort to combat corruption, promoting high ethical standards and transparency, supporting the implementation of



---

integrity management, demanding balanced contract conditions and cooperating with agencies investigating corruption.

8. FIDIC and CICA note that, whilst the private sector, in recent years, has proposed operative tools, and made significant changes to foster and implement internal procedures designed to increase transparency and to curb unethical practices within their own industries, these efforts were not accompanied by corresponding initiatives from public stakeholders who, to a large extent, have not improved their own internal procedures in order to increase their transparency and to manage the integrity issue in a more effective manner.
9. FIDIC and CICA believe that:
  - a. The fight against corruption must follow a holistic approach that takes into consideration the dynamics of corruption involving all the stakeholders, public or private, whether they are parties to the construction contract or not.
  - b. As no single stakeholder can independently combat corruption, all stakeholders must become involved in a coordinated, realistic and balanced manner, making firm commitments and acting simultaneously within their own particular sphere of influence.
  - c. Transparency at all stages of the procurement process is one of the most important and powerful tools in fighting corruption. Every opportunity should be taken for re-educating those at the top of the decision tree, in order to remove or mitigate financial, contractual, political, social and cultural practices leading to corruption during project planning and delivery.
  - d. To successfully conceive and construct projects in an increasingly global world, private sector companies, financial and state institutions, governments and clients have to promote generally accepted best practices through a coordinated effort to eliminate all those processes and procedures whose most common application practically condones irresponsibility, poor quality, unethical behaviour and ultimately generate corruption. In particular, ethical behaviour towards all stakeholders must be key and visible.
10. Specifically, FIDIC and CICA:
  1. Encourage all interested organisations to collaborate in order to harmonise and strengthen common commitments to anti corruption. Such commitments should be accompanied by measures that all the parties have agreed on as being relevant and feasible.
  2. Urge those organisations best able to influence corrupt practice to acknowledge industry support, and reward the efforts being made to tackle corruption;
  3. Urge those same organizations to change as soon as possible their own internal procedures in order to promote greater transparency and deal more effectively with the issue related to integrity in all the stages of construction projects.



- 
4. Urge those same organizations to consider private sector as a partner in developing and implementing anticorruption policies and stop designing and implementing against it only coercive and repressive policies that shall have counterproductive effects on their participation in the combat against poverty.
  5. Urge the International Financial Institutions, national procurement agencies, states and governments, as well as private clients, to acknowledge the practical tools developed by the industry for the use of companies and executing agencies in systematising practices related to quality and integrity management;
  6. Encourage all parties involved to acknowledge that a proactive, balanced approach toward tackling the root causes of corruption through a continuous improvement of the operating rules is more effective and more sustainable long-term than reactive and punitive measures;
  7. Offer to continue working with all organisations similarly committed to taking a positive, realistic, and proactive approach to combat corruption.

September 30, 2009

A handwritten signature in black ink, appearing to read 'Gregs G. Thomopoulos'.

Gregs G. THOMOPULOS  
FIDIC President

A handwritten signature in black ink, appearing to read 'Manuel R. Vallarino'.

Manuel R. VALLARINO  
CICA President