



WORKSHOP REPORT FORM

Workshop 5.6 - Preventing Corruption in Construction Projects through increased Transparency and Accountability

Date and time of workshop: November 1, 14:00 – 16:00

Moderator (Name and Institution): Christiaan Poortman, Transparency International

Rapporteur (Name and Institution): Laura Granado, Transparency International

Panellists (Name, institution, title)

1. Bethan Grillo, CoST International Secretariat, Manager
2. Michael Wiehen, Transparency International, Senior Advisor
3. Neill Stansbury, GIACC, Director / Transparency International UK, Advisor
4. Kong Xiang Ren, Supervision Ministry of China, Deputy Director of Foreign Affairs Department
5. Donal O'Leary, Transparency International, Senior Advisor

Main Issues Covered

The workshop has presented the following initiatives to prevent corruption in the construction sector and in construction projects:

- Construction Sector Transparency Initiative - CoST
- Integrity Pacts: Preventing corruption in the contracting of construction projects
- Project Anti-Corruption System: Making anti-corruption an integral part of project management
- Operation of Tangible Construction Market in China
- The Sustainability Assessment Protocol for Hydropower Projects: Introducing the Anticorruption Perspective

Construction has been highlighted as one of the areas more prone to corruption, given the dimension of the projects and the massive budgets involved. Moreover it has been stated that the consequences of corruption in construction projects most usually have dramatic effects on the environment and on the livelihood of considerable groups of citizens, who not only depend on the services that construction projects should provide, but also because they are often subject to relocation or because their economic activities are affected by the intervention associated to construction projects.

A special emphasis has been given to multi-stakeholder approaches that have been considered to be essential to prevent corruption. The workshop has pointed out as well the importance of considering the different stages of planning, contracting and implementation in construction projects, in order to identify risks of corruption in each of the stages. Last but not least, the workshop has given the participants alternatives to deal with corruption risks in different cases with important emphasis on access to information, commitments and integrity pledges by involved parties, involvement of independent expert monitoring of projects and combination of different management tools to be able to combat corruption effectively in such complex projects.



Main Outcomes

1. Awareness raising on the importance of increased transparency and accountability on construction projects in order to contribute to sustainable development
2. Experience sharing on best practices to prevent corruption in construction projects and promotion of possible links between the different initiatives
3. Identification of possible constraints on existing approaches and ways to overcome them
4. Exploration of possibilities of broader stakeholder involvement in the initiatives or with the application of the available tools
5. Promotion of the involvement of increasing numbers of governments, development agencies, private sector, civil society and other stakeholders with the promotion of transparency and accountability in construction projects

Main Outputs

1. Report on the Workshop's discussion that document the experiences and lessons learnt in terms of best practices, and areas for improvement
2. Identification of possibilities of networking or coalition building to engage on existing initiatives and to promote the use of tools to prevent corruption in construction projects
3. Several case studies presented to illustrate the opportunities and threats of specific construction projects to prevent corruption in the construction sector in different areas

Recommendations, Follow-up Actions

Lessons learnt and recommendations:

- Multi-stakeholder approach is recommendable to prevent and fight corruption
- Transparency, disclosure of proper and timely information and a wide public access to information have been proven successful to prevent corruption
- Availability of independent and professionally qualified monitors to supervise the construction projects during all the phases of the project is a key element
- Sharing best practices in anti-corruption initiatives to generate knowledge is essential
- Importance of political will to promote transparency

Food for thought:

- What are the conditions to ensure effectiveness on anticorruption efforts in the design, contracting and implementation of construction projects?
- What synergies are there between the initiatives that could be built-upon?
- How could the participation and interaction of different actors (public sector, private sector, civil society) in the different initiatives be strengthened to make a better contribution to sustainability?
- Where are further efforts needed? What could be done to promote the development of other innovative approaches for integrity and sustainability in the construction sector?

Workshop Highlights (including interesting quotes)

Key points:



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- It is fundamental to tackle corruption in early stages of the construction projects (planning, needs assessments, etc.) in order to ensure that decision making is not distorted and the projects effectively contribute to sustainable development and not to private gains
- Every construction project is different and need a customized anti-corruption approach
- There is a huge motivation within the private sector to demand transparency in the construction sector
- Answering to attendants' questions the Chinese representative expressed his concern and the interest of the Chinese government in the development of regulations to deal with the risk derived of the participation of Chinese state companies in construction projects overseas.

Interesting quotes:

- "The external independent monitor is the most important single element to guarantee transparency in construction projects"
- "Dealing with corruption in the construction sector is an extremely complicated issue and one has bear in mind that it is going to be a long process. It is necessary to invest a proper amount of time and money for a good anti-corruption project management"

Signed

Laura Granado, Transparency International