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Committee on Anti-corruption meeting Singapore 10 September 2013

Kamel Ayadi, Founding Chair WFEO CAC

Singapore 13 September 2013

WFEO efforts to combat corruption



Foundation

- The committee on Anti-corruption was established in 2007:
- The creation of the CAC marked a new orientation within the WFEO: Addressing non-technical issues

However!!!

- Questionable for a few members, while many other were very supportive:

Quick evaluation 6 years after of the relevance of this activity to the WFEO and to what extent it was beneficial

Main Motives

- Main motives for this New and challenging orientation:
 - The magnitude of the corruption phenomenon in the construction industry: *10% of the total expenditures on infrastructure*
- Commitment towards global issues: Sustainability, Poverty eradication, Social responsibility

Corruption and Sustainable Development: They cannot co-exist together !!!



Committee Achievements

- The committee is in the mid of its second term
- **First term focus** (2007-2001):
 - *Partnership and Alliances
 - *Capacity Building: “Trainer-the-Trainers” Program
 - * Outreach activities and Awareness Raising
 - *Change the perception of member countries

Main Activities and Achievements: 2011--2013

- **First** : Consolidation of previous achievements:
 - *A--Capacity Building and Training:
 - *B—Partnership and Alliances:
 - *B-1: Establishment of New Partnerships
 - *B-2 :Consolidating of Existing Partnerships
- **Second** :Innovative partnership approaches
 - * Triangular cooperation
- **Third** : Consolidation of the status of WFEO/CAC as a:
 - Source of expertise, advice and Guidance on Corruption to its member countries
 - Trusted advisor to International Organizations on Corruption in the Infrastructure Industry:Orientation: **Involvement in the New ISO Anti-bribery Management Standard**

Main Activities and Achievements: 2011--2013

- **First: Consolidation of previous achievements:**
A--Capacity Building and Training:
22 events were organized by the chair of the committee, including trainings, seminars, etc

Tunis Octobre 2012

Three days training :80 Participants



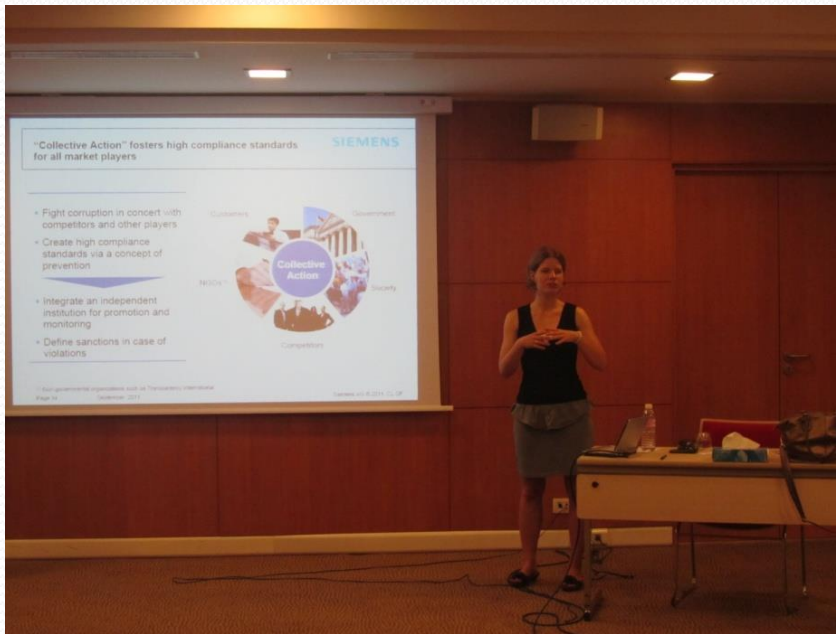
Main Activities and Achievements:

2011--2013

- International Three days Forum for Young: Ethics and Social Responsibility for Youth: in partnership with **UNDP**: Tunis Mai 2013



Main Activities and Achievements: 2011--2013



Trainings in partnership with SIEMENS compliance program(5 Trainings)

Main Activities and Achievements: 2011--2013



Seminars on : Business Ethics and Integrity management: the New Requirements for Companies: March 2013: 300 Participants



Main Activities and Achievements:2011-2013

- **B—Partnership and Alliances:**
- **B-1: Establishment of New Partnerships**
 - Global Partnership for Social Accountability at the World Bank
 - International Standardization Organization (ISO)
 - Partnership with UNDP
 - Partnership with the Foundation For the Future
 - Partnership with the Ministry of Foreign Affairs of the Netherlands
 - Partnership with Transparency International
 - Partnership with SIEMENS : Training and Integrity Initiative

Main Activities and Achievements: 2011--2013

- **B-2: Consolidating of Existing Partnerships**

- ***World Justice Project:**

- The WJP is leading a global, multidisciplinary effort to strengthen the rule of law for the development of communities of opportunity and equity.
The World Justice Project is based on two complementary premises:
- -First, the rule of law is the foundation for communities of opportunity and equity; and
-Second, multidisciplinary collaboration is the most effective way to advance the rule of law.
- The committee has been permanently involved in the WJP since 2007:WJP funded two TTT sessions

Main Activities and Achievements:

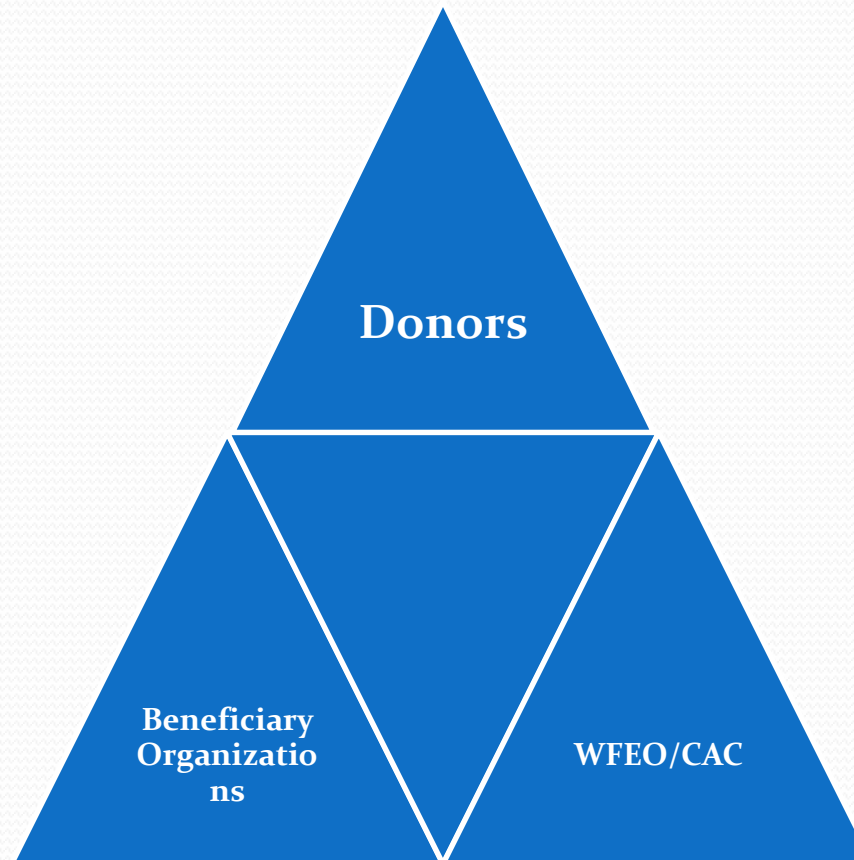
2011--2013

- Involvement over the past two years include
- The CAC hosted the WJP two days regional workshop in Mai 2012 entitled “**Strengthening the Rule of Law in Arab Countries**”.
- Participation includes WJP founding chairman, Ex Director and a number of renowned leaders
- *Participation of a WFEO delegation in the WJP forum held in the Hague in July 2013
- *Participation in the Rule of Law Index published by the WJP

-B-2:Global Infrastructure Anti-Corruption Centre

Second :Innovative pertnership approache

Triangular cooperation



Triangular cooperation: Principles

- **Principles:** TC involves three Partners:
- **P1: Funding Agencies** are willing to support nascent civil societies organizations to get engaged in efforts to combat corruption .They agree to fund capacity building projects
- **P2: Beneficiary organizations :** Nascent CSOs committ themselves for long term engagement
- **P3: Supporting Organization: WFEO/CAC,** provide free of charge expertise and trainings
- Request made by both P2 and P3, and management of fund by P2

Triangular cooperation

- Three Projects were run on these Principles
- Triangular cooperation with UNDP: 2013 ,
50,000 us \$
- Ministry of the Netherlands:2012-2013,
52,000 us \$
- Foundation For the Future:2013, 15,000 us\$
- WB , Global Partnership for Social
Accountability: 92,000US \$

Main Activities and Achievements:

2011--2013

- **WFEO/CAC Trusted Adviser on Corruption:**
One of the major achievements of the CAC over the past two years was the consolidation of the WFEO status as a trusted advisor to international organizations on corruption in infrastructure
- Technical assistance provided to nascent CSOs
- Committee founding chair has been invited by the UNDP to serve as a member of the task force that was created to develop training courses on business integrity for small and medium size enterprises .
- Committee chair appointed as a member of the steering committee in charge of the European commission programme for Civil Society

Main Activities and Achievements: 2011--2013

**Towards the consolidation of
WFEO/CAC status as a source of
expertise, advice and Guidance on
Corruption to its member countries
and a Trusted advisor to
International Organizations on
Corruption in the Infrastrucutre
Industry:Orientation**

WFEO /CAC Involvement in the New ISO Anti-bribery Management Standard

Corruption as a Management Issue

- The trend to address corruption from management perspective : An important development in the landscape of corruption



Corruption is a Management Issue

- **Background**

- *In 2010 -the British Standard Institute (BSI) adopted the BS10500, an Anti-bribery management standard
BS10500 is applicable to small, medium and large organizations in the public, private and voluntary sectors in the UK and internationally
 - *Balfour Beatty (55000 employees) has implemented the BS10500, as a response to the UK anti-bribery act.
- The WFEO CAC has strongly supported the BS10500 from its inception.
- It passed a resolution at its annual meeting held in 2011 in Geneva calling for the creation of a New ISO management standard .

Corruption is a Management Issue

- The BSI presented a proposal to the International Standardization Organization to publish an anti-bribery standard:
 - The ISO management board put the proposal out to the vote of the 112 country members which have voting rights at ISO. Only 28 countries chose to participate in the vote. Of these, 19 voted in favour of developing a standard, 1 abstained and 8 voted against the proposal..
 - several of the larger trading countries namely Argentina
France, Germany, Iran, Japan, Netherlands, Singapore, United States
have voted against the proposal
- * The vote was therefore carried, a Project Committee has been established. It is hosted and led by the BSI and chaired by CAC members Neil Stansbury
- Purpose: To agree whether it is appropriate for the ISO to publish an anti-bribery standard

Corruption is a Management Issue

- First meeting was held in June 2013
- **Scope and magnitude of the new management standard**
 - 1-Whether the standard will be requirement or guidance
Requirement
 - 2-Whether the Standard will be confined to Bribery or encompasses corruption as a whole: *The standard would apply only to bribery and not be expanded to encompass other areas of corruption*
 - 3-Whether the standard should give or not Definition of Bribery: Yes

Corruption is a Management Issue

5-Scope of the standard :The standard would be applicable to all types of business and activities and be scalable for all sizes of organization.

6-*Should it be a **standalone** standard or a subset of other standards in process of being developed?

- ISO/TC 247 Fraud countermeasures and controls

Whose scope is

Standardization in the field of the detection, prevention and control of identity, financial, product and other forms of social and economic fraud.

And

- * **ISO/PC 271** - **Compliance management systems**

Whose Scope is Standardization in the field of compliance management systems

WFEO Status

- WFEO CAC chair attended the meeting as observer
- The WFEO will apply formally for member liaison status with the ISO, once the ISO Technical Management Board has confirmed the establishment of PC 278 and its project on anti-bribery management systems
- The process of becoming a liaison involves two stages:
 - 1: Acceptance by ISO Central Secretariat of the suitability of the organization to be in liaison with ISO
 - 2: Acceptance by the members of the committee that they are willing to have the organization in liaison for their work

Corruption is a Management Issue

- **British Standard BS 10500 :Specification for an Anti-bribery Management System**
 - BS10500 is applicable to small, medium and large organisations in the public, private and voluntary sectors in the UK and internationally
 - Compliance with BS10500 doesn't provide assurance that no bribery will occur, but offers proofs that the that the organisation has implemented reasonable and proportionate measures

Corruption is a Management Issue

BSI10500:Major REQUIREMENTS

- 1:Anti-bribery policy
- 2:Anti-bribery Management System
- 3:Communicating the anti-bribery policy and ABMS
- 4:Education, training and/or guidance
- 5:Compliance Manager
- 6:Risk assessment
- 7:Due diligence
- 8:Implementation of ABMS by controlled organisations and business associates

BSI10500:Major REQUIREMENTS OF BS 10500

- 9: Employment procedures
- 10: Gifts, hospitality, donations and similar benefits
- 11: Facilitation payments
- 12: Delegated decision-making
- 13: Anti-bribery contract terms
- 14: Financial controls
- 15: Procurement and other commercial controls
- 16: Raising concerns

BSI10500:Major REQUIREMENTS OF BS 10500

17: Investigating and dealing with bribery

18: Documenting the ABMS

19:Monitoring and reviewing the ABMS

20:Improvement of the ABMS

21:INDEPENDENT CERTIFICATION TO BS 10500

Corruption and Standardisation

- Corruption issue is being addressed within two new ISO underdevelopment standards :

- * **ISO/TC 247** Fraud countermeasures and controls

Whose scope is Standardization in the field of the detection, prevention and control of identity, financial, product and other forms of social and economic fraud.

- * **ISO/PC271 - Compliance management systems**

Whose Scope is Standardization in the field of compliance management systems

Other Activities

- **1-- WFEO REPORTING AND INVESTIGATION PROCEDURE**
- The committee has worked over the past months to draft a document on investigation procedure.
- Purpose and scope of procedure
- 1. The purpose of this reporting and investigation procedure is to help ensure that:
 - any person standing for or holding any executive office within WFEO is a suitable person for such office, and acts in accordance with the highest standards
- WFEO correctly follows its Constitution and Rules of Procedure
- any complaints against any such person, or any breach of the Constitution and Rules of Procedure, can be appropriately reported, investigated and dealt with