

**FORUM OF API
ETHICS AND INTEGRITY IN PROVIDING
ENGINEERING SERVICES**

**Competency and Integrity
– Code of Ethics –
Towards International
Guidelines**

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1. Top Ten Excuses for Not Fighting Corruption⁽¹⁾

- 10. Corruption doesn't exist at all – its all a big misunderstanding.
- 9. If corruption does exist, it doesn't exist in my project or my country.
- 8. If there is corruption, it's not my job to do anything about it.
- 7. Corruption might exist, but there is nothing we can do about it.
- 6. Corruption might exist here but we have sufficient controls so that it will never be a major problem here and besides our audits showed there is no problem.
- 5. Corruption is a political issue, and therefore should not be our concern.
- 4. Corruption is a necessary evil – it is the grease that oils the machinery and is simply the price we must pay in order to deliver a greater benefit.
- 3. Fighting corruption takes time; it can't be accomplished overnight so just be more patient.
- 2. If you raise a corruption problem in a public or even private forum you will do more harm than good to the institution.
- 1. You are foisting your own cultural views into this issue and they don't apply in my culture.

⁽¹⁾ Stephen Zimmermann, Chief, Office of Institutional Integrity, Inter-American Development Bank.

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2. Importance of Corruption

- With annual expenditure worldwide on construction in 2004 around \$ 3.9 (USD) trillion Transparency International estimates 10% lost through bribery, fraud and corruption. Many more miles of roadway, clean water systems, and industrial expansion could be achieved.
- A lost in infrastructure funding by corruption provokes almost certainly a loss of quality, impacting directly the lives of the average user.
- The infrastructure sector is the most corrupt in the world, in both developing and developed countries, damaging to the national economy, to ordinary citizens, and to participants in this sector.
- To some degree many societies have learned to tolerate a certain level of corruption.
- There are laws against corrupt practices in nations around the world, but relying on laws alone is not going to fight corruption.

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2. Importance of Corruption

- The \$ 390 billion lost in engineering and construction industry by corruption could not be avoided despite all the existing laws.
- There is a basic link between eradicating corruption and reducing poverty, disease and famine.
- Companies which refuse to pay bribes can be denied contract awards, certificates, payments and permits.
- Corruption occurs in both the public and private sectors, in both the procurement and execution of projects, and among both employers and employees.

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3. WFEO and the Anti-Corruption Issue

- WFEO is a leader in the battle against corruption by recent creation of the Anti-Corruption Task Group (ACTG) with the missions:
 - ✦ Act as a focal point to advice WFEO members and link with other likeminded organisations.
 - ✦ Work with partners in overpowering corruption like World Bank, TI, etc.
 - ✦ Update the Code of Ethics, taking the corruption issue into consideration.
- ACTG has nine volunteers from different national members (Tanzania, Southafrica, USA, Puerto Rico, China, Switzerland, Russia and Spain) and four international organisations (FIDIC, API, FAEO, GIAC)
- It is collaborating with the Task Committee on Global Principles for Professional Conduct TCGPPC (ASCE).
- A draft questionnaire (see point 5) has been prepared with the cooperation of several engineering organisations.
- An anti-corruption forum entitled “Overpowering Corruption: A parth for the professional Engineers” was held in Puerto Rico, in conjunction with the WFEO G.A.

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4. Anti-Corruption Articles Published

- In the WFEO e-bulletin there is a special anti-corruption section, where we have published the following eleven articles:
 - ✧ N° 5 June 2005 – Global Cooperation in Battle Against Corruption.
 - ✧ N° 6 July/August 2005 – Task Committee Proposes Anti-Corruption Guidelines for Engineers.
 - ✧ N° 7 September 2005 – Draft Anti-Corruption Guidelines for Addition to the Code of Ethics of the ASCE.
 - ✧ N° 8 October 2005 – Time for WFEO Members to Enlist in the Fight Against Corruption (an Engineer’s Charter).
 - ✧ N° 9 November 2005 – Anti-Corruption Forum “Overpowering Corruption; A Path for the Professional Engineers”.
 - ✧ N° 10 December 2005 – Rationale for Fighting Corruption.
 - ✧ N° 11 January 2006 – The Humanitarian Reasons for Fighting Corruption.

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4. Anti-Corruption Articles Published

- ✧ N° 12 February 2006 – Anti-Corruption Efforts Gain Global Support.
- ✧ N° 13 March 2006 – A look at World Bank’s Anti-Corruption Program.
- ✧ N° 14 April 2006 – Let me Count the Ways.
- ✧ N° 15 May 2006 – The World Economic Forum’s “Partnering Against Corruption Initiative” (PACI).
- ✧ N° 16 June 2006 – Transparency International – Working Together to Prevent Corruption.

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5. Draft Questionnaire about Corruption

➤ FIRST PART

1. How frequent and serious are crimes in engineering and construction in your country?

| | Frequent and serious | Frequent but not serious | Serious but not frequent | Neither frequent nor serious |
|-------------------------------------|--------------------------|-----------------------------|-----------------------------|---------------------------------|
| 1.1. Excessive gifts and gratuities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.2. Political contributions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.3. Excessive entertainment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.4. Conflicts | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.5. Kickbacks | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.6. Bribery | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.7. Extortion | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.8. Black mail | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.9. Theft | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.10. Falsification of documents | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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5. Draft Questionnaire about Corruption

➤ SECOND PART

2. How frequent and serious are crimes in engineering and construction outside your country?

| | Frequent and serious | Frequent but not serious | Serious but not frequent | Neither frequent nor serious |
|-------------------------------------|--------------------------|-----------------------------|-----------------------------|---------------------------------|
| 2.1. Excessive gifts and gratuities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.2. Political contributions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.3. Excessive entertainment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.4. Conflicts | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.5. Kickbacks | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.6. Bribery | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.7. Extortion | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.8. Black mail | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.9. Theft | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.10. Falsification of documents | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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5. Draft Questionnaire about Corruption

➤ THIRD PART

3. Questions.

Yes No

- 3.1. Have you ever been personally aware of any of the 10 offences listed in part1 and 2 without reporting the situation to superior or authorities? Yes No
- 3.2. Have you ever reported any of 10 offences to a superior or authorities? Yes No
- 3.3. Does your employer have a hotline for reporting wrong doing? Yes No
- 3.4. Are you aware right now of conduct you would report if your own engineering organisation has secure anonymous hotline? Yes No
- 3.5. Would you use this hotline if you become aware of conduct needing reporting? Yes No
- 3.6. If every WFEO member worldwide were willing to report knowledge of case of bribery and corruptions, do you think the problem could be measurably reduced? Yes No
- 3.7. Do you think initiators of offences are most apt to be?(check one)
- Owners' representatives
 - Contractors or their employees
 - Design professionals
- 3.8. Worldwide, how much money (US dollars) do you estimate is lost to bribery, fraud and corruption last year?
- \$30 million
 - \$300 million
 - \$300 billion
 - More

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5. Draft Questionnaire about Corruption

➤ FOURTH PART

4. Additional thoughts and comments.

4.1. Other comments regarding corruption in your country.

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4.2. Specific examples of corruption in your country and abroad.

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4.3. Inclusion of the anti-corruption issues in the Code of Ethics of your engineering organisation.

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4.4. Collaboration with other engineering organisations and NGOs in the anti-corruption issue.

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5. Draft Questionnaire about Corruption

➤ FOURTH PART

4.5. Possible risks for the whistle-blowers of bribery, fraud and corruption in your country.

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4.6. Repercussions of anti-corruption policy of the World Bank, development institutions, Transparency International, and related groups on your country and worldwide.

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4.7. Suggestions to improve the present draft questionnaire.

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4.8. Other comments related to this questionnaire.

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4.9. Your expectations and recommendations regarding the WFEO Anti-Corruption Task Group.

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6. Partners in Overpowering Corruption

- The **World Economic Forum** (WEF) and its “Partnering Against Corruption Initiative” (PACI) supported by world’s largest engineering and construction firms.
- The **World Bank** (WB) and its Voluntary Disclosures Program, which provides a confidential way of reporting corrupt practices relating to Bank programs.
- **Transparency International** (TI), through its increasing stature and influence in the world engineering and construction community.
- The **United Nations** (UN), by its Convention on Corruption and its recent adoption of a new Principal on Corruption.
- The **ASCE** with the Task Committee on Global Principles for Professional Conduct (TCGPPC), developing principles and guidelines for the revision of the Code of Ethics.

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6. Partners in Overpowering Corruption

- The **Organisation for Economic Co-operation and Development** (OECD) and its global Anti-Bribery Convention.
- **FIDIC** with the Organisation's Business Integrity Management Guidelines.
- The **Pan American Academy of Engineering** (API) with the Anti-Corruption Policy approved recently by the Board of Directors and introduced in their Code of Ethics.
- **Global Infrastructure Anti-Corruption Forum** (GIAC) as an informal anticorruption alliance TI and regional business associations with interests in the infrastructure sector.
- **World Council of Civil Engineers** (WCCE) founded recently in México, with a Committee on Ethics collaborating with some of the aforementioned Entities.

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7. Extract From “An Engineer’s Charter”

- Engineers as individuals must:
 - ✦ Ensure that they are not personally involved in any activity that will permit the abuse of power for private gain.
 - ✦ Recognize that corruption occurs within the public and private sectors, in the procurement and execution of projects, and among employers and employees.
 - ✦ Refuse to condone or ignore corruption, bribery, or extortion; or payments for favors.
 - ✦ Urge professional engineering societies and institutions to adopt and publish transparent, enforceable guidelines for ethical professional conduct.
 - ✦ Enforce anti-corruption guidelines by reporting infractions by any participant in the engineering and construction process.

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7. Extract From “An Engineer’s Charter”

- Further Engineers pledge to:
 - ✦ Support the formal adoption of these principles by their professional organisation.
 - ✦ Build professional and public support for zero tolerance for bribery, fraud and corruption.
 - ✦ Seek transparency in all dealings with public officials and private owners.
 - ✦ Coordinate the engineers’ effort with the work of TI; PACI of WEF, the WB, FIDIC and others seeking the same goal.

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8. Code of Ethics

- There are mainly two types of Code of Ethics (CE):
 - ✦ The model CE for umbrella entities, including several engineering organisations of different disciplines, presented as broad guiding principles of an idealistic nature, which are recommended as a model to be followed by their members.
 - ✦ The particular CE of the different national engineering organisations, inspired in the model CE which is adapted to their peculiarities, being a detailed and specific set of rules couched in legalistic or imperative terms to make them more enforceable.
- The CE constitutes a set of underlying principles which form the basis and framework for responsible professional practice.
- It is based on broad principles of truth, honesty, truthfulness, accuracy, collaboration, conscientiousness, loyalty, and respect for human life and welfare, openness, competence and accountability.

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8. Code of Ethics

- The main issues to be included in the CE:
 - ✦ Protection of the public (safety, health and welfare)
 - ✦ Sustainable development
 - ✦ Environmental engineering ethics
 - ✦ Faithful agent of clients and employers
 - ✦ Competence and knowledge by virtue of their training and experience
 - ✦ Fairness and integrity in the workplace
 - ✦ Equal employment opportunities
 - ✦ Professional accountability and leadership
 - ✦ Enhance the honor, integrity, and dignity of the engineering profession
 - ✦ Zero tolerance for bribery, extortion, fraud and any other form of corruption

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9. Guidelines for Code of Ethics

- Engineers shall :
 - ✦ Uphold and advance the integrity, honor and dignity of the engineering profession, and shall promote the most effective use of financial resources through honest and impartial service and fidelity to the public, employers, associates and clients.
 - ✦ Be scrupulously honest in their control and spending of monies intended for the projects on which they work.
 - ✦ Adopt a zero-tolerance approach for bribery, fraud, deception and corruption in any design or construction work in which they are engaged.
 - ✦ Be especially vigilant in countries where payment of gratuities and/or bribery are tolerated and condoned practices.
 - ✦ Include certifications in all contract documents, specifying zero tolerance of bribery, extortion or other fraud during the execution of the project.

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9. Guidelines for Code of Ethics

- ✧ Strive for complete transparency in the engagement of agents who facilitate projects and other work, to include the reporting of purposes, names, addresses, and gratuities and commissions paid for all agents in their employ.
- ✧ Be duty-bound by their Engineering Organisation bylaws to report any observed violations of the Society's Code of Ethics.

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Muchas Gracias
por su atención