



Corruption in the construction sector – a permanent building site

On 29 May 2018 the Interdepartmental Working Group on Combating Corruption held a workshop on corruption in the building sector, which deserves particular attention because it handles such a high volume of public procurement. The working group brought together a number of well-known specialists and practitioners from Switzerland and abroad – who have dedicated themselves to fighting and preventing corruption – to take part at the workshop in Bern, which included a keynote speech entitled 'Transparency in the construction sector' and was rounded off with a lively panel discussion.

Keynote speech by John Hawkins, EAP / CoST

John Hawkins, Head of Programmes at UK-based NGO Engineers Against Poverty (EAP), introduced the topic of *Transparency in the Construction Sector*. The EAP hosts the international secretariat of the *Construction Sector Transparency Initiative (CoST)*, which is currently active in 13 countries. Its goal is to work with governments, the private sector and local stakeholders for more transparency and accountability in infrastructure construction projects.

"Up to 30% of investments just vanish."

Hawkins listed the reasons why the construction industry is so prone to corruption (which includes the complexity of the projects, extensive and long-term supply chains and a lack of control mechanisms), explaining the magnitude of the problem and its effects. It is estimated that between 10 and 30% of funds invested in infrastructure construction projects are lost because of corruption (cf. most recent [OECD report](#) on this issue). Hawkins went on to say that the key to preventing corruption was to strengthen governance and build trust by improving project preparation and making it more effective as well as by increasing transparency, participation and accountability.

Panel discussion

Participants at the workshop were then invited to join the discussion led by the head of the working group, Ambassador Stefan Flückiger, with panellists Urs Baumeler (head of the SBB centre for damages and criminal law), Dr German Grüniger (Implenia general counsel), Stefan Studer (chief engineer for the Canton of Bern) and Thierry Vauthey (FEDRO ombudsperson).

The panel discussion resulted in the following key takeaways:

Corruption also takes place in Switzerland, even though it is not always recognised as such or taken seriously. Although bribery of public officials is generally seen as problematic, this is less the case with bribery in the private sector, and nepotism continues to be widespread. This lack of awareness

will not change as long as corruption is only discussed among like-minded people. We have to use cases of illegal behaviour and corruption that have been uncovered to raise more public awareness.

"Even the smallest of gifts has an effect."

Measures to generate greater awareness of corruption within the Federal Administration are essential. But it is not easy to tell staff that even the smallest of gifts might jeopardise their impartiality and professional discretion. A plastic pen worth 50 centimes, for example, can make some staff feel eternally grateful.

In 2017 FEDRO published a new set of [guidelines on combating corruption](#) (available in French, German and Italian), which was deemed to be good practice by all the workshop participants and should also be communicated to the private sector.

"The cantons could do more."

Awareness of corruption among the cantons remains variable, which means standards are not uniform. The cantons should intensify their efforts in this area and foster more exchange.

Participants also discussed the ongoing revision of the procurement law, which could be used to include a black list of non-compliant bidders among other things. Another point that was made was the importance of transparency in the procurement process.