

## Annex – Questionnaire

**Measures taken to implement the Convention and the commitments contained in the UNGASS political declaration, as well as good practices and progress made in the use of international cooperation mechanisms under the Convention<sup>1</sup>**

<b>Country</b>	The People’s Republic of China
<b>Implementing authority/ authorities</b>	Independent Commission Against Corruption (ICAC), the Development Bureau (DEVB) and the Construction Industry Council (CIC) of the Hong Kong Special Administrative Region (HKSAR)
<b>Corresponding paragraph(s) of the UNGASS political declaration and/or article(s) of the Convention</b>	<u>UNCAC</u> Article 12
<b>Title of initiative</b>	Corruption Prevention Work for the Construction Industry
<b>Keywords of initiative</b>	Integrity Management System, Integrity Charter, digitalisation, proactive, partnering, construction industry, Modular Integrated Construction (MiC), New Engineering Contract (NEC), mega infrastructure projects
<b>Short summary of initiative</b> (please indicate the start date/duration if relevant)	<p>In recent years, the HKSAR Government has been promoting and adopting new construction methods (e.g. MiC) and contract forms (e.g. NEC) to enhance efficiency, quality and cost control of construction projects in Hong Kong. These new construction methods and contract forms have brought changes to the work procedures. Besides, to enhance development, the HKSAR Government has been implementing a number of mega infrastructure projects.</p> <p>The public has attached greater importance to the integrity of construction industry recently. To this end, with the common goal of upholding professionalism and integrity of the construction industry, ICAC, DEVB and CIC jointly launched the “Integrity Charter” (the Charter) on 24 September 2021. Individual construction companies may subscribe to the Charter to pledge their commitment in implementing an Integrity Management System (IMS) which covers elements on the Integrity Policy and Integrity Training. They may also opt to adopt an add-on element on Integrity Risk Management (IRM). Up to July 2022, over 220 construction companies (e.g. contractors, sub-contractors and suppliers) have subscribed the Charter to show their commitment to the integrity management.</p>

<sup>1</sup> Please use one form per initiative described

	<p>Upon recommendations made by ICAC, DEVB included the first two components of IMS (i.e. Integrity Policy and Integrity Training) as the listing requirements for its approved public works contractors, suppliers of materials and specialist contractors starting from 1 March 2021. Subsequently, CIC also implemented the new registration requirement of ‘Integrity Management’ for all registered specialist trade contractors and subcontractors with effect from 1 April 2022.</p>
<p><b>Detailed description of initiative</b></p>	<p>For new construction methods and contract forms, ICAC adopts a multifaceted approach under which we formulate targeted corruption prevention measures to address the new/changed integrity risks arising therefrom. Furthermore, ICAC procures the adoption of such measures by partnering with project owners through contractual/administrative means and render assistance to stakeholders (e.g. consultants and contractors) to implement the measures. For example, corruption prevention measures drawn up by ICAC are incorporated into DEVB’s Practice Notes for NEC for project participants to follow. Meanwhile, on MiC, ICAC has been providing corruption prevention input (e.g. review on relevant procedures) to various stakeholders (e.g. regulators, project clients) to ensure that adequate safeguards are put in place in their MiC projects. ICAC has also compiled a corruption prevention checklist on the recommended control measures in key risk areas (e.g. supervision of works in MiC factories, safekeeping and transportation of MiC modules) for reference by project clients and/or their consultants. As of July 2022, the checklist has accumulated over 400 downloads.</p> <p>For integrity of construction industry, ICAC adopts a double-barrelled approach under which we devise the framework of IMS on one hand; and provide diverse corruption prevention services to different stakeholders on the other hand. In 2019, ICAC reviewed the DEVB’s system for managing the “List of Approved Contractors for Public Works”, to which works contractors need to be admitted before they are allowed to bid for government departments’ and some public bodies’ public works contracts. One of the recommendations is to require approved contractors to put in place an effective IMS.</p> <p>DEVB incorporated the integrity policy and integrity training components as a listing requirement for approved public works contractors, as well as suppliers of materials and specialist contractors, starting from 1 March 2021. As of July 2022, there were over 900 approved construction companies. DEVB also undertook to explore the trial use of IRM in public works contracts in due course.</p> <p>To further promote the adoption of IMS in the construction sector, an industry-wide corruption prevention initiative entitled “Integrity Charter” was launched on 24 September 2021. The purpose of the Charter is to further promote IMS and enlist support of the industry practitioners to build their integrity capacity and</p>

	<p>develop an “integrity first” culture. The Charter provides a platform for construction companies to join to pledge to integrity. Participating companies pledge to implement IMS, including laying down and implementing an Integrity Policy, and arranging their key staff to attend Integrity Training. Construction companies could also opt to implement IRM.</p> <p>Meanwhile, seeing the merits of ICAC’s initiative to strengthen the integrity management of industry stakeholders, CIC as the administrator of the Registered Specialist Trade Contractors Scheme (RSTCS) that recognises subcontractors in Hong Kong, included IMS into RSTCS as a registration requirement with effect from 1 April 2022. New applicants for RSTCS are required to implement an integrity policy, and in order to maintain their registration status, registered subcontractors, in addition to implementing the integrity policy, have to arrange their senior management to attend regular integrity training. At present, over 7 700 subcontractors are registered under the 54 trades of RSTCS.</p> <p>As of July 2022, over 220 companies have joined the Charter. ICAC provides services to them as the Secretariat of the Charter. Since the launch of the Charter, ICAC has organised a total of 16 training sessions reaching out over 3 400 industry practitioners. Besides, ICAC has issued a set of IRM guidelines, four sample IRM plans on corruption prone areas (e.g. tendering and procurement by quotation) and sample integrity policy, which have accumulated over 1 600 downloads.</p>
<p><b>Lessons learned in implementing the initiative</b></p>	<p>To ensure smooth implementation of our initiatives, we should -</p> <ul style="list-style-type: none"> <li>• engage continuous support from stakeholders in the construction industry (e.g. main contractors, subcontractors, consultants and suppliers) and secure their buy-in of our proposals and concepts;</li> <li>• collaborate with major stakeholders and list administrators in planning our work so as to achieve the goal and facilitate the implementation of our initiatives; and</li> <li>• demonstrate our commitment on the corruption prevention work to stakeholders and improve our corruption prevention strategy and output in terms of effectiveness and efficiency.</li> </ul>
<p><b>Challenges encountered in implementing the initiative</b></p>	<p>The promotion and adoption of the Charter to stakeholders in the construction industry rely heavily on a team of dedicated and professional staff to plan, develop and implement. We also need to secure stakeholders’ continuous support as the Charter is currently not a mandatory participation, yet we are striving towards engaging the construction companies in the private sector (e.g. developers, construction companies that are yet to be registered on the relevant lists) to implement our initiatives. There are from time to time new/changes of construction methods and contract forms, we need to pay attention and efforts to keep track with the latest development in the construction industry in order to develop timely and pragmatic anti-corruption control measures.</p>

<b>Link to more information</b>	<p>Integrity Charter Website: <a href="https://cpas.icac.hk/EN/Info/TP_Library?cate_id=10025">https://cpas.icac.hk/EN/Info/TP_Library?cate_id=10025</a></p> <p>Integrity Charter Launching Ceremony Event Highlights: <a href="https://www.youtube.com/watch?v=Xc3NlGTnasA&amp;t=5s">https://www.youtube.com/watch?v=Xc3NlGTnasA&amp;t=5s</a></p> <p>Corruption prevention checklist on MiC (Source: Construction Industry Council): <a href="https://mic.cic.hk/files/Information/29/File/MiC_CP_Checklist_(Eng).pdf">https://mic.cic.hk/files/Information/29/File/MiC_CP_Checklist_(Eng).pdf</a></p> <p>Practice Notes for NEC - Engineering and Construction Contract: <a href="https://www.devb.gov.hk/en/publications_and_press_releases/publications/standard_contract_documents/practice_notes_nec_engineering_construction_contract/index.html">https://www.devb.gov.hk/en/publications_and_press_releases/publications/standard_contract_documents/practice_notes_nec_engineering_construction_contract/index.html</a></p>
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