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The Eternally Unfinished Highway

Alex Johnson · Tuesday, February 23rd, 2016

If you're planning to drive to Sicily, or Reggio Calabria or Tropea this summer you'll likely spend some time on the A3 or Salerno-Reggio Calabria highway. The main artery through the "Mezzogiorno" or Italy's south. Beset by vistas of green mountains, national parks and quaint towns, the road takes you through one of Europe's most stunning regions. But it's also one of Europe's poorest regions. Despite money poured into southern Italy from Brussels, youth unemployment is as high as 70%. Corruption has stalled development here and seen EU funds disappear into murky contracts, the Mafia and ghost companies.

The A3 is perhaps the best example of this. Known as the "eternally unfinished highway", construction of the road began half a century ago and is finally nearing completion. Four years ago the EU's anti-fraud office OLAF found that over €381 million had been lost to fraud, dodgy contracts and ghost road works en route to completing the project.

In the previous decade €10 billion of national and EU funds were spent on the construction of the A3. Much of this money ended up in the hands of the Mafia, including the infamous 'Ndrangheta clan, who earn one tenth of their €44 billion annual turnover from corruption. In 2012 the EU ordered Italy to redirect some €420 million in cohesion and structural funds away from the project.

It's not just Italy where EU funds destined for local communities has disappeared. In the Czech Republic last summer the trial of David Rath showed widespread abuse of EU funds. The former health minister and governor of Central Bohemia was found guilty of taking bribes, manipulating public tenders and harming the financial interests of the EU. Rath was at the heart of a group of prominent officials who had been abusing public procurement contracts in the healthcare and construction sectors. EU money meant for hospitals and local infrastructure ended up in the pockets of the corrupt.

Without concrete measures in place, national and EU funds can end up getting lost to corruption through outsourcing contracts. That's why we at Transparency International are gearing up for a massive new project to help prevent EU funds being lost to corruption. We are rolling out 17 individual projects with other civil society organisations across 11 EU countries. These projects are known as Integrity Pacts.

Integrity Pacts are essentially an agreement between a government offering a procurement contract and the companies bidding for it. The pact states that the companies will abstain from bribery, collusion and other corrupt practices during the execution of a contract. A third party,

usually from civil society, then monitors the entire project process, to ensure that the process is transparent, clean and fair.

Integrity pacts have been applied in more than 15 countries, in over 300 contracts across different sectors, including large scale public works projects, such as international airports and dam constructions. Now, with the aid of the [European Commission](#) we are rolling them out across Europe.

For the next four years Integrity Pacts will be used to monitor over €920 million euros worth of EU co-funded projects. It's vital that EU funds are accountable to the societies they are supposed to serve. Transparency, monitoring and reviewing the contracting process can ensure that EU money is well spent.

Be it hospitals, schools, roads or [historical sights](#) EU funds can be a lifeline to local communities. EU-funded infrastructure projects can bring employment and generate wealth and development for some of Europe's poorest regions.

So if you take that drive through the south of Italy this summer, spare a thought for the consequences of corruption. As you sit through delays and diversions on the unfinished section of the A3 between Laino Borgo and Campotenese think of the money wasted, which could have helped so many people in the region. Integrity Pacts can help stop eternally unfinished roads and wine boxes stuffed full of cash meant for hospitals. We need to end the opportunities for the corrupt to enrich themselves. Integrity Pacts can help.

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