

CONNECTING THE DOTS: BUILDING TRUSTED SYSTEMS TO ADDRESS CORRUPTION IN INFRASTRUCTURE

Quality infrastructure investment is widely recognised as key to ensuring a sustainable recovery from the COVID-19 crisis, achieving the SDGs and addressing the climate challenge. However, the complex nature of infrastructure projects, whether roads, ports, electricity or digital infrastructure, combined with the multiplicity of actors involved, creates an environment particularly vulnerable to corrupt practices. Corruption and a lack of trust threaten to reduce the benefits of these investments and undermine the recovery in many parts of the world, particularly in developing and emerging economies. Further still, corruption potentially stifles innovation, erodes trust in institutions and can even undermine democracy and the rule of law.

Applying trusted standards

International standards, tools and protocols designed to prevent, detect and report unethical business conduct already exist. Despite emerging initiatives - such as the <u>Blue Dot Network</u> - that will help to operationalise these standards and good practices, the battle against corruption in infrastructure remains a challenge. The potential of quality infrastructure investment can only be realised if the global community takes action to address these corruption risks.

Empowering stakeholders

Current approaches to prevention, detection and reporting of corrupt practices are often fragmented, treating the public and private sector separately, or focused on individual components to drive change.

In recognition of these silos, the OECD is leading a major new project, with support from the U.S. Department of State, to strengthen protection against corruption in infrastructure through adopting a systemic approach that mobilises the full range of stakeholders involved in infrastructure development. The initiative will bring together public, private and civil society actors to advance the dialogue on ways to prevent and detect corruption. A toolbox for

stakeholders will support this dialogue in bringing forward concrete and pragmatic solutions.

An infrastructure anti-corruption toolbox

Mobilising resources, networks and expertise from across the organisation, the OECD will develop an Infrastructure Anti-corruption Toolbox (I ACT). The toolbox will build the capacity of stakeholders to implement effective anti-corruption systems based on international standards, including the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and related instruments, and to meet the objectives of global programmes for infrastructure investment, including the Blue Dot Network. The toolbox will provide practical guidance for assisting developing and emerging economies to set-up effective corruption prevention, detection reporting frameworks that mobilise multiple actors and involve a range of mechanisms across the life cycle of infrastructure projects. Four initial components will be included in the toolbox:

 A Guidebook that synthesises international best practices and outlines practical steps to improve corruption prevention and detection strategies.

- Multi-stakeholder dialogues will promote collective action to tackle corruption in the infrastructure sector.
- Training programmes that will assist stakeholders involved in infrastructure to better identify and combat risks.
- Capacity building: inspired by
 Compliance without Borders, this
 programme will use secondments and
 peer learning to facilitate the
 implementation of compliance and
 anticorruption frameworks in highly
 exposed organisations and SOEs.

A wealth of experience

The OECD is home to some of the world's leading global instruments that cover many aspects of infrastructure investment over its lifecycle. The OECD has also been a strong driving force in the global anti-corruption movement for more than four decades. This project will be led by the OECD's Trust in Business initiative, in coordination with other OECD Directorates. The Trust in Business initiative provides an international publicprivate sector platform for business conduct. It enables multiple stakeholders from across business, government and civil society to strengthen trust through combatina corruption and thereby establish the conditions for fair, sustainable and resilient economic development.



Private sector and civil society organisations interested in learning more about the project are invited to contact the Trust in Business Initiative team.

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