

## Connecting the Dots: Building Trusted Systems to Address Corruption in Infrastructure

SUMMARY NOTE – 5 October 2022

On 5 October 2022, the [OECD Trust in Business initiative](#) convened the first meeting of the [Infrastructure Anti-Corruption Toolbox \(I ACT\)](#), gathering leading experts and practitioners from business, government, and civil society. On this occasion, I ACT project leaders exchanged anti-corruption challenges for stakeholders involved across the life cycle of infrastructure development; shared insights on regional and sectorial risks and opportunities; and explored areas where the project can have the greatest impact. The discussion concluded with commitments from I ACT project leaders to engage with the toolbox and to form a Collective Action.

### Key Takeaways

- The meeting was opened with an update from the US government representative, who emphasised the need for a multi-stakeholder approach to address corruption in infrastructure. Recognising that the fight against corruption cannot be won by government alone, more consistent engagement with the private sector would be critical to rebuild trust, level the playing field and improve the international business climate. The speaker noted that in the [United States Strategy on Countering Corruption](#), infrastructure is highlighted as an important area of engagement. Underlining the importance of quality infrastructure, the US stressed the potential of [the Blue Dot Network](#) to deliver projects that are open and inclusive, transparent, financially viable, resilient, and environmentally and socially sustainable. The US also noted it will provide government-to-government technical assistance to ensure partners are able to build quality infrastructure projects efficiently and accountably.
- Participants agreed that infrastructure is crucial to meet net zero targets, the Sustainable Development Goals and post-conflict reconstruction needs. However, they also noted that there are on-going challenges to bridge the estimated \$2.5 trillion infrastructure investments gap. It was further highlighted that 30 to 50% of public infrastructure investment is lost to corruption and inefficiencies. To address corruption challenges, recent international commitments, such as the [2021 OECD Anti-Bribery Recommendation](#), have been agreed. To move from commitments to action, participants emphasised the importance of **public-private cooperation** to enhance the implementation of anti-corruption standards across the infrastructure value chain. A civil society representative highlighted that the OECD is well positioned to provide a multi-stakeholder platform given that it is well trusted by civil society and business, has unique access to policy makers, and is well-recognised for its evidence-based work.
- The I ACT project leaders – drawing on their expertise and innovative approaches – agreed to work with the OECD to **catalyse Collective Action to address corruption in infrastructure**. **Moving from intent to action**, I ACT project leaders expressed commitment to implement the toolbox in their organisations. These tools will cover knowledge creation, public-private cooperation, capacity building and enhanced public accountability.
- Participants noted the extensive mapping of anti-corruption standards conducted by the OECD as a useful starting point to identify existing initiatives that have the potential to complement I ACT and to spot

**knowledge gaps.** For example, a leading industry expert highlighted some potential areas where further anti-corruption guidance may merit focus, such as infrastructure offsets or joint ventures. A prominent private sector practitioner noted that risk analysis systems must adapt to a rapidly evolving risk environment characterised by the current global outlook (post-covid, geopolitical risks, energy crunch, disrupted supply chains, etc.).

- Information sharing mechanisms on corruption related risks were highlighted as potentially valuable to allow financial institutions to work with stakeholders, including law enforcement, to effectively prevent and detect corruption. Additionally, technology was raised as an avenue to explore “corruption proof” infrastructure projects in a more efficient and systematic way.
- I ACT project leaders stressed the need to ensure that high standards of anti-corruption and integrity should be applied in a consistent manner by stakeholders across the value chain. I ACT tools focused on **capacity building and reinforcing accountability** – such as the [High Level Reporting Mechanism](#) – **should help to meet quality infrastructure standards**, such as [the Blue Dot Network](#). Participants stressed that initiatives like the Blue Dot Network are vital in building the confidence and protection needed to be able to operate in developing markets and high-risk areas. A leading civil society representative noted the potential of [Compliance without Borders](#) as a peer-to-peer programme to raise capacity among companies of different sizes across the value chain. Another civil society leader stressed that capacity building should be innovative and strive to reinforce values and ethics notably through the involvement of citizens and local communities, as opposed to traditional compliance and enforcement-focused trainings which reinforce a box-ticking exercise.
- To conclude, I ACT project leaders were asked to rate which I ACT tool would be most useful in their spheres of influence, they agreed that all tools are useful in their current environment, with a particular emphasis on accountability:
  - Knowledge Creation: **20,4 %**
  - Accountability: **38,6%**
  - Capacity building: **20,4 %**
  - Collective Action: **20,4 %**