TECHNICAL NOTE Nº IDB-TN-3091

Transparency and Integrity Principles in Infrastructure (TIPs)

Roberto de Michele
María Cecilia Alvarez Bollea
Mark Pieth
Kathryn Betz

Inter-American Development Bank
Innovation in Citizen Services Division
Institutions for Development Sector

February 2025

Transparency and Integrity Principles in Infrastructure (TIPs)

Roberto de Michele
María Cecilia Alvarez Bollea
Mark Pieth
Kathryn Betz

Inter-American Development Bank
Innovation in Citizen Services Division
Institutions for Development Sector

February 2025

IDB

Cataloging-in-Publication data provided by the
Inter-American Development Bank
Felipe Herrera Library

Transparency and integrity principles in infrastructure (TIPs) / Roberto De Michelle, María Cecilia Alvarez Bollea, Mark Pieth, Kathryn Betz.
p. cm. — (IDB Technical Note ; 3091)
Includes bibliographic references.
1. Infrastructure (Economics)-Moral and ethical aspects-Latin America. 2. Infrastructure (Economics)-Moral and ethical aspects-Caribbean Area. 3. Infrastructure (Economics)-Standards-Latin America.
4. Infrastructure (Economics)-Standards-Caribbean Area. I. De Michelle, Roberto. II. Alvarez Bollea, María Cecilia. III. Pieth, Mark. IV. Betz, Kathryn. V. Inter-American Development Bank. Innovation in Citizen Services Division. VI. Series.
IDB-TN-3091

JEL Codes: D73, H54, H57, L32, L38, O54

Keywords: infrastructure, integrity, transparency, risk, corruption, contracts, investment, compliance, public-private cooperation, public procurement

http://www.iadb.org

Transparency and Integrity Principles in Infrastructure (TIPs)

Contents

(Click on the button to access each chapter.)

Acknowledgments

This document was prepared by the Inter-American Development Bank (IADB), under the leadership of IFD/ICS and with the collaboration of the Institutions for the Development sector and key areas across the Bank. The team was composed of Roberto de Michele and María Cecilia Alvarez Bollea (IFD/ICS). The consultants responsible for drafting the document were Mark Pieth and Kathryn Betz. Together with the ICS team they discussed the proposal with key stakeholders. The document draws on contributions from Nicolás Dassen (IFD/ICS), Guillermo Lagarda (IFD/ICS), Ana Cristina Calderón (IFD/FMM), Zoila Llempen López (IFD/FMM), Juanita Riaño (OII/OII), Tomás Serebrisky (INE/INE), Paloma Muñoz García (INE/TSP), José Luis Irigoyen (INE/ENE), Gastón Astesiano (VPC), Terena Penteado Rodrigues (GCL/ICL), Gian Franco Carasale (INO/IEN) and Marcela Duque. We also acknowledge the contributions of VPS/VPS and its operational departments and of IFD/IFD and its divisions. This document was prepared in consultation with Elisabetta Iossa, Alexandre Barros, Alisha Holland, Kevin Davis, Damien King, Raquel de Mattos, Dulcidio de la Guardia, Melanie Roach, Isabel Studer, Eduardo Bitrán, Carlos Balbín, Gavin Hayman, Gemma Aiolfi, Petter Matthews, Kristina McNeff, Augusto Neves Dal Pozzo, Pascale Dubois, Jay Collins, Jorge Ordoñez, Joaquín Jugo, Eduardo Engel, Fabricio Longhin, Charles Kenny, Mark Robinson, Isabel Cane, Evelyn Hernández, Mariana San Martín, Oscar Hernández, and Paolo Mauro and the IMF Fiscal Department. The team would like to thank the Inter-American Dialogue for its support during the process, especially Michael Shifter, Michael Camilleri, Santiago Canton, Catharine Christie, and Luisa Stalman. The TIPs project was financed with resources from the IDB's Transparency Fund (AAF). The purpose of the AAF is to support IDB borrowing member countries to design and implement transparency policies, mechanisms, and practices to prevent and control corruption. Norway, Canada, Sweden, and Italy, as well as the Microsoft Corporation, have contributed to the AAF.

Executive Summary

Infrastructure is among the primary engines of growth in Latin America and the Caribbean (LAC) and will have a central role in post-COVID-19 recovery. The infrastructure investment gap in LAC is estimated at US$180 billion per year (IDB, 2020a, World Bank, 2018).

Public resources alone cannot close this gap. It is critical to attract private investors, whose contribution greatly exceeds the financial capacity of the multilateral development banks (ABD, 2022). To attract private investors, governments must promote an institutional environment that increases transparency and mitigates integrity risks (IDB, 2018; Cavallo, Powell, and Serebrisky, 2020; World Bank, 2018).

However, integrity risks and corrupt practices emerge along the infrastructure cycle. Corruption in infrastructure affects different actors in different ways. Companies' shareholders and managers involved in corruption schemes may face the consequences of their illegal actions. Others may also suffer unintended consequences. Suppliers of firms involved in illicit practices may have their contracts canceled because the main contract is suspended or declared void because of corruption. Banks involved in financing projects tainted by corruption could face legal costs to protect their investment and in the long run be discouraged to provide financing to projects in jurisdictions with integrity risks.

The problem is further exacerbated by the absence of adequate rules and principles to define preventive and corrective measures throughout the infrastructure cycle that can mitigate risks and preserve contract continuity when pertinent.

To face these challenges, the Inter-American Development Bank (IDB) has identified the need to develop a set of transparency and integrity principles (TIPs)—understood as a series of recommended guidelines or best practices—for the infrastructure sector, building on the existing international initiatives in this field. The TIPs apply to the entire infrastructure cycle, including identification, preparation, execution, and management, and will include the different public and private actors, beneficiaries, and other stakeholders that interact in the process.

The purpose of these principles is to address integrity risks throughout the infrastructure project cycle, providing institutional, legal, and financial standards for governments; public, private, and multilateral banks; and other relevant stakeholders.

1 Introduction

CONTENTS

I. Introduction

General Considerations

Public infrastructure is fundamental to sustainable growth and development (OECD, 2016). It improves well-being and reduces poverty and inequality. Sound infrastructure is equally vital to the emergence of a middle class, particularly in middle-income countries (World Bank, 2017). More and better infrastructure will promote private sector investment and growth and foster climate change goals both in terms of mitigation (especially in energy and transport) and resilience (IDB, 2021).

Infrastructure spans a wide range of areas. Critical or basic infrastructure covers security, safety, and essential well-being needs (OECD, 2020) like housing, water (drinking water, irrigation), dams providing water or flood protection, sewage treatment, power stations, a reliable electric grid for sustainable energy provision, and communication systems (including telecom, 5G, etc.). So-called social infrastructure includes health, education, and police expenses as well as prison systems, court rooms, and the necessary office space for public administration. Transport infrastructure covers roads, railroads, and the necessary bridges and tunnels, airports, ports, etc.

Infrastructure projects are typically complex and unique (IAD and IDB, 2021), and they are meant to last. Frequently, maintenance of infrastructure projects is forgotten when listing needs and calculating costs.

The Global South, including many countries in Latin America and the Caribbean (LAC), is in dire need of more infrastructure investment. For LAC, average investments in the 2008–19 period were 1.8 percent of GDP (IDB, 2021, 14). Needs for infrastructure investment are estimated at 3–8 percent of national GDP (World Bank, 2017). Immediate needs are estimated at US$180 billion per year (IAD and IDB, 2021; IDB, n.d.). Many countries of the Global South are suffering from an investment gap between their needs and the availability of funding, and this gap is growing in the face of increasing challenges related to risks of natural disasters.

Public–private partnerships (PPPs) are being widely used in countries of the Global South.[1] PPPs are sometimes considered a solution to bridge the infrastructure gap (CAF, 2018; PPP Knowledge Lab, 2017). Academic writing estimates that PPPs represent around 10 percent of annual infrastructure investment in developing countries (Fabre and Straub, 2021). Private investment and state-owned enterprises (SOEs) also play an essential role but aren't sufficient to close the investment gap.

Integrity Risks in Infrastructure

While corruption is a critical form of misallocation, delays, cost overruns, and other failures frequently result from poor planning, mismanagement, or insufficient resources rather than solely corrupt practices. As indicated by the International Monetary Fund (IMF), one does not have to search far to come across infrastructure projects "that were poorly designed, had large costs overruns, experienced long delays in construction, and yielded poor social dividends. Examples of poor project appraisal, faulty project selection, rampant rent seeking and corruption, or lack of funding to complete ongoing projects abound and not only in low-capacity countries" (IMF, 2022).

However, corruption, opacity, and integrity events breed mistrust and deter long-term investment. A report by the Inter-American Development Bank (IDB) finds that mistrust weakens the demand for investments in the future. For example, the LAC region invested only 2.8 percent of its GDP in infrastructure over the last decade—half of what Asia invested and far less than the 5 percent of its GDP that LAC should spend to close its infrastructure deficit over the next 20 to 30 years (Keefer and Scartascini, 2022).[2]

1. Multilateral development bank (MDB) databases list thousands of examples. See, for example, the World Bank Private Participation in Infrastructure Database: https://ppp.worldbank.org/public-private-partnership/library/private-participation-infrastructure-ppi-database.

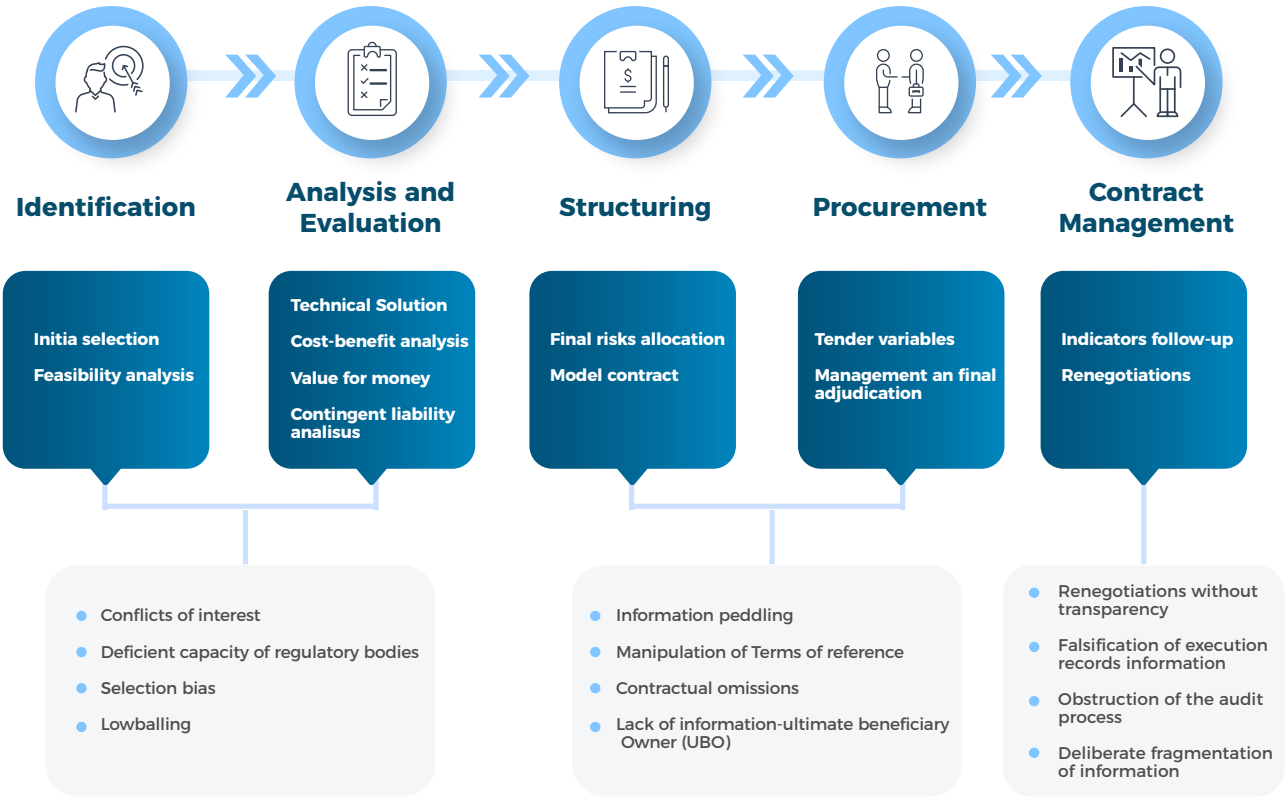
2. See also Cavallo, Powell, and Serebrisky (2020).

The World Bank has held that better targeted investment could change the situation considerably because the problem was not so much insufficient but inefficient spending (World Bank, 2017).[3] However, big corruption cases in the region deepened the gap considerably, leading to an outright investment paralysis in several member countries (de Michele et al., 2018; IDB, n.d.).

OECD (2021) finds that excessive political risks and corruption, poor governance, weak legal and regulatory frameworks, and inadequately prepared projects constitute major obstacles to private sector participation in infrastructure investment in low- and middle-income countries. According to the study, bribery and corruption are damaging to democratic institutions and the governance of corporations. They discourage investment and distort international competitive conditions. In particular, the diversion of funds through corrupt practices undermines attempts by citizens to achieve higher levels of economic, social, and environmental welfare, and impedes efforts to reduce poverty. More generally, investment risk, environmental and social challenges (including climate sustainability), and transparency and integrity are considered the major challenges in infrastructure provision.

Corruption comes in many forms in infrastructure, such as bribery, embezzlement, abuse of power, trading in influence, undue influence, nepotism, price fixing, collusion, and unresolved conflicts of interest (Barros and Iossa, 2020). Corruption and collusion are closely linked to mismanagement and waste. According to the Clean Contracting Manifesto (TI et al., 2017),[4] US$6 trillion could be lost annually in the construction industry through corruption, mismanagement, and inefficiency worldwide by 2030. An OECD survey found in 2014 that 57 percent of foreign bribery cases are related to public procurement (OECD, 2014). In its Integrity Framework for Public Infrastructure, the OECD lists in detail the negative consequences of corruption across infrastructure sectors (OECD, 2016)

Figure 1. *Integrity Risks in the Infrastructure Cycle*



Source: *Barros and Iossa (2020).*

3. For LAC countries, see also Brichetti et al. (2021); Cavallo, Powell, and Serebrisky (2020); Suárez-Alemán et al. (2021); and Infralatam (n.d.).
4. Also see Barros and Iossa (2020).

Understandably, the OECD Recommendation on the Governance of Infrastructure advocates using "open, neutral, competitive and transparent procurement processes for infrastructure" (OECD, 2020, II.iii.a). Different integrity risks emerge along the infrastructure cycle, including evidence of corrupt practices (Barros and Iossa, 2020; Engeli and Pieth, 2000). Experts warn that misprocurement originating in the early stages will rarely be corrected.

Corruption in infrastructure affects different actors in different ways. Companies' shareholders and managers involved in corruption schemes may face the consequences of their illegal actions. Others may also suffer unintended consequences. Suppliers of firms involved in illicit practices may have their contracts canceled because the main contract is suspended or declared void because of corruption (de Michele, Prats Cabrera, and Losada Revol, 2018). Banks involved in financing projects tainted by corruption could face legal costs to protect their investment and in the long run be discouraged to provide financing to projects in jurisdictions with integrity risks.

The IDB's Report of the Expert Advisory Group on Anti-Corruption, Transparency, and Integrity in Latin America and the Caribbean states that recent corruption scandals in large infrastructure projects have exposed the weaknesses of the complex legal and fiduciary instruments to prevent corruption. As the report points out, governments should take the current situation as an opportunity to strengthen institutional, legal, and administrative mechanisms to ensure transparency, integrity, and accountability in the infrastructure cycle (Engel et al., 2018).

In several countries in the region, corruption has led to direct economic consequences, with massive job losses and many companies declaring bankruptcy (Engel et al., 2018). Ultimately, taxpayers and citizens suffer the most. They will finance the extra costs of corruption and eventually will not benefit from projects completed in time and on budget.

The problem is further aggravated by the absence of rules and principles that define preventive and corrective measures throughout the infrastructure cycle, particularly to (i) mitigate integrity risks, (ii) make adequate distinctions among parties in the case of an integrity event, and (iii) preserve contract value and continuity when pertinent. (Barros and Iossa, 2020).

In many cases, the context is defined by fragmentation and regulatory dispersion, a limited set of responses to apply to integrity risks (zero tolerance prevails), and weak and disparate enforcement solutions. Moreover, most enforcement frameworks do not provide adequate mechanisms to combine enforcement with measures to protect good faith parties (citizens, investors, firms not engaged in wrongdoing, etc.) (Davis, 2009). Integrity standards are therefore needed throughout the infrastructure cycle.

Transparency Principles in Infrastructure

To face these challenges, the IDB has identified the need to develop a set of transparency and integrity principles (TIPs)—understood as recommended guidelines or best practices— for the infrastructure sector, building on the existing international initiatives in this field. The TIPs apply to the entire infrastructure cycle, including identification, preparation, execution, and management, and will include the different public and private actors, beneficiaries, and other stakeholders that interact in the process.

The purpose of these principles is to address integrity risks throughout the infrastructure project cycle, providing institutional, legal, and financial standards for governments; public, private, and multilateral banks; and other relevant stakeholders.

The project was built upon three IDB milestones that define its approach toward the promotion of transparency and integrity: (i) the Report of the Expert Advisory Group on Anti-Corruption, Transparency, and Integrity in Latin America and the Caribbean (Engel et al., 2018), which recommends a multi-layered approach based on collective action by governments, the private sector, civil society, and international institutions; (ii) the IDB Group Institutional Strategy (2024), which lays down the IDB's cross-cutting approach to rule of law; and (iii) the IDB's Transparency and Integrity Sector Framework Document (IDB, 2020b), which sets the road map for the IDB Group to strengthen public integrity, improve control systems, and support the private sector to stimulate a collective action to prevent corruption. These documents confirm that the IDB supports transparency and integrity through reforms aimed at improving the quality of institutions and regulations, expanding access to information, and strengthening the role of the agencies responsible for promoting public and private sector integrity.

Process to Develop the TIPs

The first step in developing the TIPs was to conduct an analysis of integrity and corruption risks in the full infrastructure cycle and existing international best practices to mitigate them.

The resulting report, Integrity Framework for Public Infrastructures: Review and Further Action (Barros and Iossa, 2020), reveals that each stage of the infrastructure cycle poses specific integrity risks that need addressing. It also analyzes the most relevant initiatives in place to address those risks. While these different frameworks are a very valuable contribution, they either do not cover the entirety of the infrastructure cycle, do not provide adequate enforcement, or both.

Some of these initiatives are meant to mitigate integrity challenges at a particular stage of the cycle (i.e., the Clean Contracting Manifesto) or focus on a particular industry within the infrastructure sector (i.e., Extractive Industries Transparency Initiative [EITI] Principles). Other initiatives complementary to the TIPs project include the OECD Blue Dot Network, Open Contracting, and the G20 Smart Cities. The IMF has adopted the Public Investment Management Assessment (PIMA). This framework is an evaluation tool to assess public investment management (PIM) and infrastructure governance for countries at all levels of economic development. It covers three distinct categories: (i) Planning Sustainable Levels of Public Investment, (ii) Ensuring That Public Investment Is Allocated to the Right Sectors and Projects, and (iii) Delivering Productive and Durable Public Assets. Each of these categories is divided into five subtopics and each subtopic into three questions designed to measure procedures, tools, and decision-making and monitoring processes used by governments to provide infrastructure assets and services to the public.

The main difference between the TIPs and existing standards and mechanisms is that the TIPs are designed to provide a set of clear, practical, and enforceable rules to enhance transparency and integrity throughout the entire infrastructure cycle and, in doing so, to attract public and private investment in LAC as a means to promote sustainable and equitable growth.

To draft the TIPs, the IDB conducted structured technical dialogues with two groups of stakeholders: the Core Group and the Extended Stakeholder Group. The IDB partnered with the Inter-American Dialogue (IAD) for logistic and technical support of these dialogues.

The Core Group was composed of high-level experts from academia, civil society, and private and public sectors. Its role was to provide qualitative input and feedback throughout the process of developing the TIPs. Core Group members also provided written inputs in different stages of the TIPs project.

Additionally, the IDB launched an online global survey to gather additional data from the Extended Stakeholder Group of more than 200 individuals representing a diversity of sectors and geographies. The results from the survey (IAD and IDB, 2022) showed that although no stage of the project cycle is considered free from corruption vulnerabilities, the procurement and contract execution phases are perceived as being the most vulnerable. Responses underscored the need to have independent external monitors, debarment of bidders that misrepresent information in bad faith or engage in corrupt activity, and laws requiring transparency. The identities of the individuals in this group are confidential, but some of their responses are shared in this document with the source cited as "expert interviews."

The consolidated results of the global survey as well as Core Group inputs throughout the project contributed to the identification of the principles and their substance.

The IDB engaged Mark Pieth and Kathrin Betz to create a preliminary version of the TIPs. The document produced by these experts was discussed with the Core Group, as well as with an extended group of specialists within the IDB Group, to develop the version shared here.

The TIPs

The Transparency and Integrity Principles (TIPs) are discussed in the following three chapters: Chapter II contains the Principles, Chapter III provides interpretative notes on the Principles, and Chapter IV offers considerations on how to monitor implementation of the Principles.

The Principles distinguish general concepts applicable throughout the infrastructure procurement process (Principles 1 to 9) from those addressing the specific needs of the individual stages (Principles 10 to 43) and specific principles related to remedies (Principles 44 to 49). For each stage of the infrastructure cycle and the procurement process, the TIPs propose Principles that are more general and abstract and more granular Best Practices; these allow countries, the private sector, and civil society to choose from a menu of practices to implement. An additional section addresses the specific challenges of PPPs (Principles 50 and 51).

The Principles are meant to be implemented. Monitoring the implementation of the TIPs is in fact key to upgrading integrity standards in infrastructure and to making the LAC region more attractive for infrastructure investment.

2 Transparency and Integrity Principles in Infrastructure (TIPs)

CONTENTS

II. Transparency and Integrity Principles in Infrastructure (TIPs)

A. General Concepts Applicable to All Phases of the Infrastructure Cycle

Principle 1: The entire infrastructure process should be open, democratic, transparent, efficient, and accountable to foster trust and inclusion.

Principle 2: All participants in the infrastructure process should follow the highest standards of integrity. Clear governance standards (including compliance programs and conflicts-of-interest regulations) should guide politicians, officials, the private sector, and other stakeholders involved in infrastructure provision.

Principle 3: Governments should ensure that the entire infrastructure process is transparent, fair, competitive, and non-discriminatory. Disclosure of information is the default practice. Bidders and the wider public should have access to systematically collected, standardized, machine-readable, interoperable open data throughout all stages of the infrastructure process, from planning to maintenance to end of life, including information about beneficial owners of contractors and subcontractors.

Principle 4: Governments should implement procedures to consult and involve stakeholders—in particular communities, civil society, and users—in decision processes. Civil society should be provided with adequate resources and know-how to assess published information about projects. Capacity of civil society to understand the information should be built and strengthened, ideally with the help of specialized NGOs.

Principle 5: Competence of decision makers in the public sector needs to be enhanced. Public sector agencies participating in the infrastructure cycle—whether in identification, executing, supervising, or controlling—need to be adequately staffed and funded.

Principle 6: Use digital technology and user-friendly open data throughout the infrastructure process.

Principle 7: Implement reporting mechanisms, including robust whistleblower protection.

Principle 8: Independent third-party auditors overseeing compliance with integrity principles throughout the entire infrastructure process should complement institutional auditing mechanisms.

Principle 9: In case of integrity events, legislation needs to provide effective and constructive remedies to ensure the protection of the public interest and good faith investors while applying adequate and dissuasive sanctions. Notwithstanding criminal and administrative proceedings to deal with integrity events, provide for independent dispute settlement procedures across the infrastructure process.

B. Principles Applicable to Specific Phases

There are a variety of ways to sequence the infrastructure cycle. These principles follow a standard approach as used by the OECD and respective literature for public works. The public works cycle traditionally distinguishes a preparatory (pre-award or planning) phase from the actual procurement (tendering, selection, and contracting) phase and the implementation phase. Within the phases there are further distinctions to be made. The process for PPPs is addressed separately (Principles 50 and 51).

1. *Preparation Phase*

A. Needs Assessment And Project Selection [5]

Principle 10: Ensure that project decisions are made using a transparent, participatory, and democratic process.

- Make relevant information on infrastructure planning easily available to citizens well ahead of decisions, including for public consultations.

Principle 11: Ensure that mid- to long-term infrastructure needs and objectives are identified and that projects match these needs.

- Focus on mapping the needs of citizens and defining clear objectives and priorities.
- Make sure key social and environmental aspects are being considered, as well as the needs of and impacts on local communities. Projects should include mitigation/adaptation measures in response to climate change.
- Decide whether a project is really necessary and, if so, whether the best way to proceed is via public works or a PPP.
- Consider setting up an independent consultative body to identify needs on a national and regional basis.
- Keep an open, accessible register of infrastructure projects.

5. We understand project selection as the stage in which the infrastructure project to be carried out is decided. This aligns with the conceptual framework of the OECD used as a reference.

- Consider adopting a mid- to long-term strategy that sets development priorities at the national level, supplemented by sector-level strategies.
- Screen projects to determine whether they match the strategies.
- When developing possible projects for investment, also assess alternative options to address the same problems or needs.

Principle 12: Ensure that the infrastructure investment is fiscally sustainable over the medium and long term.

- Take into account future operation and maintenance costs of the investment.
- Assess the use of instruments (user fees, government subsidies, value capture) to properly fund the infrastructure and its operation.

b. Appraisal Phase

Principle 13: Ensure objectivity and credibility of the project by subjecting it to independent and rigorous economic, environmental, and social feasibility studies.

- Estimate costs as accurately as possible at this (pre-design) stage.
- Include a qualitative and quantitative assessment of benefits justifying the costs. Ensure that the project has a positive economic rate of return, where externalities are properly accounted for.
- Conduct environmental and social impact assessments, including land and resettlement issues.
- Publish all feasibility studies in their entirety, including their source of financing.
- Assure a proper public consultation process on the feasibility studies.

c. Planning, Design, and Budgeting Phase

Principle 14: Adopt mechanisms to ensure adequate budgeting for the project, including at the subnational level.

- The detailed design should allow for accurate cost estimates and inclusion of funds in the state (national and municipal) budget. An accurate cost estimate should be the basis for ruling out unrealistically high or low bids.
- Planning and long-term budgeting should include recurring expenditures for operation and maintenance.
- Multi-year forecasts of costs need to be linked to annual budgets.
- Precise design prevents time and cost overrun; however, over-design could be misused to increase consultants' fees and contractors' profits.
- Ensure that none of the parties working in the design phase present a conflict of interest with others that may participate in selecting or bidding for the project.
- Independent audit (per principle 8) is particularly necessary from the design stage on.
- Ensure that records are kept on the planning, design, and budgeting process.

2. *Tendering, Selection, and Contracting Phase*

a. Specification

Principle 15: Use open competitive bidding in public works as a rule, with limited exceptions.

- Decide and justify whether to apply an open procedure or a procedure demanding pre-qualification. Provide full and open justification for using non-competitive procedures. Non-competitive procedures should be used exceptionally and under regulated conditions, such as with natural disasters.
- Publish the criteria on which any award will be made.

- When non-competitive procedures are contemplated, a clear threshold should be defined by law. Prevent unnecessary segmentation of procurement.
- Technical tender specifications should be consistent with applicable national and international norms and regulations.
- Avoid over-specification, which may favor specific bidders, as well as under-specification, which may increase subjectivity in the evaluation process.

b. Invitation and Submission

Principle 16: Establish a sound end-to-end e-procurement system.

- Use standardized project documentation for clear, transparent, and complete project publication.
- Publish standardized, machine-readable, interoperable open data of key contract planning, tender, and award information, including how it links contracts to projects and how it relates to the wider register of projects across the commercial cycle.
- Ensure the adoption of cybersecurity mechanisms to protect the digital infrastructure applied to the procurement process and other phases. Allow bidders to submit encrypted offers in tamper-proof electronic files.
- Except in negotiated procedures, the purchaser should refrain from discussing price-relevant information with bidders. Inquiries to clarify the bid content are permissible and responses should be shared equally with all bidders.

Principle 17: Use adequate information disclosure channels.

- Information disclosure channels, as well as any communication mechanism, should be accessible, widely known, and reputable.

Principle 18: **Foresee adequate time for submission of bids.**

- In case of substantive changes or clarifications to the tender documents, time for submissions may be extended.

Principle 19: **Depending on the type of procurement procedure (open/with pre-qualification), publish pre-qualification criteria and demand that bidders submit supporting evidence.**

- Apply a pre-qualification system with objective and adequate technical, financial, and qualitative criteria. The criteria need to be published.
- Bidders that do not fulfill the pre-qualification requirements should be excluded.
- Allow bidders excluded for lack of qualification to access a rapid appeals process.

Principle 20: **Include integrity requirements for bidders.**

- Demand full disclosure of beneficial ownership information from bidders and subcontractors. Bids should be rejected if bidders and subcontractors do not provide complete documentation about their beneficial owners.
- Consider requiring bidders to adhere to an integrity agreement.
- Consider requiring that bidders have implemented compliance programs compatible with international standards.
- In the invitation to tender, include a warning regarding applicable sanctions for illicit behavior.
- In the review of conflicts of interest, include a Politically Exposed Persons (PEP) check and research any previous integrity issues connected to firms and individuals involved in the bidding process.

c. Bid Opening

Principle 21: Make envelope opening accessible to all bidders.

- The opening of bids should be public, and all bidders should be invited (virtually or in person).
- Formal meeting minutes of the envelope opening should be drawn up and made accessible to all bidders.

d. Evaluation Committee

Principle 22: Establish selection criteria for members of the bid evaluation committee. Ensure adequate qualification of members.

- Selection of the committee should use a transparent process.
- Size and composition of the evaluation committee needs to be appropriate for the required tasks.
- Ensure a diverse set of backgrounds among the final selected members.
- Consider establishing a rotation method for members of the committee.

Principle 23: Demand full disclosure of interests in order to detect conflicts.

- Require a signed affidavit from committee members affirming that they are not conflicted, and perform background checks.
- Consider requiring financial disclosures by public officials and other assessors who evaluate bids.

Principle 24: **Publicize the identity and professional background of all committee members.**

e. Bid Evaluation and Award

Principle 25: **Evaluate the bids (and bidders) based on the pre-defined selection criteria.**

- The committee should be provided with a checklist of detailed criteria that match the advertised tender specifications.
- The lowest bid is not always the best and the focus should not only be on financial advantage; variables such as quality, technological innovation, and social as well as environmental outputs should also be weighed in selecting the winner.
- Unusually high or unusually low bids should be carefully reviewed and eventually excluded.
- Consider requiring that bidders have implemented compliance programs compatible with international standards.
- Require that bidders must comply with relevant social and environmental standards and criteria.

Principle 26: **Formal decision minutes need to be drawn up and disclosed; they also need to be saved in case of disputes.**

- Decision minutes should be stored in line with domestic record-keeping rules.

Principle 27: **All information related to the winning bidder, including the detailed bid, should be published.**

- The publication should include the names of beneficial owners of contractors and of subcontractors.
- Consider publishing a summary of all bids received.

f. Contracting

Principle 28: **Countries should consider using contract templates.**

- Contracts should contain a clause detailing the rules for a renegotiation process.
- Contracts should include integrity clauses.

Principle 29: **Contracts should be precise and provide full information regarding risk allocation between contractors and the public entity.**

Principle 30: **Contracts, including financial detail, need to be published.**

- The published contract must include accurate cost and pricing data.

g. Renegotiations

Principle 31: **Countries should establish clear rules for renegotiations.**

- In the case that costs exceed a specific threshold, a competitive procedure is warranted.

Principle 32: **If the public entity or the contractor considers changes, explanations need to be given.**

- The explanation, timing, and financial implications of the renegotiated contracts need to be made available for audit.
- In the case of disagreement, a mediation or similar dispute settlement process should be made available.
- All contract changes should be published in an open format in a timely fashion and in the same place as the original contract. The publication should include the financial consequences and the impact on timing of the project's implementation.
- Restoring the economic equilibrium is not a valid reason for renegotiations.

3. *Project Implementation*

Principle 33: It is the primary task of the contractor to deliver in a timely fashion and at the agreed price and quality level.

Principle 34: Consulting engineers supervising the execution of the project, in particular those assessing the quality of the work, must have the necessary qualifications and be free of conflict with the contracting parties.

- Industry associations such as FIDIC and others may provide advice and training.

Principle 35: The consulting engineer will keep track of change orders.

- Consulting engineers will monitor the defined threshold for accumulated small changes beyond which a competitive procedure applies.

Principle 36: **The consulting engineer will indicate to the borrower when payment is due.**

Principle 37: **The estimated time of completion and the estimated cost of the project need to be published early in the implementation phase.**

- Consider using digital technologies for disclosing contractual information as well as other documents along the cycle of the project. This may include creating a website that displays in real time the advancement of the project in relation to time and cost estimates.
- Engage with communities to monitor violations, in particular of environmental, social, and governance (ESG) standards. Communities may also report on implementation progress, depending on the project.
- Establish a hotline for reporting irregularities and provide information on the progress of complaints. Reporting mechanisms should include agencies responsible for public sector accountability, such as integrity offices and supreme audit institutions.

Principle 38: **The final cost of the project, itemized as much as possible, must be published.**

Principle 39: **Ensure that all financial transactions are duly recorded and that records are kept according to international bookkeeping standards.**

- **Ensure that there are no off-the-books expenditures or non-identified accounts.**
- **Ensure that a clear record is kept not only of the transactions but who approved them.**

Principle 40: **Late payment can be an indicator of attempts to extort bribes. Lack of timely payment is an issue that should be raised with an independent dispute resolution board (see principle 45).**

4. Audit

Principle 41: Projects above a certain monetary threshold, if not all projects, should be subject to an independent integrity audit throughout the infrastructure process.

- Supreme audit institutions should have the institutional capacity to audit the infrastructure process. This includes appropriate training of staff to conduct special audits.
- Consider tasking a separate audit team—chosen in a competitive process—to oversee larger projects.
- Alternatively, consider setting up an independent audit agency for infrastructure projects.
- Ensure the independence of auditors through conflict of interest and background checks.

Principle 42: The independent audit team or agency should have the necessary technical knowledge and be adequately resourced.

- The audits should follow international standards and best practices.
- The audit team or agency should produce detailed written reports and the related information should be stored in case of future disputes.

Principle 43: The audit function should apply a risk-based approach to detect irregularities.

- Ensure audits will look for indicators and red flags such as false accounting, late payment of invoices, false or duplicate invoicing, invoicing without supporting documents, undisclosed discounts from subcontractors to the general contractor that are not passed on to the purchaser, and subcontracting of business partners against the payment of kickbacks.

5. Remedies

a. Remedies during Ongoing Project Preparation and Implementation

Principle 44: As defined by Principle 8, in case of an integrity event, governments should consider adopting a remedial program that–while maintaining conditions to sanction individuals and firms–creates incentives for both the public and the private sector to prevent bribery and provides constructive remedies to ensure the protection of the public interest and good faith investors related to the contract.

aa. Dispute Settlement

Principle 45: Instead of forcing parties into litigation, it is beneficial to offer dispute settlement opportunities.

- Provide for an independent "high level reporting mechanism": a business ombudsperson to whom bidders can complain about indicators of manipulation or about extortion practices throughout the process.
- Ensure that the ombudsperson is independent from state entities and parties, impartial, and qualified for the required task.
- Another approach suggests introducing an independent technical review panel, to which stakeholders could submit complaints in case of bias in the project design.

bb. Litigation and Arbitration

Principle 46: Access to courts or arbitration should be foreseen for serious allegations of misprocurement and corruption.

- States need to clarify if and under what circumstances appeals against the award of the bid or other decisions made during the tender procedure can have suspensive effect.
- If illegality is proven and no contract has been concluded yet, courts should be able to cancel the award of the bid.

- In the case of serious corruption and fraud, nullity or annulment of an ongoing contract that has not yet been fulfilled may be an option. Where the project is well under way, remedial action may be preferable.
- In the case of nullity or annulment, the rights of innocent and good faith third parties (such as banks, subcontractors, and workers) should be respected.
- It will be noted that the victim entity could lose its right to claim annulment in the case of knowing ratification after detection of the offense.

Principle 47: Independently from the civil or administrative sanctions to corruption and the like, the victim state retains the right to criminally investigate and punish individuals and companies.

- Consider introducing into domestic law corporate criminal or administrative liability for bribery.
- Criminal and non-criminal sanctions should be effective, proportionate, and dissuasive.
- Consider introducing into domestic law the option to use settlements to resolve bribery cases.

b. Restructuring after "Integrity Event"

Principle 48: The affected entity should have the option to restructure the project in the occurrence of an integrity event.

- Ad interim, the project could be placed under the supervision of a caretaker.
- The shares of the project company (in the case of PPPs and similar arrangements) could, on a temporary basis, be placed in a public trust until the project has been acquired by a new, clean contractor or investor.
- Countries may provide a remediation process for contractors that (i) are ready to voluntarily disclose offenses and cooperate with investigations, (ii) agree to implement compliance reforms compatible with international best practices, and (iii) are able and qualified to perform and deliver the bid requirements.

c. Future Projects

Principle 49: Debarred companies are formally excluded from the specified type of projects for a certain time.

- Companies under suspicion or investigation may be permitted to re-establish their integrity qualifications by adopting remedies that are proportional to the offense and effective in preventing future irregularities. Examples of these remedies and measures include the following: (i) removal of implicated shareholders, management, and employees, with reorganization of its corporate organization adopting corporate governance standards; (ii) evidence of their full cooperation with national authorities and international development organizations financing the project; (iii) engagement of a third-party expert for an independent assessment of their compliance program vis-à-vis international standards; and (iv) commitment to implement compliance reforms within a specified time frame with regular reporting to an independent monitor.

6. *Public–Private Partnerships (PPPs)*

Principle 50: The Transparency and Integrity Principles set forth in this document should apply to infrastructure projects under PPPs.

- Unsolicited proposals do not guarantee the later award of the project.
- It is good practice to subject PPPs to competitive bidding.
- Clearly allocate responsibilities, rights, and risks to the public entity and to the private partner.
- As in public works, evaluate PPPs for social, economic, and environmental benefits and challenges. Ensure that the project guarantees value for money.

Principle 51: Subject PPPs to the same budgetary procedures as publicly funded infrastructure.

3 Interpretive Notes

CONTENTS

III.Interpretive Notes

There are several ways of providing public infrastructure. Investment in infrastructure can rely either on direct public expenditure (using tax or non-tax revenue, including loans) or directly on private investment. More frequent is the distinction between public works and public–private partnerships (PPPs). Integrity challenges are found in all types of infrastructure investment. Although the TIPs focus principally on public works, a few Principles and comments on the specific challenges of PPPs are included.

Manipulations have been identified throughout the stages of the infrastructure cycle, but there is agreement that manipulations in the earliest stages of proceedings are most difficult to correct after the contracting process has been initiated (IAD and IDB 2022a). A number of analyses have pointed out the specific integrity challenges posed stage by stage (Barros and Iossa, 2020; EC, 2017; Engeli and Pieth, 2000; OECD, 2016; Wells, 2015). Some measures developed to prevent corruption apply throughout the entire cycle, while others are particular to specific phases.

Therefore, the Transparency and Integrity Principles (TIPs) start off with a series of general concepts applicable to all phases of the infrastructure cycle (Section A, Principles 1–9). Section B (Principles 10–51) enumerates the Principles applicable to specific phases, remedies, and PPPs. Most of the Principles address government, some the private sector, and others, at least indirectly, affect civil society.

A. General Concepts

Principle 1

Umbrella

Principle 1 contains a kind of umbrella concept demanding that the entire infrastructure process should be governed by the principles of democracy, transparency, and accountability (OECD, 2020).

Principle 2

Standards of Integrity

One of the key provisions is that all participants in the infrastructure process follow the highest standards of integrity. It is fundamental to provide clear standards of conduct for elected and non-elected officials involved in procurement. Similar standards should be developed for the private sector and for consultants involved in procurement. Standards of conduct play a key role in managing conflict-of-interest situations (OECD, 2016).

Principle 3

Transparency and Fairness

Principle 3 picks up one of the most fundamental integrity provisions: transparency of the procurement process. Non-discrimination is also essential. Open contracting raises complex issues of how, when, and where to publish. MDBs and NGOs,[6] like the Open Contracting Partnership (OCP),[7] have developed standards and templates for ensuring life-cycle transparency by publishing open data on infrastructure projects and contracts. This means disclosing standardized, machine-readable, interoperable open data and tools that are free for use and reuse so that data is accessible and easy to understand. Transparency includes active engagement and participation of all relevant stakeholders, including businesses and citizens, to enable cross-sectoral feedback and coordination. Data needs to be accurate and complete and include information about beneficial owners of contractors and subcontractors (TI et al., 2017).

Principle 4

Stakeholder and Community Involvement

Communities are frequently impacted by infrastructure projects (such as the construction of dams or roads). It is vital that they have access to plans and to feasibility studies well ahead of the decision. They need to be consulted and involved in the decisions.

Information as such is of little value if it cannot be digested, however. If civil society has a role in supervising projects, its representatives need to understand the complex detail of projects. Therefore, governments should ensure that the competence of civil society representatives is enhanced (Barros and Iossa, 2020; CoST, n.d.; TI et al., 2017).

Principle 5

Enhancing Competence

Frequently, projects suffer from insufficient competence of decision makers and planners. This is one of the reasons the private sector complains about inadequately prepared projects (OECD, 2021). In addition to enhancing competence in the public sector, Principle 5 requests adequate staffing and funding (CAF, 2020).

6. CAF (2020); CoST (n.d.); Inter-American Network on Government Procurement (http://ricg.org/en/home-2/); World Bank e-Procurement Toolkit (https://wbnpf.procurementinet.org/featured/world-bank-e-procurement-tools); World Bank (2017).

7. See OCP (2021) and especially OCP (n.d.).

Principle 6

Digital Technologies

Both for potential bidders and the wider public, it is essential that infrastructure data are disclosed in a standardized and accessible format. The use of digital technologies (e-procurement) increases transparency (OECD, 2020; CAF, 2020; IAD and IDB, 2021). Infrastructure project oversight is often very fragmented. Documents and information are scattered throughout different government IT systems, across different agencies and in multiple formats (on paper and digital), often with no unique ID that allows that data to be brought together. Creating a single source of truth of the current state of a project—for example, linking the many contracts and clearances together—would also be very valuable for enhanced performance monitoring and impact measurement.

Principle 7

Whistleblower Protection

Whistleblowers play an essential role in detecting suspicious activities and in launching investigations. Typically, however, they are highly exposed to retaliation. Most texts on promoting integrity in infrastructure therefore rightly demand strengthening whistleblower protection (Barros and Iossa, 2020; CAF, 2020; Engel et al., 2018; OECD, 2016). Whistleblower protection is a well-rehearsed topic,[8] even if in many countries the public standards for it are still insufficient.

Principle 8

Auditing

Most principles and recommendations fostering governance in infrastructure suggest introducing an independent third-party audit to oversee integrity of the process throughout the infrastructure cycle (including maintenance and possibly decommissioning) (expert interviews; OECD, 2021; OECD, 2020; OECD, 2016; CAF, 2020). Audit tasks and securing independence as well as issues like adequate capacity and resources are discussed later in relation to the Principles focused specifically on auditing (Principles 41–43).

Principle 9

Dispute Settlement

A judicial process in the case of a serious integrity event may be necessary. Corruption is a matter for criminal investigation and could also lead to debarment of a contractor (addressed in Principles 46 and 48). However, ex post detection and reaction to corruption is frequently disruptive and may delay service provisions (expert interviews). Therefore, a timely independent dispute settlement procedure is essential. It allows for addressing problems—such as the appearance of preferential treatment of individual bidders or extortive behavior—before matters turn sour (Engel, Fischer, and Galetovic, 2021; Engel et al., 2018; OECD, 2021); see Principle 47. One such procedure has been termed the "high level reporting mechanism" (Heimann, 2012) and introduced, for instance, in Colombia (IAD and IDB, 2021; Basel Institute on Governance, n.d.).

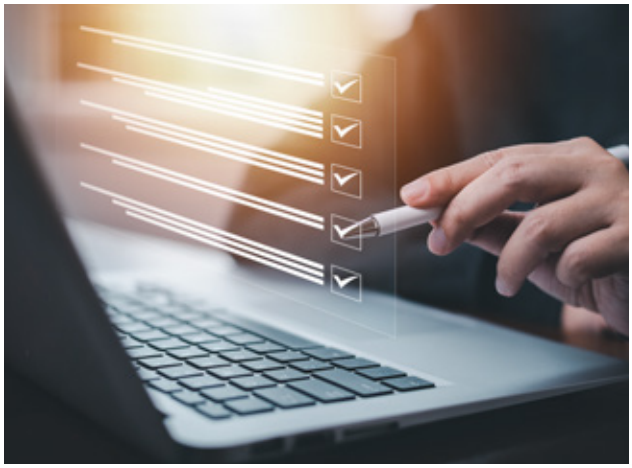
8. For example, see OECD (2011).

B. Principles Applicable to Specific Phases

1. *Preparation Phase*

The preparation or pre-award phase is typically sequenced into three subphases: the needs assessment, the project appraisal, and the planning and design phase. In the needs assessment phase, the ultimate decisions on the strategy and the individual project are typically made in a political process. Therefore, it is vital that the decisions are made in a transparent, participatory, and democratic way (Barros and Iossa, 2020; CoST, n.d.; OECD, 2020) (**Principles 1** and **10**). The needs assessment phase holds three challenges. Projects should not be decided on the whim of a politician to foster his or her popularity; they need to be based on a long-term investment strategy. This involves setting priorities and requires independent expertise (Barros and Iossa, 2020; Engel et al., 2018; OECD, 2016; Wells, 2015; World Bank, 2017). It also needs to be assessed whether the proposed project is really necessary or whether the problems can be solved in a different way, for example by maintaining or rehabilitating existing infrastructure (Wells, 2015; GIACC, 2021). Furthermore, it needs to be decided whether the best way to finance a project is via public works or a PPP **(Principle 11)**. Since there is an inherent friction between the short terms of office of political decision makers and the long life cycle of most infrastructure projects, one needs to ensure that the infrastructure investment is fiscally sustainable over the medium and long term and takes into account the future operation and maintenance costs (OECD, 2020; TI, 2019; Wells, 2015) **(Principle 12).**

In the appraisal phase, economic, environmental, and social reviews are typically needed to establish the feasibility of the project. This is a crucial step to ensure the users receive value for money (OECD, 2020; GIACC, 2021) and that the interests of communities and other affected stakeholders are respected (Barros and Iossa, 2020; OECD, 2016). One of the best guarantees to achieve these goals is the full publication of the feasibility studies, including their source of financing. Since publication alone will not necessarily ensure citizens' oversight, one needs to help build the capacity of civil society representatives to enable them to assess the quality of the reports and form an opinion on the



independence of experts. This is a joint task of governments and of civil society (NGOs) (Barros and Iossa, 2020; CoST, n.d.; expert interviews). In addition to publication and competence enhancement, serious consultation procedures are required (OECD, 2016). Although the project is still at the pre-design stage, the costs should already be estimated as accurately as possible (Wells, 2015) **(Principle 13).**

In the planning, design, and budgeting phase, a lot can go wrong. As mentioned, the private sector is complaining about inadequately prepared projects (OECD, 2021). Over-design or over-estimation push up the price. Incomplete design invites cost overrun and renegotiations (Barros and Iossa, 2020; Wells, 2015). Planning needs to be financially realistic by including the cost of operation and maintenance (World Bank, 2017). Serious budgeting needs to forecast cost on a multi-year basis and link it to the annual budget (Wells, 2015). Essential ancillary issues must also be considered, such as the need for consultants involved in planning to be independent from contractors (Barros and Iossa, 2020). Finally, the comprehensive, continual independent audit has to start its work in this phase (OECD, 2016; also see Principle 8). Records need to be kept that provide a record of the procedures followed (Barros and Iossa, 2020) **(Principle 14).**

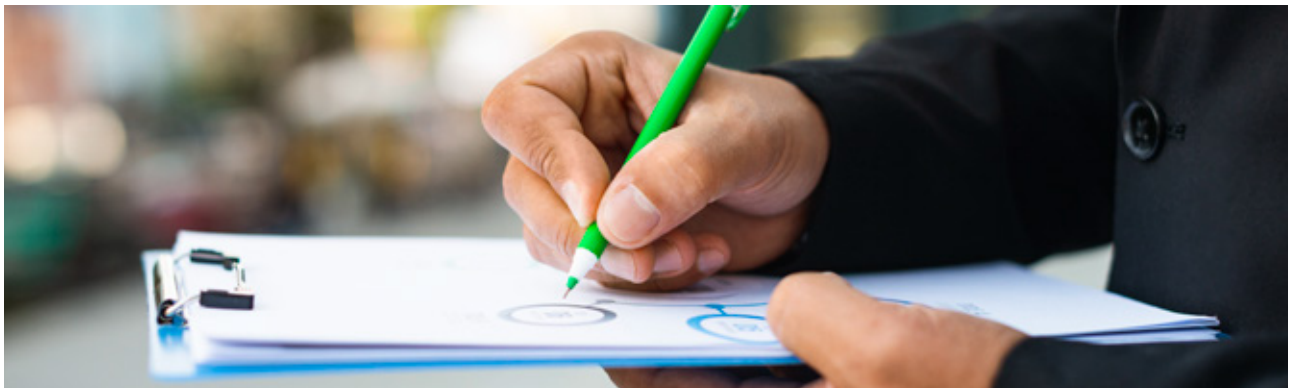
2. *The Tendering, Selection, and Contracting Phase*

The selection phase can be divided into several subphases. First, the specification phase decides on the choice of procedures. Above certain monetary thresholds (possibly different levels for each service and construction), competitive bidding—be it an open procedure or a procedure requiring pre-qualification—is the norm (CAF, 2020; IAD and IDB, 2021). If, exceptionally, non-competitive procedures are chosen beyond the threshold, full and open justification should be provided (Barros and Iossa, 2020; OECD, 2016). Again, these deviations from ordinary procedure need to be explained to the wider public. Special care should be taken by regulators and administrators to prevent undue segmentation of projects to circumvent competitive bidding: typically partial lots would be cumulated, and segmentation needs to be justified by objective reasons. A project may be split up in order to encourage small- and medium-sized enterprises to participate in the tender. For technical tender specifications, national and international norms and regulations offer guidance. Effort must be made to avoid over-specification (because it may favor certain bidders) as well as under-specification (because it may increase subjectivity in the evaluation process) (OECD, 2016) **(Principle 15).**

The invitation and submission phase should refer to standardized project documentation (Barros and Iossa, 2020; Engel et al., 2018; OECD, 2016) to establish a clear and transparent project publication (Principle 16). Ideally, purchasers would turn to e-procurement systems to publish data and to receive bids. Modern tools, like the Open Contracting Data Standard provided by the Open Contracting Partnership (OCP, 2021), offer helpful templates. The Open Contracting for Infrastructure Data Standards (OC4IDS) is specifically designed for infrastructure (OCP, n.d.). Except in a negotiated procedure as foreseen by law in exceptional circumstances, the purchaser may not negotiate with bidders on price-relevant information concerning the bid. The purchaser may ask for clarification regarding the content of the bid, though (SIGMA, 2013).

Serious invitation uses publication channels frequented by contractors **(Principle 17)**. The duration of the invitation to tender should be adequate to allow reasonable time for evaluation and investment decision by contractors (OECD, 2021) **(Principle 18).**

The invitation documentation should clarify pre-qualification criteria and require bidders to submit proof that they have met the requirements (OECD, 2016). A pre-qualification system should define adequate technical, financial, and qualitative criteria (OECD, 2016; Barros and Iossa, 2020; CAF, 2020). Bidders who are excluded from the tender because they do not meet the pre-qualification criteria must have the possibility to file an appeal against this decision on a short time frame **(Principle 19).**



One of the most essential requirements in public contracting is the full disclosure of beneficial ownership of bidders and their prospective subcontractors, as soon as they are known (IAD and IDB, 2022a; IAD and IDB, 2021; CAF, 2020) **(Principle 20)**. This information will be published for the winning bidder **(Principle 27)**. The term "beneficial owner" has been clarified in a sequence of policy documents (FATF, 2014; IDB and OECD, 2021; IDB and OECD, 2019), together with requirements to identify, register, and exchange information (IDB and OECD, 2021). To prevent bid rigging, collusion, and other illicit behavior, it is advisable to include in the invitation to tender a warning regarding criminal or administrative sanctions for such practices according to domestic law (OECD, 2012). Furthermore, a Politically Exposed Persons (PEP) check should be conducted, as well as a background check to search for previous illicit conduct by bidders and subcontractors.

The bid opening needs to be transparent to all bidders. This can be ensured by a formal envelope opening ceremony, allowing bidders to be present (OECD, 2016). It should under all circumstances be ensured that a formal report of all tenders received is drawn up and stored (Barros and Iossa, 2020) **(Principle 21).**

Another delicate moment in the selection procedure is choosing the selection committee. The committee must be technically solid and independent. When establishing the selection criteria for the committee, one needs to ensure adequate competence of members; proven experience assessing complex infrastructure projects should be required (IAD and IDB 2022a) **(Principle 22)**. Candidates have to fully declare their interests and assets and sign a respective affidavit. It is the task of the administration mandating the committee to ensure that no conflicts arise, such as affiliation with bidders or other members of the committee (Barros and Iossa, 2020). A hierarchical relationship between committee members should be avoided **(Principle 23)**. The identity of the members of the committee needs to be published to allow potential bidders and the wider public, including media, to detect potential conflicts **(Principle 24).**

In bid evaluation and award, the committee should be provided with the relevant selection criteria as part of its mandate (Barros and Iossa, 2020) (Principle 25). Obviously, the aim of the bid evaluation is to ensure that the winning bidder is the most qualified (OECD, 2016). The focus should be not only on financial advantage but also on variables such as quality, technological innovation, and social as well as environmental outputs. The selection criteria should also deal with delicate issues such as striking a balance between maximum qualification available from international players and the local basis of bidders (IAD and IDB 2022a). The lowest bid is not always the best; rather, it may lead to renegotiations of the contract (OECD, 2021). Therefore, unusually low bids would typically be excluded (OECD, 2021; Barros and Iossa, 2020).

Formal decision minutes need to be drawn up and stored in case of disputes **(Principle 26).**

The winning bidder and the detailed bid should be published **(Principle 27)**. The publication should include the names of beneficial owners of contractors and subcontractors, as soon as they are known (IAD and IDB 2022a; IAD and IDB, 2021). Bids that have not been considered would, in the interest of commercial confidentiality, not be published in the same extensive way. One may, however, consider publishing a summary of all bids received (IAD and IDB 2022a).

Based on the award, the purchaser would engage with the winning bidders in the contracting phase. The basis of the contract is obviously the call for tenders and the winning offer. However, there may be details to clarify. In order to protect officials from legal risks, using a contract template would be advisable (IAD and IDB 2022a). Contracts should contain anti-corruption clauses or integrity pacts (CAF, 2020), as well as a change mechanism clause specifying a potential renegotiation process (Barros and Iossa, 2020; Engel et al., 2018) **(Principle 28)**. The contract needs to be clear and transparent and should clearly allocate risks between contractors and the purchaser (e.g., the cost of unforeseeable changes would have to be borne by the purchaser, whereas the contractor carries the risk of timely execution with the quality agreed) **(Principle 29)**. Additional issues, like involving the community in the decision process, would be the duty of the public entity (expert interview). Again, the contract, including accurate financial detail, needs to be published. Sensitive information may be kept secret based on a public interest test (OECD, 2019) **(Principle 30).**

Renegotiations are sometimes used for manipulative purposes, and they are particularly suspicious when they come up shortly after conclusion of the contract. Renegotiations are also a classic method to reap undue advantages, such as when a bidder presents an unrealistically low bid in order to be awarded the contract, under the expectation that it would be able to renegotiate the contract immediately after the bid award (Barros and Iossa, 2020; IAD and IDB 2022a; IAD and IDB, 2021; Engel et al., 2018). However, there may be a perfectly acceptable reason for renegotiations such as unforeseen developments (e.g., the geology turns out to be different than anticipated in building a tunnel) (IAD and IDB 2022a) or poor project planning (IAD and IDB 2022a; OECD, 2021). To protect against manipulative use of renegotiations, countries or subnational entities should establish clear rules, in particular for PPPs (Principle 31). Explanations need to be given when either the purchaser or the contractor believes that renegotiations are necessary (Principle 32). The explanations, including financial implications and the effect on timing, need to be made available to the independent audit function (Engel et al., 2018). Where a cost overrun goes beyond a certain threshold, a new competitive procedure is warranted. Repeated renegotiations should be considered in their totality (Barros and Iossa, 2020). In cases of disagreement, a mediation process should be made available (IAD and IDB 2022a). All contract changes have to be published in a timely fashion in structured and open data, just like the original contract. The publication should include, in particular, the financial consequences and possible delay in implementation of the project (Engel et al., 2018).

3. *Project Implementation*

As **Principle 33** states, it is the primary task of the contractor to deliver on time and at the agreed quality level. Obviously, if changes under the responsibility of the purchaser lead to delays, the purchaser carries the risk.

Consulting engineers play a key role in supervising the implementation phase. They assess quality and ensure that the timeline is followed; they also decide when a milestone has been reached and when payments are due (Engeli and Pieth, 2000) **(Principle 36)**. It is therefore fundamental that consulting engineers have the necessary competence and that they are free from conflict (IAD and IDB, 2021). Consulting engineers can seek guidance and further training from industry associations, such as the International Federation of Consulting Engineers (FIDIC) **(Principle 34)**, which has developed rules for the industry to prevent manipulation and in particular to avert the risk of bribery. Consulting engineers will also keep track of change orders that are sometimes used to hide bribes. Consulting engineers should ensure that if accumulated small changes reach a pre-defined threshold, a competitive procedure is launched (Engeli and Pieth, 2000; TI, 2005) **(Principle 35).**

The wider public also plays an essential role in preventing cost overruns and undue delays. Therefore, the estimated time of completion and the estimated cost of the project need to be published in an open format early in the implementation phase **(Principle 37)**. One way of allowing the public to keep track of the evolution of work is to create "a website that monitors in real time the advancement of the public investment and how the investment compares to the cost and time estimations" (OECD, 2016, 10).[9] Further steps include engaging with communities to monitor violations of ESG standards and setting up a hotline for reporting irregularities. Under all circumstances, the final cost of the project has to be published to allow the general public to compare the estimated and real cost **(Principle 38).**

All financial transactions relating to the project, including maintenance, later additions, and end-of-life expenses (OECD, 2020) should be duly recorded and records should be kept according to international bookkeeping standards. Illicit payments are frequently disguised by means of off-the-books expenditures and non-identified accounts (OECD, 2016) **(Principle 39).** Similarly, late payments can be an indicator of attempts to extort bribes. External auditors should pay particular attention to payment delays, as they may be a red flag for irregularities. Contractors should additionally be able to raise complaints about late payment with an independent dispute settlement institution (**Principle 40;** see also Principle 44).

4. *Audit*

The more general Principle 8 recommends an independent audit that follows international standards and best practice to oversee the entire infrastructure process (expert interviews; OECD, 2016, 2020, 2021). Internal and external controls should complement each other in order to avoid gaps and loopholes (Barros and Iossa, 2020). Again, serious efforts need to be made to ensure the independence of external auditors. Conflict of interest and background checks of the auditors are advisable (GIACC, 2021; Barros and Iossa, 2020). The oversight could be put in the hands of a specially qualified and independent organization for the specific project or, alternatively, the country could entrust an independent agency with the oversight of all infrastructure projects, as is done, for example, in Australia **(Principle 41).**

9. See, for example, https://costhonduras.hn/.

The independent audit team or agency should be duly qualified and adequately resourced (OECD, 2016; IAD and IDB, 2021; GIACC, 2021) and it should produce written audit reports. The information on which the reports are based should be stored for a sufficient period because it will serve as evidence in case of future disputes (Barros and Iossa, 2020) **(Principle 42)**. The audit function should apply a risk-based approach to detect irregularities (IAD and IDB 2022a; EC, 2017; Wells, 2015). Indicators and red flags that help to detect illicit payments include false accounting, late payment of invoices, false or duplicate invoicing, invoicing without supporting documents, undisclosed discounts from subcontractors to the general contractor that are not passed on to the purchaser, and subcontracting of business partners against the payment of kickbacks (OECD, 2019; IAD and IDB 2022a; EC, 2017; Wells, 2015) **(Principle 43)**.

5. *Remedies*

Conflicts between purchaser and contractor or competing bidders may arise during the selection process or the implementation of the project. Evidence of illicit behavior may emerge after completion. Finally, another matter is how to treat convicted or suspicious companies in view of future projects.

With respect to remedies during ongoing project preparation and implementation, in a first instance it is important to offer dispute settlement procedures before an independent, technically informed review panel (Engel et al., 2018). In early stages of infrastructure proceedings, it may be useful to provide an independent "high level reporting mechanism": a business ombudsman to whom bidders can complain about their perceptions of manipulation or about extortion practices. It is crucial that these extrajudicial procedures enable rapid and unbureaucratic interventions with senior officials and protection from repercussions (IAD and IDB, 2021; Heimann, 2012) (**Principles 44** and **45**). In addition, an ombudsman available to communities affected by the projects would be highly beneficial **(Principle 9).**

Obviously, dispute settlement mechanisms do not rule out civil litigation or arbitration in case of serious allegations of misprocurement and corruption **(Principle 46).** States need to clarify whether they foresee suspensive effect of appeals, the possibility to cancel the award of a bid, and the legal consequences of a contract that has already been concluded. Nullity ab initio or annulment by the victim party are options, but international law does not consider these consequences mandatory (UNODC, 2005). Alternative options are to maintain a project and demand remedial action (de Michele, Prats Cabrera, and Losada Revol, 2018). This may be preferable when a project is close to completion or has been completed, or with a project that includes long-term operation and maintenance. From a wider perspective, nullity may not be the option of first choice because it provokes the infrastructure paralysis mentioned in the Introduction (de Michele, Prats Cabrera, and Losada Revol, 2018). Furthermore, it will be noted that nullity raises serious issues about the rights of innocent third parties (like banks, subcontractors, and workers). Article 34 of the United Nations Convention against Corruption (UNCAC) demands that state parties take measures to address consequences of corruption with "due regard to the rights of third parties acquired in good faith" (UNODC, 2005).

An additional challenge needs to be considered: a victim entity could lose its right to claim annulment in case of knowing ratification after detection of an offense (Partasides, 2017). Obviously, civil law consequences to integrity events are independent from criminal sanctions against individuals and companies **(Principle 47)**. It is advisable that domestic law contain provisions on corporate criminal or administrative liability for bribery, including criminal and non-criminal sanctions that are effective, proportionate, and dissuasive (Pieth, 2014).

After an integrity event, restructuring will typically be necessary **(Principle 48)**. Especially for PPPs, experts and national laws (expert interviews) suggest several steps, such as placing the project under the supervision of a caretaker and/or placing the shares of the project company in a public trust until the project has been acquired by a new, clean contractor or investor. [9]

Some countries have foreseen a remediation process for able and qualified constructors who are ready to voluntarily disclose offenses, cooperate with investigations, and reform (expert interviews; IAD and IDB, 2021). Transparency of this process makes it more credible.

The effect of an integrity event on the capability to bid on future projects depends upon whether the company has been debarred. Not all countries use debarment: it is an option, not a requirement. Debarment is a formal process and is limited in time and to certain future projects (e.g., those supported by MDB finance) **(Principle 49)**. Companies that find themselves under suspicion or under investigation may find the situation very burdensome, as procedures may drag on or may not be opened at all. Therefore, it may also be advantageous for the purchaser to allow "tainted" companies to reform and to re-establish their integrity, especially if a company has proprietary technology to which access is crucial (expert interviews). States may want to define specific acts evidencing serious reform efforts, like reorganizing internally, fully cooperating with authorities and international lenders, reforming their compliance program, or—in serious cases—hiring an independent compliance monitor.

6. *Public–Private Partnerships*

9. See de Michele, Prats Cabrera, and Losada Revol (2018) for Peru, Colombia, and Panama.

In a PPP, to perform a public task, a public entity enters into a contract with a private supplier that will deliver an infrastructure investment and promises to ensure service delivery and maintenance for a period of time (typically 20 to 30 years) in exchange for gradual repayment of investment costs over the lifetime of the project (be it out of the public budget or by users of the project). There are different kinds of PPPs. Projects providing for new assets are called "greenfield" projects, whereas those for the upgrading or maintenance of existing facilities are called "brownfield" (PPP Knowledge Lab, 2017). PPPs are defined according to the tasks transferred to the private party: BOT refers to "build-operate-transfer" arrangements, BOO to "build-operate-own" (Fabre and Straub, 2021), and DBFOM to "design-build-finance-operate-maintain" (CAF, 2018; PPP Knowledge Lab, 2017). Ownership may differ from operation of assets.

PPPs have clear advantages over traditional public procurement (CAF, 2018; PPP Knowledge Lab, 2017). They work well as long as private technology and innovation is combined with public sector incentives to complete work on time and within budget (Investopedia, 2022). PPPs are expected to be more efficient than traditional public works, even if this assumption is questioned by economists (Engel, Fischer, and Galetovic, 2021; Fabre and Straub, 2021). Much depends on how well government is able to enforce implementation (Engel, Fischer, and Galetovic, 2021).

The PPP process is complex. Many countries have enacted laws to regulate the steps required. One of the main challenges is the definition of the adequate structure, including the allocation of responsibilities, rights, and risks (PPP Knowledge Lab, 2017; Engel, Fischer, and Galetovic, 2021).

Risk is—as in infrastructure investment in general—omnipresent; experts distinguish different types of risks: essentially construction, technology, sponsor, environment, commercial, legal, and political risk (CAF, 2018; UN ESCAP, 2008). And, as experts representing the private sector tend to hold, risk may affect the private entity in a more immediate way because cost overruns and construction delays may have major financial consequences for a company. Obviously, such risks would also affect the wider public, albeit perhaps not the responsible politicians during their tenure (McKinsey & Company, 2021).

The procurement process for PPPs has commonalities with public works. In particular, the pre-qualification, the evaluation and selection of the preferred bidder, and the contract negotiation would run along similar routes for both (UN ESCAP, 2008). It is considered good practice to subject PPPs to competitive bidding, no matter who suggests the project. In many ways, the two approaches also share the same vulnerabilities to

9. See de Michele, Prats Cabrera, and Losada Revol (2018) for Peru, Colombia, and Panama.

corruption (Engel, Fischer, and Galetovic, 2021). Therefore, PPPs need to be treated in many respects the same as if public works were procured, and data and information about the project should be equally disclosed **(Principle 50).**

Several risks are, however, more pronounced in PPPs: not infrequent are informal pre-negotiations between individual companies and public officials.[10] In fact, unsolicited proposals are not considered problematic as such. According to some systems, they are even rewarded in the following formal bidding process (UN ESCAP, 2008). However, unsolicited proposals do not guarantee the later award of the project. Various sources (CAF, 2018; IAD and IDB, 2021) consider renegotiations to be the most problematic aspect of PPPs; experts hold that "the main problem in PPPs is the renegotiation phase because this is no longer a transparent bidding process; rather it is a bilateral renegotiation" (CAF, 2018, 64). This is a particular experience of the Odebrecht case (Barros and Iossa, 2020). Engel, Fischer, and Galetovic (2019) found in their transportation sample that 54.4 percent of PPPs between the mid-1980s and 2000 had been renegotiated (Engel, Fischer, and Galetovic, 2021). Therefore, the rules developed for renegotiations in **Principles 31 and 32** have to be taken very seriously. The experience of Chile has demonstrated the advantages of establishing a "technical experts panel," a permanent, independent board of legal and engineering experts to review renegotiations (Engel, Fischer, and Galetovic, 2021; CAF, 2020).

Another aspect that is already reflected in the Principles for public procurement is the particularly "careful and defined evaluation process of the social costs and benefits, as well as the design, operation and expected outputs" of the PPP (Engel et al., 2018, 14) **(Principle 13).**

Inexperienced politicians may assume that they are getting something for free with a PPP. This is not the case. The economic logic demands a return on investment, and it will come either from the budget or from users. Inadequate calculation may lead the purchaser to miscalculate the economic cost. In extreme cases, bad contractor selection could become extremely costly for the purchaser, as the state may have to step in in the case of bankruptcy. Experts are rightly suggesting that PPPs need to be, for fiscal accounting purposes, treated in the same way as investments in infrastructure via public funding, since their dynamic impact on the budget is the same (IAD and IDB, 2021; Engel et al., 2018) **(Principle 51).**

Another key governance requirement for PPPs is the continuous monitoring from the earliest to the last stages of the PPP (CAF, 2018) **(Principles 8 and 41–43).**

10. The OECD (2016) warns about problematic influence of a potential PPP operator.

4 Monitoring

CONTENTS

IV. Monitoring

Principles and standards are only as meaningful as their implementation. Monitoring is a shared task of governments, the private sector, civil society, and MDBs. To a large part, however, ensuring transparency and integrity in infrastructure is a government challenge. Obviously, multilateral lenders dispose of certain means to encourage countries to follow standards.

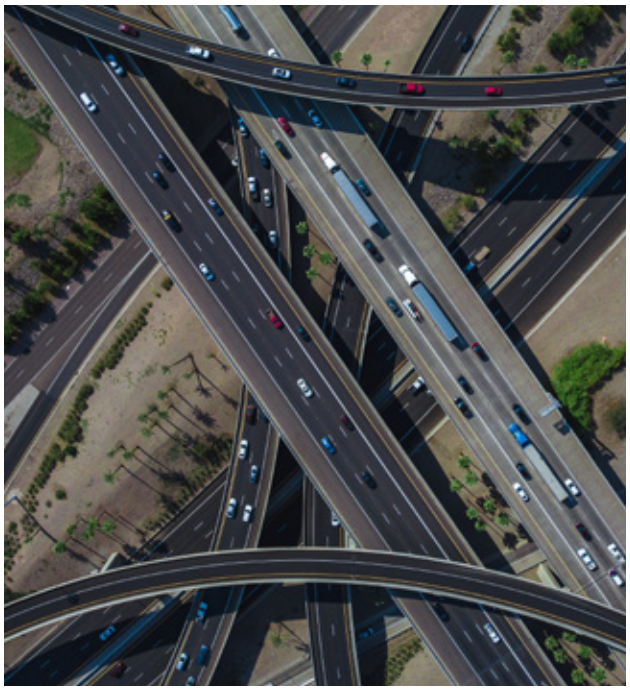
The traditional methods of conditionality—making lending dependent upon the fulfillment of conditions—are considered somewhat crude by many. They have been regarded as an attack on sovereignty (such as by Kapur and Webb [2000] in referring to the Algerian President Bouteflika). Other critics have held that conditionality outmaneuvers domestic democracy (Ünlü, 2013). Even though conditionality has proven effective at moments (IAD and IDB, 2021), some experts interviewed would prefer to see more subtle means of motivation used (Mizell, 2017; expert interviews), which would motivate governments to introduce reform upon their own initiative.

In international standard setting, new soft law techniques have emerged: states negotiate a standard which they adopt by unanimity and the country implementation is then evaluated against the standard at regular intervals. The evaluation can be conducted by a secretariat, outside experts, or by a peer group of states. The OECD Recommendation on the Governance of Infrastructure (OECD, 2020) offers a soft variation of this technique: the Public Governance Committee is tasked to monitor the implementation and to report to Council every five years. A more rigorous form of monitoring has been developed by the FATF and the various anti-corruption conventions including UNCAC, the Inter-American Convention against Corruption, and the OECD Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions. In these approaches, countries are regularly evaluated by their peers and reports are published.

The advantage of these monitoring mechanisms is that they foresee a dynamic process. They can apply a subtle touch in the early stages, encouraging countries to gradually upgrade their implementation.

Obviously, the body drafting the TIPs may not be in the best position to monitor. However, inviting bodies from outside the LAC region (the OECD, the UN, or the World Bank) to take over monitoring may only be an option if these bodies are ready to sign on to the Principles.

For the purposes of the TIPs it is therefore suggested that the IDB serves as a forum to invite governments of the LAC region to discuss and sign up to the standards (IAD and IDB, 2021). Following up on the acceptance of the standards, the IDB could continue to act as a forum for a continuous peer review of country implementation, involving the states of the LAC region. The regional private sector and civil society should be invited to participate in the evaluations. It is crucial that the monitoring reports are published. The role of the IDB (and possibly other MDBs) is to encourage implementation through ongoing peer evaluation. The ownership of the monitoring process, however, remains with the states of the LAC region.



Monitoring raised an intense debate among experts. Experts generally agreed that standards only stood a chance to be implemented if they were assessed. The use of the term "monitoring" should not be confused with the audit of specific programs. Monitoring country implementation of TIPs focuses on the entire infrastructure system in a specific country.

Experts generally doubted that a short on-site visit would be sufficient. They preferred a mixed assessment including expert analysis and preparation of a visit by experts. The ultimate responsibility, however, has to lie with a group of countries or an international organization, as experiences in other monitoring areas demonstrated that experts did not have the authority to come up with a definite assessment. Therefore, it would be preferable to have an intergovernmental body sign off on the ultimate report.

It is correct that not all principles are equally concrete. Monitoring of an infrastructure process is not a “tick-the-box” exercise. Rather, the text of the TIPs gives a narrative of the specific situation of a country, the evolution of its infrastructure laws, and above all its practice. The process is deliberately dynamic: in a first monitoring round, the rules on the books could be in the foreground, whereas in following rounds practice would move into the foreground. Obviously, monitoring involves judgment calls and reports can be critical.

It is crucial that civil society and the private sector are involved in the monitoring process, ideally as part of the on-site visit and through written submissions to the monitors.

The enforcement mechanism relies in the first place on the publication of monitoring reports. Deficits can be addressed in recommendations to the country and revisited in follow-up reports. Only in extreme cases, where a customer of MDBs is unwilling to cooperate, conditionality considerations may become relevant.

Taking these considerations into account, it is recommended to explore an enforcement mechanism with a pilot country combined with the collaboration of an international financial institution such as the IMF. The advantage of the IMF as a partner is twofold: (i) the existing framework that appears to have developed a more robust assessment mechanism is the IMF's PIMA, and (ii) the IDB has already worked with the IMF in conducting governance reviews, which include matters of transparency and integrity.

References

CONTENTS

References

ABD (Americas Business Dialogue). 2022. Policy Recommendations: IX Summit of the Americas. https://americasbd.org/ABD%20Policy%20Recommendations%20-%20IX%20Summit%20of%20the%20Americas.pdf.

Barros, A., and E. Iossa. 2020. Integrity Framework for Public Infrastructures: Review and Further Action. July 14.

Basel Institute on Governance. n.d. High Level Reporting Mechanism in Colombia. https://collective-action.com/explore/hlrm/colombia/.

Brichetti, J. P. et al. 2021. The Infrastructure Gap in Latin America and the Caribbean. Washington, DC: Inter-American Development Bank.

CAF (Andean Development Corporation). 2018. Public–Private Partnership in Latin America: A Guide for Regional and Local Governments. January.

——. 2020. Recomendaciones para reformar el sector de infraestructura pública.

Cavallo, E., A. Powell, and T. Serebrisky (eds.). 2020. From Structures to Services: The Path to Better Infrastructure in Latin America and the Caribbean. Washington, DC: Inter-American Development Bank.

CoST. n.d. CoST: The Infrastructure Transparency Initiative. https://infrastructuretransparency.org/.

Davis, K. E. 2009. Civil Remedies for Corruption in Government Contracting: Zero Tolerance Versus Proportional Liability. Institute for International Law and Justice (IILJ) Working Paper 2009/4.

De Michele, R., J. O. Prats Cabrera, and I. Losada Revol. 2018. Effects of Corruption on Public–Private Partnership Contracts: Consequences of a Zero-Tolerance Approach. IDB Discussion Paper No. 625. Washington, DC: Inter-American Development Bank.

EC (European Commission). 2017. Fraud in Public Procurement: A Collection of Red Flags and Best Practices. Ref.Ares(2017)6254403 - 20/12/2017. Brussels: European Commission, European Anti-Fraud Office (OLAF).

Engel, E., R. D. Fischer, and A. Galetovic. 2019. Soft budgets and endogenous renegotiations in transport PPPs: An equilibrium analysis. Economics of Transportation 17 (2019): 40.

——. 2021. When and How to Use Public–Private Partnerships in Infrastructure: Lessons from the International Experience. n E. L. Glaeser and J. M. Poterba (eds.), Economic Analysis and Infrastructure Investment. Chicago: University of Chicago Press.

Engel, E. et al. 2018. Report of the Expert Advisory Group on Anti-Corruption, Transparency, and Integrity in Latin America and the Caribbean. November. Washington, DC: Inter-American Development Bank.

Engeli, G., and M. Pieth. 2000. Developing an Integrity Programme for FIDIC: A Private Sector Initiative to Prevent Corruption in IFI-Funded Public Procurement. Background Paper Commissioned by the World Bank and prepared for the 2000 Annual Meeting of FIDIC (Honolulu).

Fabre, A., and S. Straub. 2021. The Impact of Public–Private (PPPs) in Infrastructure, Health and Education. Toulouse School of Economics Working Paper No. 986. September.

FATF (Financial Action Task Force). 2014. Guidance, Transparency and Beneficial Ownership. Paris: Financial Action Task Force.

GIACC (Global Infrastructure Anti-Corruption Centre). 2021. Project Anti-Corruption System (PACS), Second Edition. Last updated November 2021. https://giaccentre.org/pacs-overview/.

Heimann, F. 2012. High-level reporting: Overcoming extortion. In M. Pieth (ed.), Collective Action: Innovative Strategies to Prevent Corruption. Zurich: Dike.

IAD and IDB (Inter-American Dialogue and Inter-American Development Bank). 2021. Core Group Discussion Memo. May 25.

———. 2022. Transparency in Infrastructure Principles (TIPs Project) Extended Stakeholder Group Survey Summary.

IDB. n.d. TIPs PowerPoint. Unpublished Document.

———. 2018. Better Spending for Better Lives: How Latin America and the Caribbean Can Do More With Less. Washington, DC: Inter-American Development Bank.

———. 2020a. From Structures to Services: The Path to Better Infrastructure in Latin America and the Caribbean. Executive Summary. Washington, DC: Inter-American Development Bank.

———. 2020b. Transparency and Integrity Sector Framework Document. Innovation in Citizen Services Division. Washington, DC: Inter-American Development Bank.

———. 2021. The Infrastructure Gap in Latin America and the Caribbean: Investment Needed through 2030 to Meet the Sustainable Development Goals. Washington, DC: Inter-American Development Bank.

———. 2024. IDB Group Institutional Strategy: Transforming for Scale and Impact. Washington, DC: Inter-American Development Bank.

IDB and OECD. 2019. A Beneficial Ownership Implementation Toolkit. March. Washington, DC: Inter-American Development Bank.

———. 2021. Building Effective Beneficial Ownership Frameworks: A Joint Global Forum and IDB Toolkit. Paris: Organisation for Economic Co-operation and Development.

IMF. 2022. PIMA Handbook: Public Investment Management Assessment, 1st Edition. Washington, DC: International Monetary Fund.

Infralatam. n.d. Economic Infrastructure Investment Data: Latin America and the Caribbean. https://www.infralatam.info/home/.

Investopedia. 2022. Public–Private Partnerships (PPPs): Definition, How They Work, and Examples. Investopedia.com. https://www.investopedia.com/terms/p/public-private-partnerships.asp.

Kapur, D., and R. Webb. 2000. Governance-related Conditionalities of the International Financial Institutions. United Nations Conference on Trade and Development, G-24 Discussion Paper Series. August.

Keefer, P., and C. Scartascini (eds.). 2022. Trust: The Key to Social Cohesion and Growth in Latin America and the Caribbean. Washington, DC: Inter-American Development Bank.

McKinsey & Company. 2021. A smarter way to think about public–private partnerships. September 10.

Mizell, L. 2017. Conditionality in practice: Emerging lessons for public investment. EC-OECD Seminar Series on Designing Better Economic Development Policies for Regions and Cities. April 28.

OCP (Open Contracting Partnership). n.d. Open Contracting for Infrastructure Data Standards (OC4IDS). https://standard.open-contracting.org/infrastructure/latest/en/.

——. 2021. Defining Open Contracting Data Standard: Functional Requirements for Electronic Government Procurement Systems. September.

OECD. 2011. OECD Guidelines for Multinational Enterprises. Paris: Organisation for Economic Co-operation and Development.

——. 2012. Recommendation of the Council on Fighting Bid Rigging in Public Procurement. Paris: Organisation for Economic Co-operation and Development.

——. 2014. OECD Foreign Bribery Report: An Analysis of the Crime of Bribery of Foreign Public Officials. Paris: Organisation for Economic Co-operation and Development.

——. 2016. Integrity Framework for Public Infrastructure. Paris: Organisation for Economic Co-operation and Development.

——. 2019. Reforming Public Procurement: Progress in Implementing the 2015 OECD Recommendation, OECD Public Governance Reviews. Paris: Organisation for Economic Co-operation and Development.

——. 2020. OECD Recommendation on the Governance of Infrastructure. Paris: Organisation for Economic Co-operation and Development.

——. 2021. Towards a Global Certification Framework for Quality Infrastructure Investment. Paris: Organisation for Economic Co-operation and Development.

Partasides, C. 2017. Remedies for Findings of Illegality in Investment Arbitration. In Andrea Menaker (ed.), International Arbitration and the Rule of Law: Contribution and Conformity. Alphen aan den Rijn, Netherlands: Kluwer Law International.

Pieth, M. 2014. The Responsibility of Legal Persons. In M. Pieth, L. A. Low, and N. Bonucci (eds.), The OECD Convention on Bribery: A Commentary. Cambridge: Cambridge University Press.

PPP Knowledge Lab. 2017. PPP Reference Guide (Version 3). Washington, DC: World Bank. Available at https://ppp.worldbank.org/public-private-partnership/PPP_Online_Reference_Guide.

SIGMA (Support for Improvement in Governance and Management). 2013. Public Procurement Brief 28: Audit of Procurement. Paris: Organisation for Economic Co-operation and Development.

Suárez-Alemán, A. et al. 2021. Planning and Prioritization in Infrastructure Development, and the Role of Public–Private Partnerships. IDB Discussion Paper No. 867. Washington, DC: Inter-American Development Bank.

TI (Transparency International). 2005. Global Corruption Report 2005. Berlin: Transparency International.

——. 2019. Recommendations on Open Contracting for OGP Action Plans. November. Berlin: Transparency International.

TI et al. 2017. From Open to Clean Contracting: A Collective Agenda to End Corruption in Public Procurement and Infrastructure and Support Sustainable Development. November 29. Berlin: Transparency International.

UN ESCAP (United Nations Economic and Social Commission for Asia and the Pacific). 2008. Public–Private Partnerships in Infrastructure Development: A Primer. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific.

Ünlü, D. 2013. Is Conditionality for Loans from International Financial Institutions a Legitimate Way to Influence National Policies? Ankara Bar Review 2013(2): 188.

UNODC (United Nations Office on Drugs and Crime). 2005. Article 34: Consequences of Acts of Corruption. United Nations Convention against Corruption (UNCAC). Available at https://www.unodc.org/unodc/en/corruption/uncac.html.

Wells, J. 2015. Corruption in the construction of public infrastructure: Critical issues in project preparation. U4 Issue March (8). Bergen: U4 Anti-Corruption Resource Centre, Chr. Michelsen Institute.

World Bank. 2017. Rethinking Infrastructure in Latin America and the Caribbean. Washington, DC: World Bank.

———. 2018. Mobilizing Private Finance for Development in Latin America and the Caribbean. Washington, DC: World Bank.

Annex 1: Core Group

Name	Affiliation
Alisha Holland	Harvard University Department of Government
Kevin Davis	New York University
Damien King	Caribbean Policy Research Institute
Raquel de Mattos	FGV Sao Paulo Law School
Dulcidio de la Guardia	Former Minister of Finance, Panama
Melanie Roach	Director of Public Works, Bahamas
Isabel Studer	Sostenibilidad Global
Eduardo Bitrán	Former Minister of Public Works, Chile
Carlos Balbín	Former State Attorney, Argentina
Gavin Hayman	Open Contracting Partnership
Gemma Aiolfi	Basel Institute on Governance
Petter Matthews	CoST
Kristina McNeff	Moore Foundation
Augusto Neves dal Pozzo	Dal Pozzo Law Firm
Pascale Dubois	Former World Bank Integrity VP

Inter-American Dialogue Team

Michael Shifter

Michael Camilleri

Santiago Cantón

Catharine Christie

Luisa Stalman


IDB
Improving lives