



MANAGING INTEGRITY RISKS IN PUBLIC INFRASTRUCTURE

A shortlist of what works for strategies and assessments

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The non-financial costs of corruption in public infrastructure





The financial costs of corruption in public infrastructure

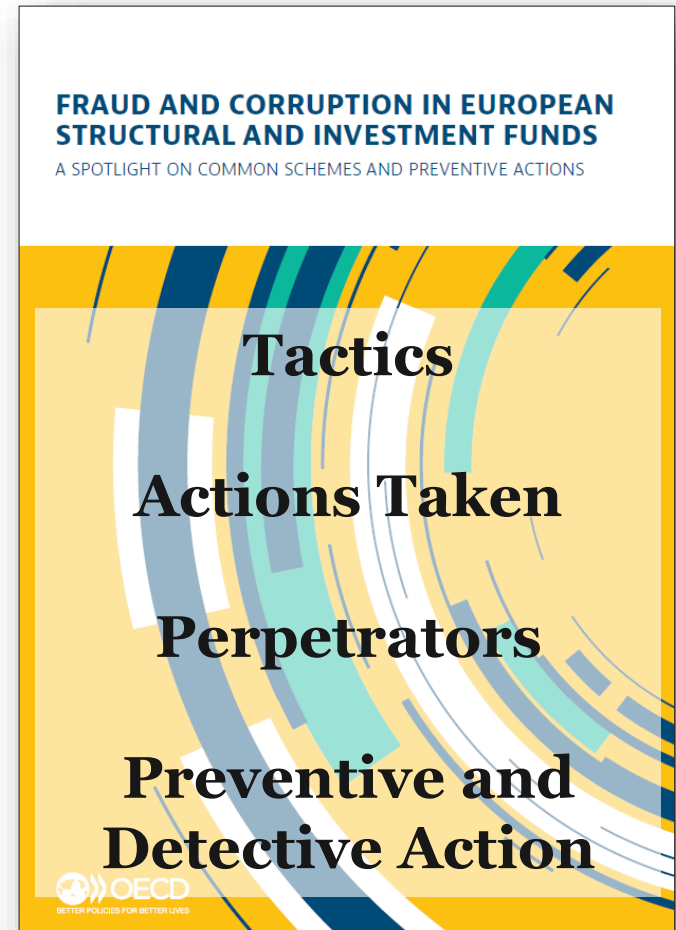
- Data is scattered, but there are regional or sectoral insights. For instance:
 - In the EU, fraud amounts to EUR 3 billion per year, roughly 2% of the annual budget.¹ (2018)
 - Countries with higher corruption have 15% higher unit costs of road construction and maintenance² (2015)

¹European Commission (2018), *29th Annual Report on the Protection of the European Union's Financial Interests: Fight against Fraud, 2017*, https://ec.europa.eu/antifraud/sites/antifraud/files/pif_report_2017_en.pdf.

²Collier, P., Kirchberger, M., Söderbrom, M., 2015. The cost of road infrastructure in low and middle income countries. Policy Research working paper; no. WPS 7408. World Bank Group, Washington, D.C.



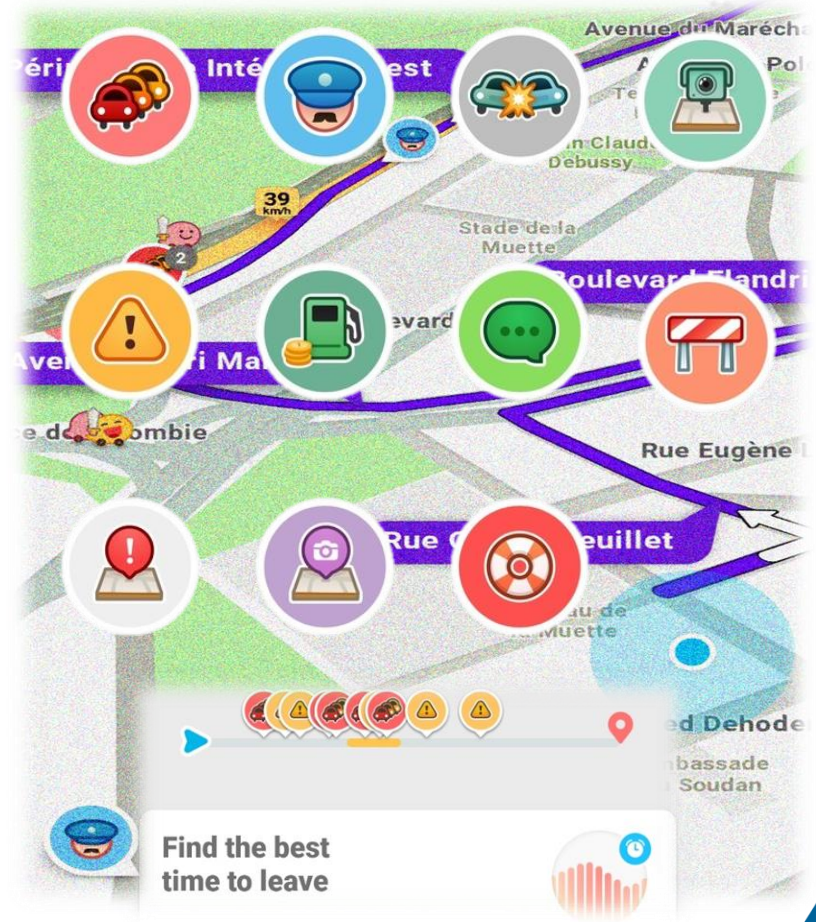
So how do we mitigate risks in public infrastructure?





Integrity risk management *strategies*: key takeaways from what works

- Manage results, not risks - Link integrity risk management to objectives
- Make risk management accessible with positive framing – who doesn't want to make better decisions?
- Have an explicit focus on corruption and integrity risks
- Have a strategy before assessing risks

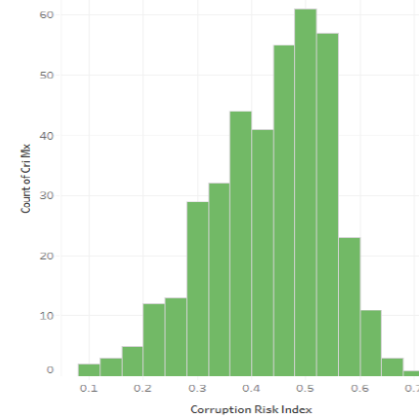




Integrity risk *assessments*: key takeaways from what works

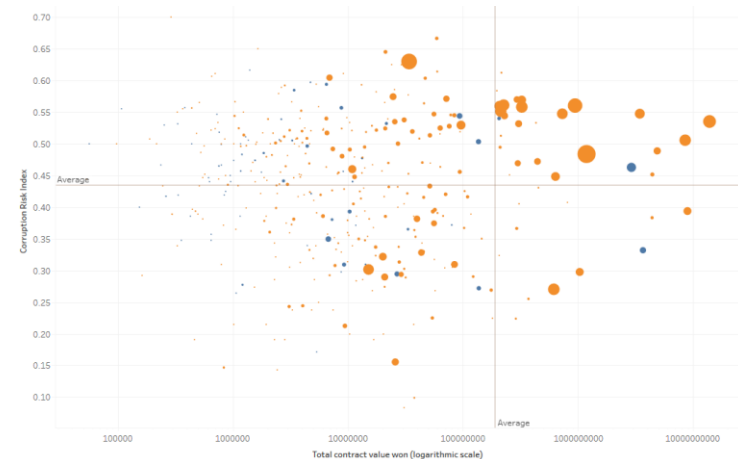
- Manage risks, not lists
- Don't get distracted by shiny data objects
- Consider proportionality and effectiveness
- Translate “zero tolerance” into practice

Histogram of GACM suppliers according to the Corruption Risk Index



Company list

supplier ID	Avg. Cr. I.
22574	0.7000
203242	0.6667
178596	0.6500
84184	0.6453
46962	0.6301
98014	0.6250
4379	0.6250
69092	0.6167
199500	0.6143
197172	0.6125
81722	0.6111
19110	0.6111
74365	0.6067
33016	0.6046
172049	0.6037
136971	0.5974
28697	0.5944
73776	0.5940
84072	0.5933
19687	0.5923
66749	0.5889
84201	0.5857
76847	0.5848
54649	0.5839
149768	0.5823
45860	0.5794
195930	0.5778
16005	0.5746





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