

Managing public integrity threats in infrastructure projects

Integrity risks can arise at every stage of the infrastructure life cycle, resulting in inappropriate use of resources or improper behaviour. During crises, when rapid responses are needed and some safeguards lifted, these risks may increase and require adequate firewalls. OECD recommendations on the governance of infrastructure and on public integrity (OECD, 2020, 2017) highlight the adoption of a risk-based approach to identify, mitigate, and address integrity risks such as fraud, collusion, corruption, undue influence or other unethical practices at each stage of the infrastructure life cycle and develop tailored control mechanisms.

The OECD Infrastructure Governance Indicator (IGI) on integrity provides an overview of where OECD countries stand in five sub-pillars of management of integrity risks in infrastructure governance: *risk-based approaches*, *internal and external control*, *management of conflict of interest and integrity risks and enforcement mechanisms*. The indicator does not measure the effectiveness or quality of implementation of these elements. With an average of 0.69, country scores range from 0.29 to 0.88 (Figure 8.5). On average, countries scored lower on risk-based approach (0.59) and conflict of interest management (0.51) than the other sub-pillars of the index.

Infrastructure management has a high risk of integrity failures due to the large sums involved, the complexity of the transactions, – especially those requiring complex financial schemes such as public-private partnerships or concessions and procurement methods – and the multiplicity of stakeholders. Precisely targeting such risks may require tailored policies and tools, consistently implemented and aligned to a whole-of-government approach to integrity. Currently, only 59% of OECD countries with data available (16 out of 27) explicitly address public integrity threats in their infrastructure risk management frameworks. Even fewer countries (12 out of 26 or 46%) assess public integrity risks for all or at least for major infrastructure projects, at a minimum identifying the specific types of relevant integrity breaches, the actors likely to be involved, as well as the expected likelihood and impact if a risk materialises (Table 8.6).

Across OECD countries, management of conflict of interest in infrastructure projects is often part of a wider framework for all public officials. However, 64% of OECD countries (18 out of 28) have a conflict of interest policy or institutional framework exclusively for infrastructure management officials. Such frameworks may include specific guidelines, case studies or practical manuals to apply rules and policies to the activities involved throughout the infrastructure cycle and are aimed at preventing and managing conflict of interest during project assessment and selection, tendering and award, contract management, and evaluation and audit. Only Lithuania has a conflict-of-interest framework exclusively for infrastructure management officials covering gifts and gratuities, and only in Costa Rica, Lithuania and Switzerland do these frameworks cover their pre- or post-public employment (Table 8.6). There is room to increase the provision of illustrations and guidelines on how integrity risk assessments and conflict-of-interest policies could be applied to the management of infrastructure.

Methodology and definitions

Data are drawn from the 2022 OECD Survey on the Governance of Infrastructure, conducted in May 2022, with responses from 34 OECD countries (Denmark, Hungary, Israel and the Netherlands did not reply to the survey). The survey monitors policies and arrangements in place at the national/federal level during the survey implementation (from May until October 2022) and does not cover specific practices at subnational levels. Spain and the United States have reported changes since then. Respondents were predominantly senior officials in the central/federal ministries of infrastructure, public works and finance, as well as in infrastructure agencies and other line ministries. The IGI on integrity has five sub-pillars: risk-based approaches, internal and external control, management of conflict of interest and enforcement mechanisms, each with an equal weight (20%). The overall index ranges from 0 (lowest) to 1 (highest).

Public integrity refers to the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising the public interest over private interests in the public sector (OECD, 2017).

A conflict of interest in the public sector arises when a public official has private-capacity interests which could improperly influence the performance of their official duties and responsibilities (OECD, 2003).

Further reading

- OECD (2020), “Recommendation of the Council on the Governance of Infrastructure”, *OECD Legal Instruments*, OECD, Paris, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0460>.
- OECD (2017), “Recommendation of the Council on Public Integrity”, *OECD Legal Instruments*, OECD, Paris, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0435>.
- OECD (2003), “Recommendation of the Council on Guidelines for Managing Conflict of Interest in the Public Service”, *OECD Legal Instruments*, OECD, Paris, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0316>.

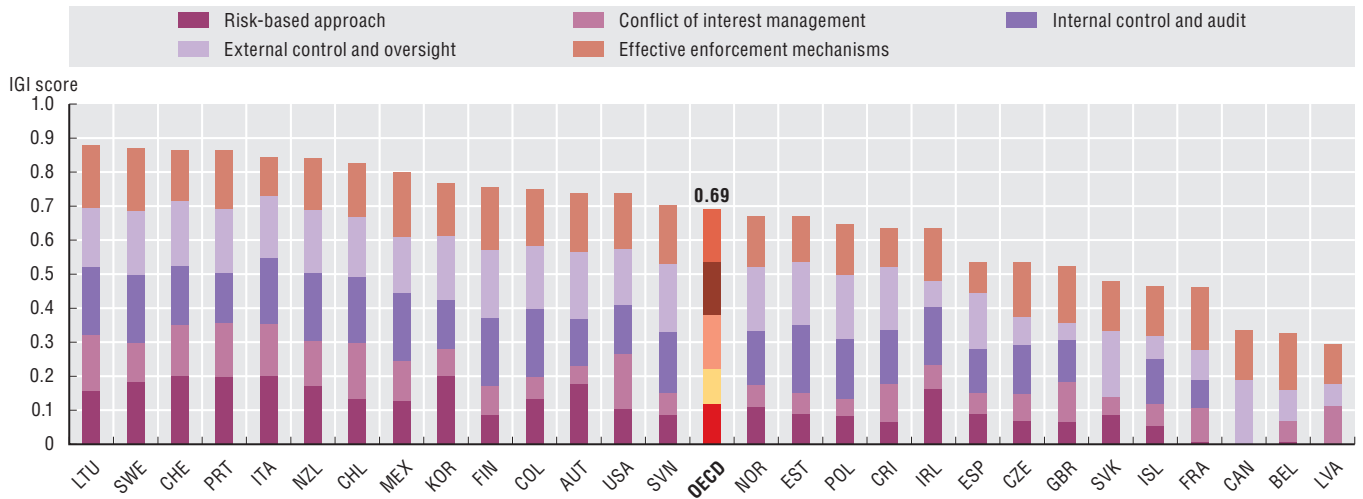
Figure notes

- Data for Australia, Germany, Greece, Japan, Luxembourg and Türkiye are not available. Data for Belgium are based on the survey responses from Flanders only.
- 8.5. Belgium (Flanders) and the Slovak Republic do not have complete data for this indicator. For Canada, only the sub-pillars applicable at the federal level are presented. Only the sub-pillars with complete data are included (countries with incomplete data are not included in the OECD average).
- 8.6. Since the implementation of the survey, Spain’s Recovery, Transformation and Resilience Plan reinforces the requirements for integrity risk assessment of infrastructure undertakings under the plan.

8. INFRASTRUCTURE PLANNING AND DELIVERY

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8.5. Management of threats to public integrity in infrastructure decision making, 2022



Source: OECD (2022), Survey on the Governance of Infrastructure – Part III: Implement a whole-of-government approach to manage threats to integrity. StatLink <https://stat.link/1cfxpg>

8.6. Policies and tools to target public integrity risks in infrastructure management, 2022

Country	Integrity risks addressed in infrastructure risk management framework	Integrity risk assessment of major infrastructure undertakings	Policy or institutional framework for conflict of interests	Rules relative to gifts and gratuities	Rules relative to pre- or post-public employment
Austria	✓	■	◆	◆	◆
Belgium (Flanders)	×	△	◆	◆	◆
Canada	–	–	◆	◆	–
Chile	✓	○	◆◆	◆	◆
Colombia	×	■	◆	◆	◆
Costa Rica	✓	○	◆	◆	●
Czech Republic	×	△	◆◆	◆	◆
Estonia	×	▲	◆◆	◆	◆
Finland	×	□	◆◆	◆	◆
France	×	△	◆◆	◆	◆
Iceland	×	○	◆◆	◆	×
Ireland	✓	□	◆◆	◆	◆
Italy	✓	■	◆◆	◆	◆
Korea	✓	■	◆	◆	◆
Latvia	×	○	◆◆	◆	◆
Lithuania	✓	□	◆◆	●	●
Mexico	✓	▲	◆◆	◆	◆
New Zealand	✓	▲	◆◆	◆	×
Norway	✓	..	◆◆	◆	◆
Poland	✓	▲	◆◆	◆	×
Portugal	✓	■	◆	◆	◆
Slovak Republic	×	□	◆	◆	◆
Slovenia	×	□	◆◆	◆	◆
Spain	✓	○	◆◆	◆	◆
Sweden	✓	□	◆	◆	◆
Switzerland	✓	■	◆◆	◆	●
United Kingdom	✓	○	◆◆	◆	◆
United States	×	▲	◆	◆	◆
OECD Total					
✓ Yes	16				
■ Always		6			
□ In most cases		6			
▲ Sometimes		5			
△ Seldom		3			
○ Never		6			
● Exclusive for infrastructure management officials			18	1	3
◆ Applicable to all public officials			28	27	21
×	11				3
– Not applicable	1	1			1
.. Not available		1			

Source: OECD (2022), Survey on the Governance of Infrastructure – Part III: Implement a whole-of-government approach to manage threats to integrity. StatLink <https://stat.link/gtosx3>



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