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02
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TRANSPARENCY INTERNATIONAL AUSTRALIA
INFRASTRUCTURE CORRUPTION RISK ASSESSMENT TOOL

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TABLE OF CONTENTS

Introduction **2**

Tool objective and potential outcomes 2

Who is this tool for? 3

Corruption in public infrastructure 4

How to use this tool **10**

Overview 10

Structure of the Tool 10

Resources required to operate the tool 12

Selecting the infrastructure project for review 12

LEVEL 01 **INITIAL ASSESSMENT** **13**

Step 1: Assessing the context 14

Step 2: Categorising the Project Selection process 19

Making the Process Type Assessment 20

Description of the Four Process Types 20

Step 3: The Project Assessment 23

Step 4. Summary Assessment – Indicative Risk of Corruption 26

Initial Assessment Report 26

LEVEL 02 **DETAILED ASSESSMENT** **29**

Step 5. Detailed Assessment of Corruption and Mismanagement Risks 30

LEVEL 03 **COMMUNICATING AND ADDRESSING THE RISKS** **43**

Step 6. Addressing the Findings 44

Step 7. Mitigating Measures 45

Step 8. Reporting the findings 47

Conclusion 47

Glossary 48

Appendices **49**

Annex 1: References & useful frameworks 50

Annex 2: Worked example of Worksheets 1, 1A and 1B 51

Annex 3: Worked example of Worksheet 2 57

Annex 4: Worked example of Worksheets 3, 3A and 3B 58

Annex 5: Worked example of Worksheets 4A, 4B and 4C 61

Annex 6: Worked example of Worksheets 5B and 5C 64

Annex 7: Suggested structure for a report on the findings 74

Annex 8: Examples of clarifying questions 75

Annex 9: Accountability Questions 78

Annex 10: Corruption Perceptions Index for Countries in the Asia-Pacific Region in 2021 81

Endnotes 82

INTRODUCTION

Infrastructure has the potential to support more than 80%[1] of the 169 individual targets within the Sustainable Development Goals (SDGs)[2] and is a driver in addressing pressing global challenges such as climate change[3] and natural disasters such as earthquakes, windstorms and floods.

Unless society can accelerate the delivery of quality infrastructure and services, its ability to meet the SDGs, deal with the effects of climate change, improve gender equality and deliver inclusive economic growth will be seriously undermined. However, the Global Infrastructure Hub (2020) estimates that US$94 trillion of investment is required up to 2040 and that on current trends there will be a US$15 trillion "investment gap". This gap could be significantly reduced by addressing the losses associated with poor infrastructure governance, including and especially the losses that are caused by corruption.

The infrastructure sector, along with the mining sector, is known to be especially prone to corruption when compared to other economic and industrial sectors.

The infrastructure sector is inherently shaped by political priorities which are often in tension with good governance processes.[4] Added to this is the uniqueness of infrastructure projects, the difficulties of comparing prices, the multiple actors involved, the complexity and long development period for infrastructure projects and a culture of secrecy which contributes to higher corruption risks and vulnerabilities in the sector.

Whilst it is difficult to identify a precise figure, the IMF[5] estimates that on average about a third of infrastructure spending is lost globally due to inefficiencies including corruption, with this figure increasing to 50% in low-income countries.

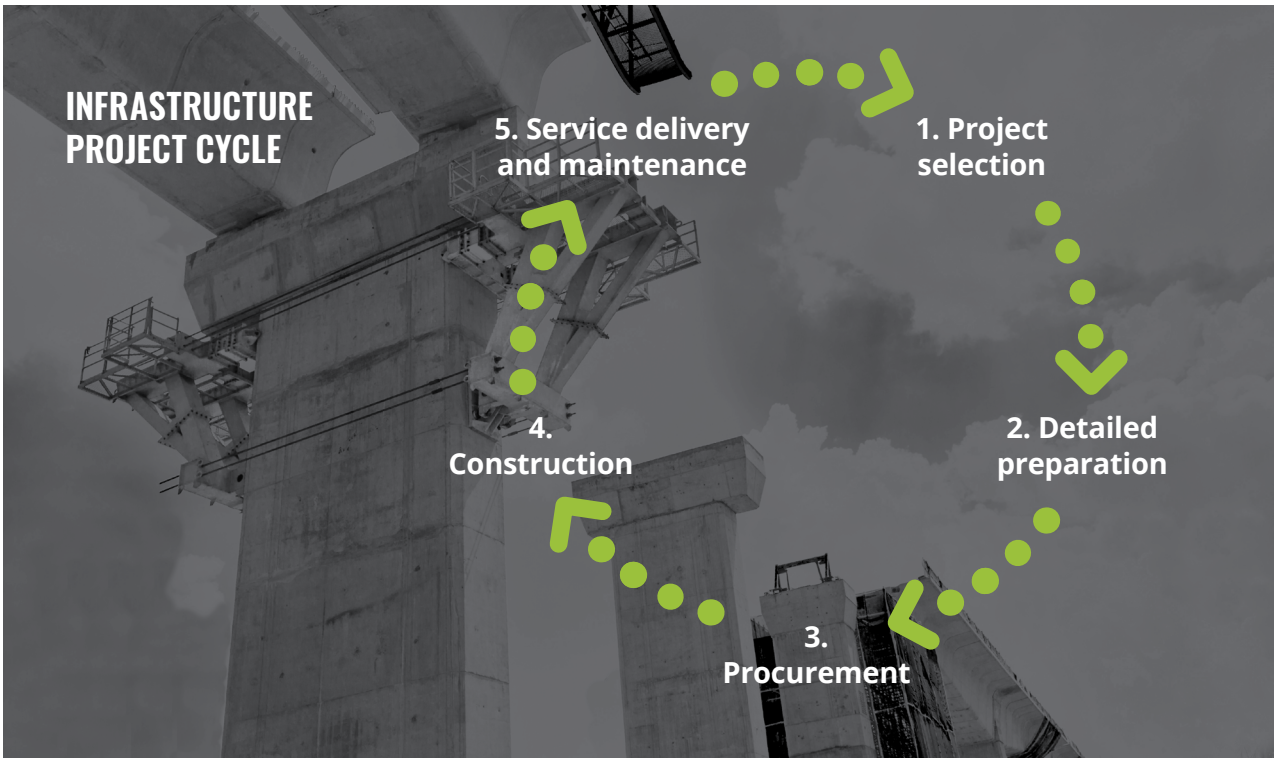
According to the OECD[6], poor governance is one of the main reasons why infrastructure projects fail to meet delivery objectives. With investment in infrastructure having become an integral part of the Covid-19 recovery efforts, strong infrastructure governance tools are essential to mitigate corrupt dynamics that can potentially undermine sound decision-making.

To help address this problem, Transparency International Australia (TIA) has developed an Infrastructure Corruption Risk Assessment Tool (ICRAT). The purpose of the tool is to guide stakeholders in mapping out and understanding corruption risks and identifying mitigation measures at the earliest stage of infrastructure development when projects are selected.

Project selection includes all the decision processes before contracting and construction commences. This includes strategic planning, feasibility studies, cost/benefit analyses, and risk assessments. The stages of project selection are outlined in Figure 1 below.

Designed to be accessible to all relevant stakeholders, including government and the private sector, the principal users of the ICRAT will be civil society. The ICRAT is designed to assist civil society and other stakeholders to ask the right questions and hold those responsible for commissioning, selecting and financing public infrastructure to account. The tool provides a practical, easily applicable roadmap to identify and mitigate red-flag corruption hotspots during the process of project selection.[7]

In other words, this tool is designed to assess corruption risks right at the beginning of an infrastructure project cycle – when decisions are being made about what type of projects are needed to meet national and local interests.



TOOL OBJECTIVE AND POTENTIAL OUTCOMES

The objective of the tool is to help civil society and other stakeholders to identify, assess and communicate the corruption risks arising during the selection of infrastructure projects. It guides the user to identify the points within the process of selecting infrastructure projects that could be skewed or manipulated to bring rich rewards to the project proponents and other select beneficiaries (including government officials), at the expense of the public good. The stages in this process are illustrated in Figure 1.

There are several tools and approaches such as those developed by CoST (The Infrastructure Transparency Initiative), the Project Anti-Corruption System developed by the Global Infrastructure Anti-Corruption Centre, and Transparency International's Integrity Pacts that have helped civil society during the procurement and construction stages of the project cycle, that is, detailed preparation, procurement and construction. However, to date there have been few, if any, that aim specifically at the project selection stage of an infrastructure project, as illustrated by Figure 2 below.

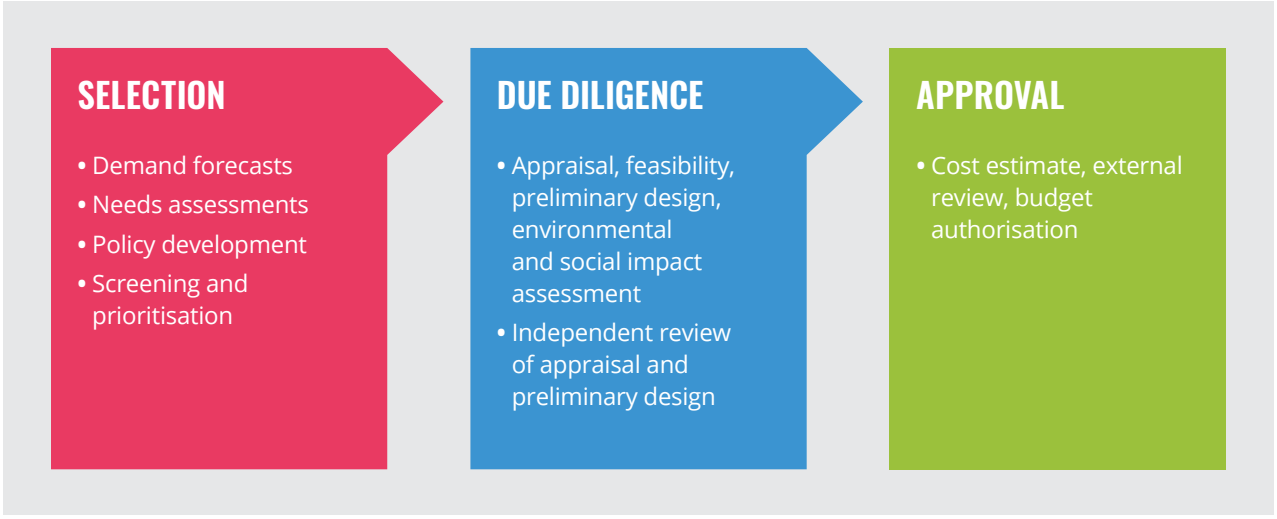


Figure 1: The different stages of project selection

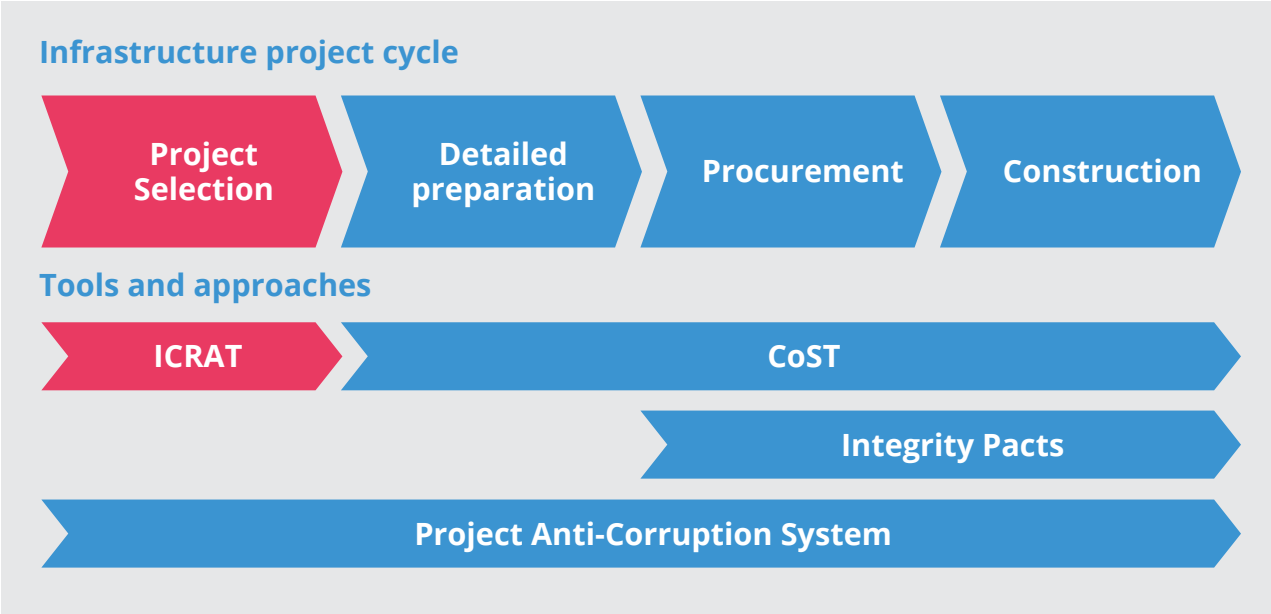


Figure 2: Tools and approaches that exist at different stages of the project cycle

This new tool helps to address this gap by identifying the loopholes that enable corruption to take seed early in the project cycle, during the selection of an infrastructure project. The tool principally assesses the 'grey areas' of corruption (conduct such as undue influence that may not technically be illegal but that can lead to inefficiencies, increased costs or poor alignment with needs), and equips civil society and other stakeholders with a process for separating the corruption risks such as undue influence from mismanagement and incompetence. It will also help to identify those areas that are vulnerable to grand corruption.

WHO IS THIS TOOL FOR?

The tool can benefit civil society by increasing their capacity to better understand corruption risks and provide an opportunity to participate during the often, opaque process of selecting infrastructure projects. The tool will also benefit government by providing evidence of the institutional weaknesses and gaps that may be contributing to integrity failures and poor outcomes in infrastructure development. Where a government institution is a user of the tool, it will help to improve their institutional capacity to assess the strengths and weaknesses of their project selection process. Construction firms benefit from better prepared infrastructure projects that have been selected for the right reasons, assist them to understand and mitigate corruption risks, and are less likely to have been skewed towards a specific firm, reducing the risk of doing business and reputational damage. An infrastructure investor can use the tool to help decide if this is the right marketplace for their investment, and what corruption risks they need to manage.

We hope that the use of the tool will ultimately lead to an increase in transparency and a reduction in corruption risks which will help attract reputable and competent infrastructure firms and encourage adherence to international performance standards. This in turn further increases standards and reduces corruption risks.

CORRUPTION IN PUBLIC INFRASTRUCTURE

Transparency International defines corruption as 'the abuse of entrusted power for private gain'. In public infrastructure, this encompasses not only government (where private gain includes institutional and political gain), but also the contractors, consultants and suppliers who are engaged to deliver infrastructure services.

Acts of corruption include abuse of power, bribery, extortion, fraud, embezzlement and money laundering. These activities will constitute a criminal offence in most jurisdictions, although the precise definition of the offence may vary (GIACC, 2013a). Criminal corruption can be described as 'petty' or 'grand':

BOX 1

FORMS OF CORRUPTION

Collusion: A collusive practice is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.

Coercion: A coercive practice is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

Fraud: A fraudulent practice is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

Source: World Bank, 2019

Undue influence: Undue influence is when interest groups use legal mechanisms, such as contributing to election campaigns, providing research, or hosting receptions, and expecting favourable decisions in return. When interest group influence is opaque and disproportionate, it may lead to undue influence.

Source: Transparency International 2014

- **Petty corruption** is the everyday abuse of power where small payments are extracted by public officials from ordinary citizens to access basic goods or services in places like hospitals, schools, police departments and other agencies. It also includes payments offered by a company to 'speed up' or overcome an administrative or legal procedure, for example, to get an invoice paid, to certify completion of the works or obtaining customs clearance for equipment and materials (Sohail and Cavill 2007).
- **Grand corruption** is the abuse of high-level power that benefits the few at the expense of the many and causes serious widespread harm to individuals and society. Acts of grand corruption take place during the early stages of the project cycle, particularly during project identification, project preparation and procurement, where the financial rewards for a one-off act of corruption are potentially highest. Examples of these forms of corruption include selection of high value uneconomical projects (to allow for kickbacks and political patronage), designs that favour particular firms, and kickbacks for contract award.

There is also a third or 'grey' area of corruption that is called undue influence. Interest groups make use of legal mechanisms to influence the decision-making process. **Undue influence** is based on the influence of external and internal actors such as political parties, civil servants, financiers, industry suppliers and foreign agencies who may try to influence the decision-making process. When influence becomes opaque and disproportionate it can divert priorities away from the public interest and lead to undue influence. Although undue influence is considered a more subtle form of corruption, as interest groups can use legal means such as lobbying, political donations campaign contribution and technical advice, it can compromise government integrity and lead to biased decision-making (TI 2015, Hellman et al. 2000). As a result, public funds may be wasted on infrastructure that is not needed, or that favours certain economic sectors or geographic regions.

BOX 2



MISTIMED PROJECTS

There are many examples of mistimed or potentially unnecessary projects. A recent example is the "Unity Bridge" that crosses the Rovuma River and the border between Mozambique and Tanzania. Opened in 2010, the bridge remained unused for many years as there is no road on Mozambique's end of it and was literally a bridge to nowhere. It was only in 2018 that contractors were appointed to start building the road south into Mozambique.

Source: Thomas 2018

BOX 3



HOW CORRUPTION COMPOUNDS THE IMPACT OF NATURAL DISASTERS

Corruption can amplify vulnerabilities and worsen the impact of natural disasters. Research following the 2010 Haiti earthquake found that 83% of all deaths from building collapse in earthquakes over the previous 30 years occurred in countries that have systemic corruption (Ambraseys and Bilham 2011).

A recent wide-ranging review of construction's role in worsening the outcome of disasters unearthed several studies linking public sector corruption to earthquake deaths, including bribe-paying for building permits, non-application of building codes and poor standards in construction (Sanderson et al 2021).

The different forms of corruption are numerous and can occur at each stage of the infrastructure project cycle (e.g. project selection, detailed preparation, procurement, construction, service delivery and maintenance). The Global Infrastructure Anti-Corruption Centre (GIACC) highlights 47 examples of corruption[8] during the procurement and construction stages of the project cycle, including bribing to win contracts, manipulating designs, false invoicing for inferior materials, or concealing defects.

However, corruption at the very start, in government decisions about project selection, can have the biggest impact as it can result in projects that are unnecessary, unsuitable, unsustainable, not fit-for-purpose, defective or dangerous.

(Sohail and Cavill 2006).[9]

Corrupt decisions made during project selection could facilitate corruption and poor outcomes further down the project cycle (Wells 2015). This could mean that the full investment is wasted or mistimed (Box 2), with significant negative economic, social and environmental consequences for impacted communities, especially in areas prone to natural disasters – see Box 3.[10] Corrupt decisions can have different impacts on women and men. Gender inequality affects women's participation in community consultation and women have an important role to play in preventing and addressing corruption – See box 4.

BOX 4



UNDERSTANDING GENDER ISSUES IS ESSENTIAL WHEN ASSESSING CORRUPTION RISKS

Gender is relevant to the impacts of corruption. Corruption can exacerbate the inequality that women already experience, for example, because of unequal gender and power relations, lack of access to and control of land and economic resources, or entrenched discrimination. As a result, the consequences of corruption in project selection can impact women differently to men. For example, low priority or non-selection of a water project may have a particularly severe and unique impact on women with domestic and care-giving roles. Pollution or shortage of water supplies will mean that those women need to travel further to fetch clean water or expose women to greater risk of sexual harassment and gender-based violence.

Secondly, gender is relevant because women have an important role to play in preventing corruption and improving transparency and accountability in the project selection process. But to play this role, women must be able to participate and be heard in decision-making and be able to actively hold decision-makers to account.

Low literacy levels due to a lack of education may limit women's ability to access and understand information about a proposed project, and about their rights and opportunities to participate in community consultation. Unequal gender relations which assign men as primary decision-makers might exclude women from participating in community consultations and decision-making. When women's participation is restricted, corruption may be more likely to happen or go undetected.

This tool guides you to collect information that will help you identify the specific gendered impacts of corruption risks on women in your context. While gender is not binary, the focus of gender in this tool is on the role and participation of women and the impacts of corruption on them.

ADDITIONAL INFORMATION



UNDERSTANDING CORRUPTION RISKS AND RED FLAGS IN INFRASTRUCTURE

Infrastructure projects are particularly prone to corruption. Using the tool will help you understand and identify the risk factors and red flags by assessing the project selection process.

Understanding what is involved in good project selection is also essential to identifying gaps within the process which may allow corruption to occur.

THIRTEEN RISK FACTORS THAT MAKE INFRASTRUCTURE PROJECTS PRONE TO CORRUPTION

1. Large projects and high amounts at stake create opportunity to hide corrupt acts.
2. Projects are often unique which makes it difficult to compare costs.
3. High government involvement with insufficient controls that allow corrupt acts.
4. The number of contractual links and layers provide opportunities for illegal payments.
5. A high number of project phases makes oversight difficult.
6. Project complexity creates uncertainty and offers opportunities for unjustified claims.
7. Projects come at irregular intervals, creating pressure to win new contracts.
8. Work can be concealed, and a lack of strong supervision creates the opportunity to conceal defective work.
9. A culture of secrecy in the sector and lower standards of transparency.
10. Deep-rooted, intertwined interests often cemented by bribery.
11. Industry fragmentation with different codes of conduct and levels of enforcement.
12. An industry where corruption is an accepted norm of behaviour and organisations may fear that standards of integrity will not be respected by market competitors.
13. Lack of effective due diligence by financiers.

Source: Stansbury, N. 2005. Exposing the Foundations of Corruption in Construction, in Chapter 2: Corruption in Practice, Transparency International Global Corruption Report 2005.

COMMON CORRUPTION RED FLAGS IN PROJECT IDENTIFICATION AND AUTHORISATION

Corruption red flags in project identification:

- Manipulating needs assessments to bias results and favour specific interests.
- Limiting the scope of project screening to bias the outcome of technical assessments and to favour specific interests.
- Manipulating technical assessments to over-estimate benefits or under-estimate costs of projects to bias project selection or prioritisation.
- Improper influence by public or private agents in the selection of projects motivated by political or personal gains.
- Improper fast-tracking of government approvals, inadequate due diligence and meaningful community consultation of investor-led infrastructure development proposals, made to secure investment.

Corruption red flags in project authorisation:

- Failure to present viable project alternatives to favour specific interests.
- Manipulating designs to produce incomplete plans or inaccurate cost estimates that can create opportunities for variation and 'rent-seeking' behaviour such as excessive profits or illicit payments during project implementation.
- Manipulating environmental and social assessments to misrepresent project impacts on the environment, communities and their livelihoods so as to favour specific interests or to secure government approval and project financing.
- Postponing, fast-tracking, side-stepping or exempting regulatory clearances to favour specific interests.
- By-passing budget processes to avoid or impede external and independent scrutiny.
- Avoiding disclosure of project plans under the guise of national security interests or commercial confidentiality to impede the scrutiny and oversight that could reveal issues that favour specific interests.
- Poor pay in the public sector which can create incentives or a sense of 'entitlement' to seek bribes or kickbacks.

GOOD PROJECT SELECTION CRITERIA AND APPRAISAL PROCESS

Good project selection requires a process with publicly available long-term strategic plans, robust criteria, appraisal, economic analysis and due diligence.

Appraisal process:

The decision on whether a selected project will receive investment is made during the appraisal stage. For that reason, appraisal should deliver a clear indication of project viability with an assessment of design, technology, location, beneficiaries, scale, timing, financing, social (including human rights and gender), cultural and environmental impacts, climate risk, disaster relief management, resettlement and compensation that may be needed, and other losses associated with the project. A structured project appraisal process should consider:

- Alignment with long-term strategic plans
- A needs assessment to justify the project, including analysis of project objectives and the beneficiary population
- Description of project alternatives and a comparison of costs, benefits, adverse impacts and available solutions
- An accurate estimation of costs and an analysis of the project risks, including social, environmental, regulatory, sustainability and climate/natural disaster resilience assessments
- Analysis of how benefits will be shared among different stakeholders such as government, financiers, suppliers, workers, impacted communities, Indigenous Peoples, women and youth
- Analysis of recognition of "Free, Prior and Informed Consent"
- Project constraints and potential unintended consequences

When justified by project size or importance, the decision approach should include one of the following:

- ***A cost benefit analysis and value for money assessment:*** The project comparison is based on the monetised value of projects. For the purposes of comparing shortlisted options, costs and benefits of projects are calculated over their estimated lifetime and future flows are discounted to assess present values.
- ***Social Cost Benefit Analysis and Value for Money assessment:*** The project comparison is based on the potential to maximize the net present values for society. The assessment requires calculation of projected impacts on communities and the natural environment. Challenges can emerge related to non-monetisable costs and benefits. Social Cost-Effectiveness Analysis is a variant of Social Cost Benefit Analysis. These are considered "marginal analyses" to compare shortlisted options and include consideration of equalities and distribution effects.
- ***Multi-Criteria Decision Analysis:*** a method where different factors are weighted, such as urgency, purpose, environmental impact, socio-economic needs, risk assessment, etc. To mitigate the level of subjectivity, a technical panel can decide on the criteria and weights to be used.

HOW TO USE THIS TOOL

OVERVIEW

The tool guides you to conduct an assessment of the project selection process over two levels:

LEVEL 01

Level I – An initial assessment which focuses on the broad context (political and administrative) of the selection process and the project itself, using data that is readily collected to produce an initial assessment report; and

LEVEL 02

Level II – An optional, further detailed assessment of aspects in the project selection process that have been highlighted by the initial assessment, examining those in more depth.

The purpose of the two-level approach is to allow you to choose the level of detail which is appropriate to the situation and context. You can opt to finish after completing Level I. This assessment may have revealed enough information and high-level messages to guide engagement with stakeholders. Doing a Level I assessment only may also be appropriate when there is limited time and resources available.

You may then decide to continue with a Level II detailed assessment, which will require additional resources and access to expertise. A Level II detailed assessment is a further, in depth, assessment of the specific corruption vulnerabilities identified in the Level I assessment and could identify situations where individuals may have unduly influenced the decisions making process for their own benefit.

LEVEL 03

A final step (Level III – Communicating and Mitigating/Addressing the Risks), should be completed after either approach and is about communicating the results of the assessment and recommending actions to mitigate the corruption risks identified.

STRUCTURE OF THE TOOL

The tool is structured with six steps:

Steps 1 to 4 (blue) are used to perform the **Level I assessment**

- **Step 1** assesses the risk of corruption in the General Context where the infrastructure is being built.
- **Step 2** categorises the project selection process that the government is using or has used for the infrastructure project under review.
- **Step 3** assesses the specific project you have chosen to review, to identify whether good selection criteria and appraisal processes were followed.
- **Step 4** draws the results from Steps 1 to 3 together to generate Indicative Risk of Corruption.

- **Step 5 (red)** is optional and used to perform an additional **Level II assessment**. The Step re-examines the selection criteria and appraisal processes assessed in **Step 3** in more depth to understand the vulnerabilities in more detail and whether they are more likely to be caused by mismanagement, negligence or undue influence.

- **Steps 6 to 8 (green) form the Level III Communicating and Addressing the Risks Step and** are used to conclude (i.e. after Level I, or Level II is performed) and prepare for communicating the results. They help you to draw conclusions, compile material for follow-up reporting and guide you through suggestion mitigation actions. The final part of this step is to produce a summary report to communicate the finding of the assessments to stakeholders, including government officials and the media.

The sequence is illustrated in Figure 3.

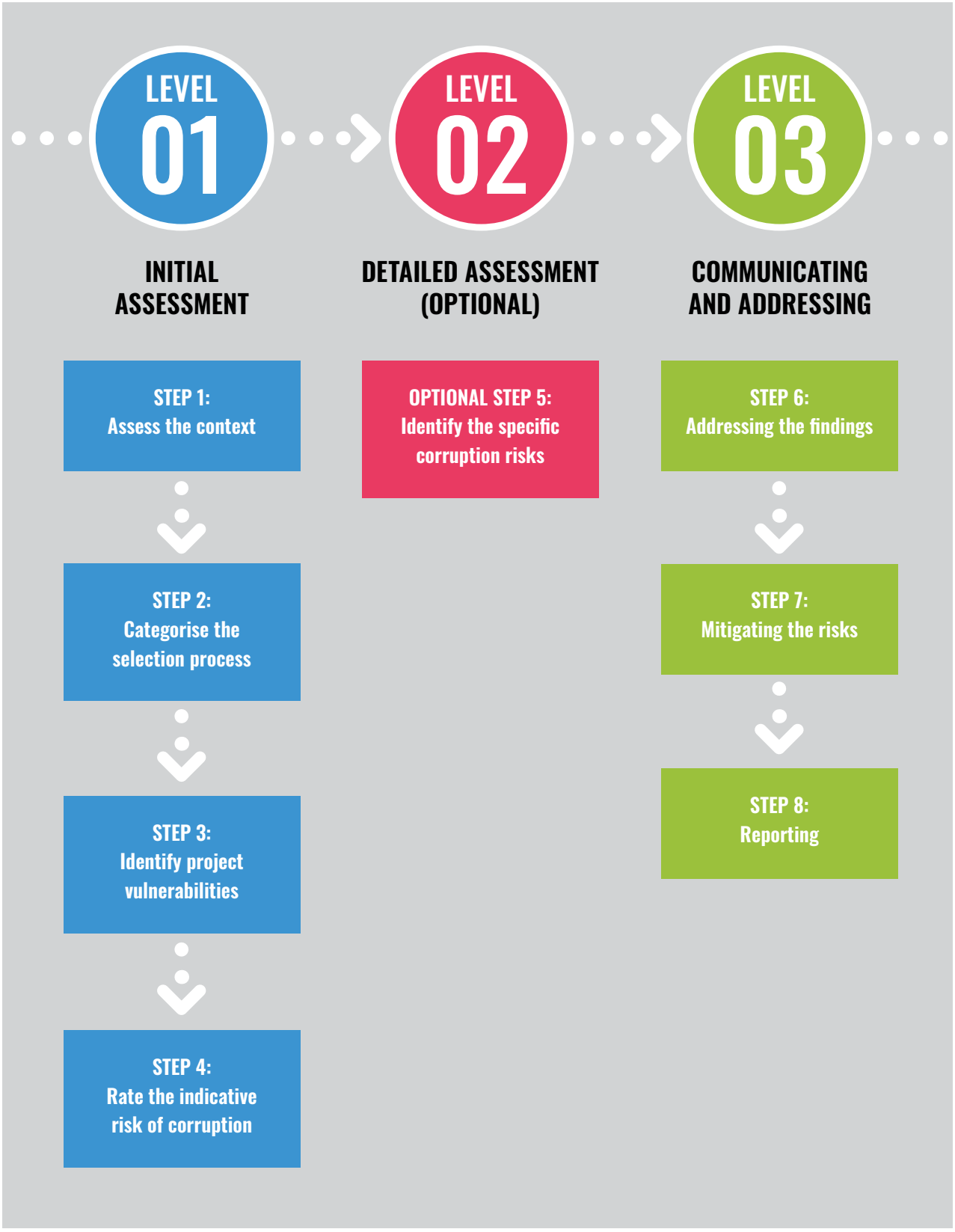


Figure 3: ICRAT steps

RESOURCES REQUIRED TO OPERATE THE TOOL

The tool assessments can be carried out within a relatively small budget. Whilst one person could undertake the task, an optimal approach would be to identify a research team of 2 or 3 people with different backgrounds, both in terms of their profession and the sectors they have worked in (i.e. civil society, private sector or government). This will ensure the assessment represents balanced views. At least one person should be familiar with, or have some experience in, infrastructure projects or government processes. At least one person should be independent of government and consideration should be given to gender balance, representation of minority group and/or indigenous groups in the advisory group and/or include gender expertise. Additionally, and especially in the case of a Level II assessment, it can be useful to have access to professional advice, such as from a civil engineer, architect, or quantity surveyor with experience of working in the early stages of an infrastructure project.

You may not have the relevant mix of expertise on staff so one option is to appoint a small **multi-stakeholder advisory group** from civil society, the private sector and government to support the research team undertaking the task. This would again help to ensure a balanced assessment, potentially help with gathering information and improve the credibility of the final report with stakeholders and assist with planning and delivery.

The quality of the assessment and final report will be dependent on the information the individual or team is able to gather. Where information is not publicly available, the research team will need to approach the relevant government agency/ies directly. To support the process of information gathering, **Annex 8** contains clarification questions that can be used for enquiry on specific project aspects.

In cases where information is difficult to obtain – because it is not publicly available, or the relevant agency is reluctant and/or slow to respond, for example – the panel will need to use their judgement to decide how much effort and time to spend on obtaining the information, based on the resources available and the timeframe agreed for completing the assessment. Most of the steps can proceed despite missed questions, however any gaps should be noted in the final report highlighting where information was lacking and a brief explanation of the reason for that. In most instances, the panel should make its own judgement on the most appropriate rating to assign rather than skipping a question.

SELECTING THE INFRASTRUCTURE PROJECT FOR REVIEW

The tool may be used to assess either an individual infrastructure project or a set of related infrastructure projects. In choosing a target project or projects for this assessment, you should consider the following criteria:

- **the key sectors** where the government and or the private sector is investing (transport, energy, roads, ports, housing, public buildings, water and sanitation etc.);
- **the sectors, programmes and agencies where concerns have been raised** – such as in the media or by audit commissions – about unethical behaviour, poor performance, not following procedures, negative impacts on the environment or local communities, especially women and Indigenous populations, etc.
- **the profile of the project and the implications for your assessment.** A high-profile project with lots of media attention could generate great interest and high impact but prove more challenging to obtain the relevant information and the cooperation of the relevant authorities. On the other hand, a lower profile project may have less impact, but may be easier for information gathering and working with officials.
- Draw up a short list of potential projects, using the above criteria, and choose the project which is practical to assess within the time and resources that are available



LEVEL 01

INITIAL ASSESSMENT

LEVEL 01

INITIAL ASSESSMENT

The Initial Assessment covers corruption risks in the general context of the country and infrastructure agency (Step 1), identification of the government process used for project selection (Step 2), and key aspects of the specific project that you have chosen to review (Step 3). The assessment concludes by bringing together these results in Step 4 to identify the *Indicative Risk of Corruption* and produce a list of the selection and appraisal criteria used that are most vulnerable, or potentially exposed, to corruption.

STEP 1: ASSESSING THE CONTEXT

Project selection takes place in the general governance and political economy context of the country by the government which has overall responsibility for the project and its funding. Thus, the first step is to understand the political, administrative, and regulatory risks of corruption to the project. You will assess the context in two parts:

- **General context:** the general political economy of the country and government, in which incentives and expectations are shaped, finances and priorities are managed, fairness and openness are upheld, and public decisions and approvals are made; and
- **Agency context:** the decision makers involved in the specific case of the project selection – such as the Minister, agency head, technical advisers, and any financiers or influencers, the professional competency and capacity for the task, and the mechanisms for consultation and redress.

Completing this step gives the user a good summary of the general context of the local government and the decision-making agency. It provides an overview of key areas of concern and areas to be considered.

Instructions:

1. Complete **Worksheet 1**. Answer the questions which relate to the general country context and the agency context.
2. You should use publicly available information, select a rating between 1 and 5 which is representative of the current situation.

These initial assessments are not intended to take large amounts of research or time. You should use publicly available information and the research team should already have a good understanding of the local government context. You may need to access government websites or documents and may need to contact the decision-making agency to get some general information for the agency context.

3. Complete **Worksheet 1A** using the instructions provided.

A worked example of the worksheets is provided in **Annex 2**.

Worksheet 1. Assessment of the Context Risk for the Country and Agency Contexts

Governance Aspect	Assessment questions	Risk Description & Benchmark			Rating
		1	3	5	1–5
Country Context					
1 Election process	Are elections periodic, free and fair? Is the integrity of the ballot adequately ensured? Are candidates free to express opinions without interference? Is the right to establish a political party, the role of opposition, and gender balance ensured and respected? Is vote buying a regular practice? Are lobbying and campaign contributions transparent?	Open, contestable, free & credible	Partly fair but notable interference	Repressive, restrictive, & ballot fraud likely	
2 Legal, judicial system and whistle-blowers	How independent are the courts from government, partisan or commercial influence? Are conditions for a fair trial adequately ensured? Is due process ensured as a matter of law? Are court decisions rendered within reasonable time? How effective are the provisions and enforcement to protect whistleblowers? Do whistleblower provisions protect women from gender-specific forms of retaliation?	Independent, transparent, efficient	Functional, but uneven quality	Weak, prone to external influence	
3 Public finance and procurement	Is public procurement open and transparent? Is expenditure of public funds open, accountable, and audited? Can civil society monitor the allocation of public resources and the conduct of procurement? Are oversight agencies independent and properly resourced? Does the agency have ongoing support or capacity development programs with multilateral organisations such as the World Bank, Asian Development Bank? Does the agency receive loan or grant funding, and use multilateral organisation-endorsed procurment guidelines and/or processes?	Open, accessible, and compliant	Signs of bias, fast-tracking	Hidden, not published, prone to political control	
4 Cultural hierarchy	Are there strong cultural ties or loyalties which dominate business and government appointments and decisions? For example: ethnic, family or business dynasty, religious, military, cartel-related, etc.	Impartial, fair	Signs of affiliation, preferences	Dominant influence, affects outcome	
5 Access to information	Is there a right to information granted to all citizens? Are freedom of information laws and processes effective and enforceable? Can civil society and the public easily access information? How prohibitive are access barriers such as costs and delays? Is any information released usually complete or heavily redacted? Do women face additional barriers to access to information (such as literacy, location of information)?	Open and accessible	Moderate access, conditions apply	Non-existent laws and process. Access denied	
6 Openness of media	Is the media free to report on sensitive matters of public interest? What is likelihood of crimes against journalists (intimidation, harassment, arbitrary detention, digital attacks, murder) going unresolved? Are there signs of organised disinformation campaigns?	Open and active	Passive, politically aligned	Controlled, restricted and/or threatened	

Worksheet 1. Assessment of the Context Risk for the Country and Agency Contexts – Continued

Governance Aspect	Assessment questions	Risk Description & Benchmark			Rating
		1	3	5	1–5
Country Context continued					
7 Civil society activity	Are public groups active in drawing attention to issues of concern? Are individuals free to express opinions on sensitive matters of public interest without fear of surveillance or retribution? Is there academic freedom? Is there active engagement with authorities on social matters, such as gender, disadvantaged communities, or others of concern? Are women's rights organisations able to operate freely or if their ability to operate is constrained is this more so than other civil society organisations?	Active	Passive	Controlled, restricted and/or threatened	
8 Corruption perceptions	What are the general perceptions of corruption in the country (as measured by Transparency International's published Corruption Perceptions Index (CPI)[11])?	High CPI 70–100%	Medium CPI 40–69%	Low CPI <40%	
Country Context – Average Rating Add country context ratings and then divide by 8. Enter this number into the appropriate box on Worksheet 1 A					

Governance Aspect	Assessment questions	Risk Description & Benchmark			Rating
		1	3	5	1–5
Agency Context					
1 Executive management	Does the agency head report directly to a politician or to an independent board? Are nominations for board and senior management roles merit-based? Is the agency executive accountable for the performance and expenditure of the agency?	Independent, well-qualified	Political choice, qualified	Political appointment, not merit-based	
2 External influence in agency operation	Are there signs that agency actions or decisions are strongly influenced by political, industry or other external interests? Or that technical considerations and community concerns are downplayed in favour of external preferences?	Minimal	Occasionally evident	Strong or dominant	
3 Professional interaction within agency	Are professionals in the agency able to make technical decisions and to give frank and impartial advice? Is there a focus on thorough investigation and analysis? Is there a focus on due diligence and integrity in reporting?	Strong, active	Limited oversight or training	Lacks professional guidance	
4 Professional and technical capacity	Do agency officials have appropriate experience and qualifications for their roles and responsibilities? Is there sufficient technical capacity to undertake the workload?	Strong	Average or mixed	Severely lacking	
5 Openness of communication	How frequent is the sharing of information with the public? Is information made available to all who request access to information? Is it timely?	Regular, proactive, credible	Limited releases or information	Highly controlled, unreliable	
6 Transparency on budget and program	Are budgets and programs published on a regular basis? Are they in sufficient detail to be verifiable? Is information on actual expenditure and implementation performance disclosed against budget allocations?	Clear and informative	Formal, but not informative	Inadequate or not credible	
7 Grievance mechanisms	Does the agency have a working grievance mechanism? Are women able to access it or are there specific barriers for women's access such as lower literacy, gender norms or lack of formal title to land? Is there an impartial person or ombudsman to manage complaints when the outcome of the grievance mechanism is unsatisfactory? Is there disclosure on the agency's performance in handling grievances? Is there effective protection for whistle-blowers?	Strong and effective	Exists but limited effectiveness	No mechanism and/or not effective	
8 Agency & leadership reputation	What is the agency's reputation for work performance, fairness in employment and openness in communications? How frequently are criticism, complaints or red flags raised about agency projects, integrity or leadership?	Good press, few complaints	Occasional problems, complaints	Frequent issues, poor reputation	

Worksheet 1. Assessment of the Context Risk for the Country and Agency Contexts – Continued

Governance Aspect	Assessment questions	Risk Description & Benchmark 1	3	5	Rating 1–5
Agency Context continued					
9 Vested interests	Are conflict-of-interest issues frequent or apparent? Are there powerful groups or individuals – business interests, wealth, voting blocs, etc. – influencing agency decisions? Is there a culture of exchange of gifts and hospitality that could undermine the integrity of decision-making?	Not obvious	Occasional association or influence	Obvious and frequent influence	
10 Agency-industry relationship	Are there conflict of interest disclosures by key agency officials? Is there disclosure of ownership and directorship of industry companies doing business with the agency? Is there open and impartial communication between the agency and industry players to ensure technical and economic efficiency in the delivery of infrastructure?	Respectful, impartial	Occasional conflicts or alliance	Undue influence and bias	
11 Community engagement	In general, does the agency consult regularly with communities who will be impacted by its decisions? Are consultations meaningful and inclusive, including women and marginalised groups? How likely are the consultations to be effective?	Timely, meaningful and inclusive	Occasional but not meaningful	Rare and not meaningful	
Agency Context Average Rating Add country context ratings and then divide by 11. Enter this number into the appropriate box on Worksheet 1 A					

Worksheet 1A. Summary of Context Risk

Context Risk:	**Country rating:** **Agency rating:** **Overall rating:** Take the Country Rating and add to the Agency Rating from Worksheet 1 to get the Overall Rating (max 10)	[Refer to Worksheet 1B to enter the description that matches the overall rating.]
Key areas of concern:	**Country aspects:** [list the Governance aspects having High risk rating 4 to 5]	**Agency aspects:** [list the Governance aspects having High risk rating 4 to 5]
Areas to be considered further:	**Country aspects:** [list the Governance aspects having risk rating 3]	**Agency aspects:** [list the Governance aspects having risk rating 3]

Worksheet 1B. Summary Rating of Context Risks

Context Risk rating	Context Risk description	Risk
1.0 – 2.9	Strong integrity and functional governance	Low
3.0 – 5.9	Moderate integrity but areas of susceptibility	Medium
6.0 – 7.9	Significant vulnerabilities to undue influence or corruption	High
8.0 – 10	Substantial probability of undue interference or corruption	Very High

STEP 2: CATEGORISING THE PROJECT SELECTION PROCESS

The process used to select and authorise a major infrastructure project can vary considerably between countries and, to some extent, between sectors or agencies within a country. Many of the risks of corruption can be controlled or mitigated through approval processes that are transparent and accountable, however the greater number of controls there are, the more complex and intensive the process becomes.

In broad terms, there are two stages in project selection which feature in every type of process:

(a) **Project identification:** In which the type, location and scale of the project are identified from among a range of other potential projects and options, narrowed down to a likely candidate, and preliminary budget or financing is provided to prepare the project.

(b) **Project authorisation:** In which the candidate project and design options are evaluated, due diligence is conducted to assess the value and impacts of the project in relation to expectations and applicable regulations, and formal budget authorisation is given.

However, the approach to these two stages in the project selection process can also vary considerably in detail - from a detailed systematic approach with many control or decision points, to a more streamlined approach with fewer control points, to a short process with only a couple of control or decision points. In special cases, the process may run almost entirely outside official government processes when the project is led by private investors or is being fast-tracked and the number of control points is minimal.

In this step, you will select the type of process which resembles most closely the practice actually followed by the infrastructure agency for the project under review, even if that differs from the official or normal type of process. This is a broad-brush choice between four different types – the general category is relevant here, more than the detail. The project may have characteristics that fit under multiple process types, you should select the process type that is most

relevant. The four process types are summarised in Table 2 and more detail is provided below.

MAKING THE PROCESS TYPE ASSESSMENT

Preparation for this step involves collecting information from someone familiar with the process in either finance/planning or the infrastructure agency itself. Information may also be available on the government websites, such as Ministries of Finance, Planning, Infrastructure/Public Works, or statutory infrastructure authorities such as the power, water, ports, airports, etc.

The chosen Process Type will be used later in the combined assessment of Indicative Corruption Risk in Step 4.

1. Read the descriptions given for each process type in **Worksheet 2** (and detailed descriptions on pages 20–22 for further detail)
2. Select the process type which is most similar to the process actually followed by the infrastructure agency for the project chosen to review
3. Circle the process type selected in **Worksheet 4A**

DESCRIPTION OF THE FOUR PROCESS TYPES

The four Process Types (A, B, C, D) are described more fully as follows.

Process Type A: Detailed & Systematic Process

A Detailed and Systematic Process typically has many stages and control points where the options and impacts are reviewed before a decision is made to proceed to the next stage. The use of multiple control points aims to improve quality and reduce the risks of undue influence and corruption.

This is often applied for large infrastructure projects, network infrastructure (such as roads, water reticulation, power reticulation, etc.) and internationally financed projects. Computerised systems help to provide objectivity in prioritisation and to manage numerous assets. For large or critical projects, however there will be many aspects requiring detailed investigation, evaluation, and judgements to be applied using formal methods and relevant criteria – for example, on feasibility, environmental and social impacts, disaster risk, etc. Critical stages may also be subject to independent reviews to validate the process. Such an intensive process is typically found only in well-developed economies or may be applied selectively to important or complex projects.

Identification phase. There is usually a detailed structure for decision-making, which may include a long-term sector policy, multi-year plan or framework for implementing the policy, a pipeline or programme of potential projects, and a rational or systematic method for prioritising and selecting the candidate project. This may include a pre-feasibility study of broad options for the project.

Authorisation phase. There is a systematic process to be followed, including: budget for evaluation; preliminary evaluation of design options for the candidate project; a formal appraisal of economic and social value, environmental and social impact evaluations; meaningful community consultation; and, if all objectives are feasible and risks are suitably mitigated or controlled, final budget authorisation.

Process Type B: Streamlined Process

A Streamlined Process typically has only a few control and decision points, restricted to only the most critical stages. The streamlining improves efficiency while maintaining quality through the use of established processes and guidelines. A standardised approach is aimed at curbing risks of corruption, but a lack of independent review may allow distortions within the process to pass undetected.

Many choices and decisions will be made within the agency but there will be regular communication with the government and public on the status of plans, especially when budget approvals are needed for investigation and preparation stages. The project selection process will follow established guidelines regarding economic and impact aspects. The amount of external, independent review is likely to be very limited.

Identification phase. The approach may be quite flexible and adaptable. The policy for the sector may be expressed either through a formal statement or in the form of general economic or political goals. The plan may be expressed in the form of a core list of major projects without the support of a comprehensive plan covering the whole sector. Selection of the core list and of a candidate project may be as much subjective as objective.

Authorisation phase. Project preparation and review is typically conducted internally by the project agency. The process will follow established guidelines on

economic analysis, environmental and social impact evaluation, public or community consultation, etc. but may be simplified or fast-tracked by the agency. There may be limited external inputs and the rigour of analysis may be heavily dependent on the budget, resources and time available. Compliance with the requirements will be demonstrated in the final submission for authorisation. Budget authorisation may be expedited without critical scrutiny.

Process Type C: Short Process

In the Short Process, all the steps in the identification and authorisation phases are internalised within the project agency, often with little or no communication with the public until the selection has been made. This process is the fastest and most efficient, using least resources, and is commonly found in small states or agencies. However, it is also prone to external influence and to lapses in quality, and its integrity is reliant on the broader governance context.

Basic technical methods may be used but any guidelines that may be available may or may not be followed, at the discretion of the agency. This may be caused either by a lack of capacity or resources, or by intent. Communication with the government may be opaque because there may be strong political influence applied to the process. The Identification and Authorisation phases may merge into a single phase.

Identification phase. Projects are proposed, usually on a technical basis but often without a formal selection process, and with limited or no information on alternatives. The proposal may originate from outside the agency, often a political source, but be processed by the agency.

Authorisation phase. Project preparation proceeds directly, either internally or outsourced, with little emphasis on justification or evaluation and mitigation of social and environmental impacts. Consultation with the public and communities is unlikely to have occurred. Budget authorisation may be fast-tracked to avoid further scrutiny.

Process Type D: Investor-led, non-public process

In this instance, the key proponent or investor of an infrastructure project is a non-public party, outside government, which may be a private sector proponent or investor, or a foreign or international financing entity. A public-private partnership is placed in this general category. The process may be specific to the proponent and may bypass standard government processes. The government has the discretion to determine which of their requirements must be met and whether they are satisfied. The process is therefore susceptible to undue influence at any of these stages and there may be little assurance that the outcome will be in the public interest.

Specifically in the case of foreign or international financing, there is a need to evaluate future and contingent liabilities, such as implicit obligations (e.g., tied supply of foreign labour or goods, or policy demands) and repayment terms (e.g., debt management and servicing). In the case of bilateral, government to government, financing, project funding may be used in return for leverage in other areas or sectors. In multilateral financing, through a member institution, the obligations are likely to include mutual interests such as development goals, climate and disaster resilience, institutional strengthening, etc.

Identification Phase. It is preferable that the investor/financier would identify a project that is already part of the government's long-term plan or aligns with its existing policies, or that the identification is made jointly. When proposals are unsolicited, there needs to be more scrutiny of the identified project to determine how it benefits the country, how it aligns with existing policies and plans, and any adverse impacts, including the potential for unfair or undue commercial advantage. Thus, requiring a control (or 'hold') point at the end of the identification phase can help the government control the approach and criteria to be met for authorisation.

Authorisation phase. The evaluations to be conducted and criteria to be satisfied as a pre-condition for government approval, including the need for government sign-off, constitute the primary opportunity for controls of an investor-led project that would ensure generally positive outcomes for the country. A business case may be required to demonstrate that the project is financially as well as economically viable, especially when a revenue stream to the investor is involved. Safeguards for environmental and social impacts and community consultation are areas that are very likely to be squeezed or bypassed unless controls are in place. Even if the government is not funding the project, it may be required to acquire the land, and formal authorisation is required to permit the investor to build and operate the proposed infrastructure.

Worksheet 2. Categorising the project selection process

Process Type A DETAILED & SYSTEMATIC	Process Type B STREAMLINED	Process Type C SHORT	Process Type D INVESTOR-LED
Identification phase			
Policy: A formal policy published for infrastructure sectors such as transport, roads, energy or water. **Plan or program:** A multi-year plan or pipeline (3–10+ years) of major infrastructure projects, based on needs assessment, technical grounds, and policy. **Prioritisation:** Prioritisation by technical, economic and readiness criteria. **Identification:** The candidate project is identified from the priority lists, with preliminary budget allocation.	**Sector Goals:** A specific policy or general sector goals. **Program:** Short-term pipeline of projects updated every 3–5 years. **Identification:** Identification based on available budget. Disclosure limited to identified pipeline.	**Identification:** Projects identified annually or 2–3 years with little reference to priorities or a plan.	**Identification:** Preferably selected from existing plan or pipeline. Unsolicited proposals need scrutiny for technical, sustainability, economic & financial viability.
Authorisation phase			
Project appraisal: Appraisal of viable alternatives; preferred option; preliminary design; economic evaluation. **Impact analyses:** Evaluation of environmental & social impacts, and potential mitigation. **Consultation:** Meaningful consultation with affected stakeholders, businesses, communities, indigenous peoples, etc. **Budget approval:** Detailed review of cost estimate, economic viability, impacts & mitigation compliance, and financing arrangements; fiscal approval.	**Project appraisal:** Preliminary design, economic analysis, environmental and social impact analysis by internal guidelines. **Consultation:** Statutory requirements met, but limited. **Budget approval:** Technical, economic & safeguard justification submitted on budget guidelines. Budget approval usually streamlined.	**Evaluation:** Evaluation is limited and internal, with few gateway steps and no public consultation (may be integrated with Identification) **Budget approval:** The budget proposal constitutes project disclosure; approval often fast-tracked.	**Evaluation:** Level of scrutiny & compliance requirements set by Gov't. **Consultation:** Minimal or no information disclosure unless required by Gov't. **Approval:** Conditional on compliance if requirements have been set; often fast-tracked.

STEP 3: THE PROJECT ASSESSMENT

In this step you assess the project you have chosen to review to identify whether good selection criteria and appraisal processes were followed. This assessment is used to identify red flags which indicate that the selection of the project might have been the result of corruption.

The table presents a series of questions and asks you to assess whether the decision or aspect was appropriate or reasonable. You will assign a red flag rating of either low (1), medium (3), or high (5) representing project vulnerability.

To complete this step the research team will need to have a good understanding of the project and how decisions were made, whether consultations were conducted, whether needs, benefits, impacts, beneficiaries and mitigation plans and assessments were conducted and whether they were adequate.

You may decide to consult with your multistakeholder group or individuals with knowledge and expertise of the government decision-making process, engineering, construction or environmental impact statements.

1. Assign a red flag rating for each project aspect by circling the appropriate box on **Worksheet 3**.
2. Add up the scores in each column and then multiple that number by the risk value (1, 3 or 5) to get the product.
3. Add the product in each column to get the sum of products
4. Divide the sum of products by 13 to get the average. This average is the **Project Vulnerability Score**.
5. Complete **Worksheet 3A** using the instructions provided.

A worked example of the worksheets is provided in **Annex 2**.

Worksheet 3. Assessing the project selection for vulnerabilities (possible red flags)

	Project Aspects	Assessment questions	Red Flag Rating		
			Low (1)	Medium (3)	High (5)
1	Purpose and need	Is the purpose of the project clear and valid in relation to the public/community needs? Have the actual needs been indicated and verified? Does the project have community support? Are planning documents published. E.g. Needs assessment, public hearing notice, market studies, feasibility study.	Valid & verified	Unclear	Not valid, contested
2	Type of intervention	What is planned to be built? Is there sufficient information available to assess what is planned? Is there a project plan document available to the public?	Clear, sufficient	Needs more information	Not clear, insufficient
3	Location	How appropriate is the location of the project? Is it where it is needed the most? Or may the choice be biased? Does it align with planning and zoning requirements? Have there been changes to land use requirements or protections for this project to proceed?	Fit	Maybe	Not fit
4	Size and scope	Does the project seem too large or too small for the intended purpose? Too elaborate or else inadequate?	Fit	Maybe	Not fit
5	Fit for purpose	Does the project as proposed appear to be overall fit for the purpose and need – in location, type of intervention, size, scope, etc.?	Fit	Maybe	Not fit
6	Timing	Is this the right time for the project? Could it be done much later, or cancelled altogether?	Reasonable	Maybe	Not reasonable
7	Likely benefits	Are the benefits stated, credible and valid? Are they sufficient to justify the project and any adverse impacts? What is the benefit of the project from a gender perspective?	Obvious	Yet to be determined	Not obvious
8	Likely beneficiaries	Will the project help the right people, groups and communities (including marginalised group and men and women)? Who will the project help the most?	Well targeted	Help is indirect, or not yet determined	More hurt than helped, or misdirected
9	Likely adverse impacts	How substantial are the likely adverse impacts? Is an evaluation publicly available and credible? Have impacted communities (men and women) been consulted? e.g. Environment – land, water, protected areas, wildlife, air? Social – livelihoods, groups (women, indigenous, people with disabilities, poor, etc), resettlement, cultural heritage? Has an EIS been published?	Not likely or not significant	Yet to be determined	Potentially significant, or misrepresent-ed, or evaluation not credible

10 Impact mitigation plans	Are impact-mitigating measures indicated? Do they seem adequate? Have they been agreed to by affected communities? Have risk provision plans been published	Indicated & likely to be adequate	To be determined	Mitigation inadequate or neglected
11 Cost and value	Does the estimated cost appear high: relative to the agency budget, to the apparent value or benefits of the project, or to similar projects? For large, complex or significant projects was a formal economic analysis conducted and published?	Seems reasonable	Unclear or unable to determine	Seems very high, needs review
12 Funding model impartiality, and, oversight measures	The funding model and impartiality of the funder or financiers can influence the corruption risk. Who is funding or financing the project? Are there vested interests that may override the interests of citizens, harm long-term sustainability and social equity, or divert benefits? Are there short- or long-term conditionalities in the agreement that may limit the rights of access of citizens, adversely impact natural resources or induce long-term indebtedness? How much provision did the financier make for citizen consultation and inputs, and redress? What integrity and impartiality oversights are required by the funding model? Is information on the funding model transparent and publicly available?	Impartial funding without external vested interests. Comprehensive, impartial oversight measures in place.	Funding with restrictions on vested interests. Oversight measures may be limited or partly ineffective.	Funding with strong external interests and few public controls. Oversight measures generally not public or not effective.
13 Other urgent or better value alternatives?	Are there other projects which seem more urgent? Other ways to meet the needs which are less expensive or damaging?	No, not obvious	Maybe	Yes
14 Disaster risks	Is the project exposed to significant disaster risk? Would a different selection have lower exposure? How were these considered? e.g. Earthquake, tsunami, cyclone, flood, sea level rise, bushfire	Risk not significant, well considered	Disaster risk needs evaluation	Risk significant, or not considered
Result calculation	Count answers in each column:			
	Assigned risk value	1	3	5
	Product = count × risk value			
	Sum of products			
Vulnerability rating	Average score = Sum of products ÷ 14			

Worksheet 3A provides a template for capturing the Project Vulnerability score, the Vulnerability description (from Table 3B), and listing the most vulnerable aspects (rated 5) and other vulnerable aspects (rated 3). These aspects warrant further investigation or consideration. This can be made later, using a Level II Detailed Assessment.

Worksheet 3A. Results of Initial Assessment of Project Vulnerabilities

Vulnerability rating	[enter Project Vulnerability score from Table 3]
Project Vulnerability	[enter relevant description from Table 3B]
Key vulnerable aspects	[list the Project aspects with a High red flag rating 5 from Table 3]
Other vulnerable aspects	[list the Project aspects with a Medium red flag rating 3 from Table 3]

Table 3B. Summary Rating of Project Vulnerability

Vulnerability rating	Project vulnerability description
<1.5	Low
1.5 < 3.0	Moderate
3.0 < 4.0	Significant
4.0 +	Substantial

STEP 4. SUMMARY ASSESSMENT – INDICATIVE RISK OF CORRUPTION

This step works on the assumption that having more rigorous systems in place to support government project selection processes can offset some of the risks of interference and mismanagement. It combines the system and environment results (Steps 1 and 2) with the project selection and appraisal assessment results (Step 3) to produce a summary assessment of the potential for corruption to have affected the selection of the infrastructure project being assessed. The summary assessment is called the **Indicative Risk of Corruption**. We use the term indicative because it is based on various indications of corruption risk that are indirect, but not direct, evidence. The calculation is made in two stages following sub-steps 4A and 4B, below.

Step 4A – Calculating the Governance Risk. This combines the Context Risk (Step 1) and the Selection Process Type (Step 2).

The two risks are combined using Worksheet 4A below.

(i) Select the Context Risk, taken from your results from Worksheet 1A.

(ii) Select the Selection Process Type, taken from your results from Worksheet 2A.

(iii) The Governance Risk is then given by the intersection of the selected row and selected column in Table 4A.

In the worked example below, the combination of a Medium Context Risk and Selection Process Type C results in a Governance Risk rating of 4.

Worked example of Worksheet 4A Assessment of Governance Risk

PROCESS TYPE	A DETAILED & SYSTEMATIC	B STREAMLINED	C SHORT	D INVESTOR-LED NON-PUBLIC
Context Risk				
Low	1	2	3	4
Medium	2	4	4	6
High	4	6	7	8
Very high	5	7	8	10

Worksheet 4A. Assessment of Governance Risk

PROCESS TYPE	A DETAILED & SYSTEMATIC	B STREAMLINED	C SHORT	D INVESTOR-LED NON-PUBLIC
Context Risk				
Low	1	2	3	4
Medium	2	4	4	6
High	4	6	7	8
Very high	5	7	8	10

Step 4B – Calculating the Indicative Risk of Corruption. The Indicative Risk of Corruption is a combination of the Governance Risk (from step 4A) and the Project Vulnerability Description (from Step 3). The result produced by Worksheet 4B provides a broad Level I assessment of the potential for corruption to have affected the selection of the infrastructure project under review.

The two assessments are combined using Worksheet 4B below.

(i) Select the relevant Governance Risk, taken from Worksheet 4A.

(ii) Select the Project Vulnerability Description, taken from Worksheet 3A.

(iii) The Indicative Risk of Corruption is then given by the intersection of the selected row and selected column in Worksheet 4B.

In the worked example below, if the Project Vulnerability Description is Moderate and the Governance Risk is High, then the Indicative Risk of Corruption is High.

Worked example of Worksheet 4B. Heatmap for deriving the Indicative Risk of Corruption in the Project Selection

Project Vulnerability Description	Context Risk			
	Low 1–3	Moderate 4–5	High 6–7	Very High 8–10
Low	Very Low	Low	Moderate	Moderate
Moderate	Low	Moderate	High	High
Significant	Moderate	High	Very High	Very High
Substantial	High	Very High	Very High	Very High

Worksheet 4B. Heatmap for deriving the Indicative Risk of Corruption in the Project Selection

Project Vulnerability Description	Context Risk			
	Low 1–3	Moderate 4–5	High 6–7	Very High 8–10
Low	Very Low	Low	Moderate	Moderate
Moderate	Low	Moderate	High	High
Significant	Moderate	High	Very High	Very High
Substantial	High	Very High	Very High	Very High

Initial Assessment Report

An Initial Assessment report can be prepared presenting a summary of the Level I assessment results, using the template shown in Worksheet 4C.

Worksheet 4C. Outline of Initial Assessment Report

INDICATIVE CORRUPTION RISK IN PROJECT SELECTION – INITIAL ASSESSMENT	
Project name	
Project brief description	
Project owner/agency	
Project Vulnerability	*From Worksheet 3A, line 2*
Key project vulnerabilities **Other project vulnerabilities**	*List from Worksheet 3A, line 3* *List from Worksheet 3A, line 4*
Governance risk classification	*Number and description from Worksheet 4A*
Context assessment **Key governance areas of concern** **Other areas to be considered**	*Number from Worksheet 1A, line 1* *List from Worksheet 1A, line 2* *List from Worksheet 1A, line 3*
Project selection process type	*From Worksheet 2*
Indicative Risk of Corruption in the Project Selection Case	*From Worksheet 4B*
Narrative	*Briefly describe the context of the project and reason for doing the assessment* *Explain the main reasons for the Indicative Risk finding* *Indicate next steps – Level II or directly to Steps 6 to 8 and conclusion*



LEVEL

02

DETAILED ASSESSMENT

LEVEL 02

DETAILED ASSESSMENT

STEP 5. DETAILED ASSESSMENT OF CORRUPTION AND MISMANAGEMENT RISKS

This Step is optional. In this Step, the project assessment carried out in Step 3 is re-examined in more detail to find the **Project Selection Corruption Risk**. This will require you to gather more information from project reports or from the responsible infrastructure agency and government decision-makers involved. You should consider developing a research team or advisory group with expertise in engineering, construction or project management to assist or guide you with these assessments.

You will need to decide whether to assess in more detail each of the selection and appraisal criteria assessed in Step 3 or to only examine those aspects that were considered to be high risk. Your decision should be based on the time, resources and access to information you will have for these assessments.

Availability of information will also depend on the Selection Process Type that was identified in Step 2, because more detailed information will be available when a detailed and systematic Type A process is followed, than in less detailed (Type B and Type C) processes. There may be even less information available when an investor led process (Type D) is used as this can be opaque and project specific.

In Worksheet 5B, you are provided with guidance to make two assessments for each selection and appraisal criteria:

(i) **Decision analysis: The extent to which the analysis and technical process was robust and sound, or alternatively mismanaged.**
This technical focus includes:

a. A brief description of each selection and appraisal criteria to help you understand the key functions and outputs expected and how these are developed in the project selection process; and

b. A couple of guiding questions to prompt, but not limit, how you would look at the information available to make a rating of likelihood, and

(ii) **Decision-making: The extent to which the decision makers were or were not subject to undue influence in making the decision.**
This person focus includes:

a. A brief description of the incentives and considerations which might lead actors, including officials, to attempt to influence a project decision with the expectation of corrupt benefit; and

b. A couple of guiding questions to prompt, but not limit, how you would look at the information available to make a rating of likelihood.

Table 5A explains the rating system to guide you to make a rating of both decision analysis and decision-making.

Instructions:

(i) For each project selection and appraisal criteria you are assessing in this step, make a rating for both Decision Analysis and Decision-Making.

(ii) Evaluation Scoring: calculate the Project Selection Corruption Risk using the scoring box and following the instructions at the bottom of Worksheet 5B

(iii) Complete Worksheet 5C to summarise results.

After completing Table 5C, it is useful to compare the results with Table 4C to see how the detailed assessment in Step 5 changes the findings on project vulnerabilities. A full evaluation and summary of this will be conducted next, as part of Step 6.

Table 5A. Rating system for Risks of Technical Mismanagement and Undue Influence

Rating Point		Explanation of rating point
Decision analysis		
A1	Substantial technical analysis or reasoning	The decision is based on sound and well-reasoned technical analysis
A2	Fair or basic analysis or reasoning	The decision is based on fair or basic technical analysis or reasoning
A3	Weak or no analysis, subjective result	The decision is based on weak or no analysis so the result may not be rational or objective.
A4	Result appears contrary to data or evidence	The technical evidence or the data available point to different decision from the one that was made
Decision-making		
B1	Impartial and technical; no indication of undue influence	The decision was made by the designated official(s) and there is no evidence of undue influence in the decision-making process
B2	Possible or attempted influence but effect is not evident	There is an indication that outside actors sought to influence the decision-making process but it's not clear how, or if, it affected the decision.
B3	Evidence of undue or external influence on decision	There is evidence that outside actors or officials probably influenced the decision for private gain.
B4	Undue influence is evident and affected decision substantially	There is evidence that undue or improper influence by officials or other parties had substantial effect on the decision.

Worksheet 5B. Detailed Assessment of Risks of Mismanagement and Undue Influence in the Project Case

Project Aspect	Assessment questions and guidance	Decision Analysis				Decision-Making			
		A1. Substantial technical analysis or reasoning	A2. Fair or basic analysis or reasoning	A3. Weak or no analysis, subjective result	A4. Result appears contrary to data or evidence	B1. No undue influence	B2. Influence sought but not affecting decision	B3. Evidence of undue or external influence	B4. Undue influence is evident, affected decision substantially
1 Purpose and need	*Decision analysis.* The purpose of a project is to meet specific needs of the population or economy. Good practice would require a statement, study or evidence of the needs, and an explanation of how the project addresses those needs. Does it align with National Strategy if one exists? In a poor decision, the purpose and/or stated needs may not align well with the actual or most important needs. Have needs been prioritised appropriately. For example, if the needs are to improve water supply, and replacing leaking pipes is the more urgent need but water storage is prioritised instead. *How well are the purpose and needs aligned? How strong was the supporting analysis and reasoning?*								
	Decision-making. The needs for a project may be raised by various sources, including citizens, industry, elected representatives or the technical agency responsible for the infrastructure. To proceed with a project, the needs should first be validated (through technical study, consultations, etc.) and evaluated against other needs and alternatives. Personal influence could over-ride or distort this. Thus, various parties and officials may be involved in the process. The rating here assesses: *Who was involved in evaluating the needs and deciding the project purpose, inside and outside government? How much engagement and influence did they have with the designated officials? If so, how much did the 'external' influence affect the project decision, perhaps adversely?*								

2 Type of intervention	*Decision analysis.* Infrastructure projects can vary in the type of facility (for example, water storage, treatment or reticulation) and intervention (e.g. construction of new infrastructure, or expansion, upgrading, retrofitting of existing infrastructure, etc.). They can also vary in the type of technology to be used (for example, low emission outputs, renewable energy, etc.). Good practice would require technical consideration of the options before making a decision (for example, through a feasibility study, but this would vary in depth depending on the type of the project selection process, see Table 2. *How sound is the basis for the decision, in terms relative to the complexity of the Process Type (A, B, C or D)? (i.e. more analysis is expected under Type A than under Type C).*								
	Decision-making. The type of intervention may involve different interests, creating incentives for actors to try to influence the process, contrary to the public interest. The lead actors should normally be the responsible infrastructure agency and technical professionals, but finance officials, other relevant agencies (such as environment, etc.), industry suppliers, and possibly foreign agencies may try to exert substantial influence on what is built. How would you assess the impartiality of decision-making on the type of intervention?								
3 Location	D*ecision analysis.* Selecting the location of a project involves first, prioritising the areas where the needs are evident and second, finding a suitable location for the infrastructure facility (which potentially involves land acquisition, environmental and social impacts, disaster threats, operational and labour aspects, spatial planning, etc.). This analysis can involve many detailed studies in a Type A process or may be made in a series of discussions in a Type C process. *Was all the relevant information taken into account and considered in appropriate depth for the decision on location? Does the documentation show what alternatives were considered and how the decision was made? Does the final decision align with the available information?*								

3 Location *Continued*	*Decision-making.* Selecting the location can be one of the most political aspects of an infrastructure project. It must necessarily involve a wide range of actors or parties with relevant interests in the outcome. The process followed and the role of consultations in it can vary considerably. To detect undue interference, as distinct from weak management, there is a need to assess whether there was suitable balance of participation, or whether any parties had disproportionate power or others were unreasonably suppressed. *Were all relevant parties and views included in considerations regarding the location? Were there signs of pre-determination or bias in the way in which options were presented? Do any parties appear to benefit or gain from the location decision, and if so, what was their role in the decision-making?*								
4 Size and scope	*Decision analysis.* The size and scope of a project depend on the scale of needs and potential demand for its use over time. As these factors significantly affect the cost of the project and its financial viability (#11), it is critically important that these align with the initial identification of needs and options. "White elephant" projects are famously those which are too large, too grandiose or too expensive for their practical use. Inadequate planning could lead to a project being too small to meet future demand. *The rating on Size and Scope should assess, e.g.: Has the capacity, functionality and performance of the facility been matched to the expected demand over its expected lifetime? How thoroughly has this been evaluated by the agency? How have the effects of externalities – import regimes, climate change, risk of disasters, resource restrictions, market prices, etc. – been evaluated?*								
	Decision-making. Analysis and evaluation of the size and scope typically requires substantial technical professional input. In this aspect, decision-makers should be well-advised by technical professionals and ensure that all relevant scenarios are analysed. Independent review may also be appropriate. An expectation of corrupt payments, which typically rise in proportion to the scale of a project, may also influence a decision on the size and scope. . *Have the decision-makers at agency level and government level followed the technical advice on Size and Scope? Are there any indications that other factors - such as grandstanding, political competitiveness, market conditions or corrupt payments - may have influenced the Size and Scope?*								

5 Fit for purpose	*Decision analysis.* Fitness for purpose is a broad assessment of the alignment between needs, type of intervention, location, size, and scope, climate impacts with the intended purpose. *Taking account of all these factors and considerations, is the proposed project "fit for purpose" and the most appropriate and sustainable facility to meet the needs at this time? Does the project documentation show that this kind of holistic assessment has been made – in technical, sustainable and economic terms?*								
	Decision-making. The potential for a project to be moved, downsized, or not approved may prompt some stakeholders to bypass certain steps such as fitness for purpose which might hinder the desired outcome or delay approval. *Is there evidence of undue pressure to play down, bypass or dilute the fitness for purpose requirements? Consider the statements and actions of key stakeholders who stand to benefit most and those who stand to lose the most.*								
6 Timing	*Decision analysis.* The timing of an investment project is often determined by fiscal or budgetary considerations, besides its technical urgency, so knowing the viability and implications of postponing a project are important for budget considerations. Furthermore, adequate time is needed for identification (needs, options and prioritisation) and evaluation (preliminary design, cost estimation, appraisal of economics and sustainability) to support a good budget decision. If the timing is rushed, then pertinent information may be unavailable or incomplete when budget authorisation is considered. *Is there information showing the implications of rescheduling or delaying the project, which might strengthen its budget priority or alternatively permit delay to allow other investment priorities to be advanced?*								

6 Timing *Continued*	*Decision-making.* The potential for a project to be delayed can prompt some stakeholders to exert undue influence to maintain a project's priority, especially if corrupt payments are expected within a certain timeframe such as an electoral period. Conversely, strong support for a project's priority may also indicate a valid exercise of responsibilities to constituents. *Are there signs that undue pressure is being applied to maintain a budget priority unreasonably or to defer a project, or where some parties may stand to benefit?*								
7 Likely benefits	*Decision analysis.* A pre-appraisal or feasibility study conducted as part of the Authorisation process should identify the project benefits in type, timing and economic (monetary) value. Where a formal pre-appraisal is not conducted (as in Process Types C or D, and possibly B) the benefits should at least be identified in terms of type and evaluated as justification of the estimated cost. *How rigorous is the analysis of project benefits in respect of type, timing and value? Does the method of analysis appear to be credible, or possibly biased to produce a favourable result? Has community engagement and agreement-making been planned or taken place?*								
	Decision-making. The temptation to inflate benefits or to identify unrealistic or spurious benefits can be strong where the incentives to gain project authorisation are strong. The benefits are also more easily manipulated to gain project advantage than other project aspects. When agreement with the affected community is required, it must be transparent and include not only local elites but also men, women and the affected community. The project should bring benefits to the community as a whole, not only local elites. *How strong are the incentives to bypass or misrepresent project benefits in order to gain authorisation? Which actors are best placed to influence this aspect of the project information? Is community engagement open and transparent?*								

8 Likely beneficiaries	*Decision analysis.* The analysis of the project beneficiaries should identify the likely users of the infrastructure or service to be provided. This uses technical characteristics of the project (size, location, scope), demographics, and consideration of trade-offs given the costs involved. It should also include a gendered analysis of benefits (for example, what 'practical gender needs' and 'strategic gender interests', if any, does the project address). An exaggerated estimate of beneficiaries can be due to ungrounded optimism or to misrepresentation of facts in order to portray unrealistic benefits. *Given the project characteristics, how rigorous and realistic is the analysis of project beneficiaries? Does the method of analysis appear to be reliable or possibly biased to produce a favourable result?*								
	Decision-making. The misrepresentation of the likely beneficiaries can be a way to ensure an undue advantage in the selection process, creating opportunities to bias the decision. A lack of a gender perspective when assessing beneficiaries can lead to bias in the selection process and can perpetuate or create new forms of gender discrimination. *How impartial are the actors involved in the analysis? Is there a strong advocate who may dominate the views or sway the results? Is there any political or personal alignment or connection between the project officials and local representatives? Have gifts or other benefits been given to community leaders to facilitate an agreement? Is agreement-making only between local elites or does it include participation from women, men and the local affected community?*								

9 Likely adverse impacts	*Decision analysis.* The adverse impacts are typically identified in an environment and social impact study. The study should include a gender analysis and should assess the likely impact on the local communities (men and women) who live within the vicinity of the project location such as on their health and wellbeing, increased exposure to disaster threats, access to services and livelihood, and the potential environmental consequences such as deforestation, pollution, impact on wildlife and carbon emissions. *Given the project characteristics, does the environmental and social impact study sufficiently capture the likely adverse impacts on the local community and environment? Has there been a cumulative impact assessment? Were local communities (not only elite but also men and women representative of the community), consulted as part of the study, in a transparent way and are their concerns addressed? Will other, more distant communities be affected by the project?*								
	Decision-making. The study can be compromised due to concerns that the adverse impacts will be considerable, leading to an increase in project costs, or sufficiently controversial that its leads to delays or cancellation. Considering who the study team consulted – including experts, local communities (men and women) and political stakeholders, and whether it included a gender analysis – will help identify who may have had influence over the results. *Who carried out the study and how were they appointed? How broad and transparent was the consultation? Was the study approved by the relevant authority without changes?*								
10 Planned impact mitigation	*Decision analysis.* An Environmental and Social Impact Study (ESIA) should also identify the mitigation measures that will reduce the potential negative impacts on the local community and the environment. *Were the proposed mitigation measures based on a formal study, and do they appear sufficient to reduce the potential impacts? Are the mitigation measures included in the preliminary design and the initial budget?*								

	Decision-making. The authorised officials are tasked with approving the study and the range of mitigating measures to be adopted. Actors may look to influence this decision, to minimise the need for mitigating measures or dilute them in order to reduce costs or avoid difficult works. *Did the official(s) adopt all the mitigation measures in the ESIA report? Does there appear to be any conflict of interest that may dilute the recommended mitigation?*								
11 Cost and value	*Decision analysis.* The estimation of project costs should offer predictability to public expenditure, establishing reliable parameters of disbursement. Cost overruns are common in infrastructure projects. There may be incentives to over-estimate project cost to cushion against overruns, but also to create space for private gains. Alternatively, costs may be under-estimated to expedite project authorisation, particularly if the timing is rushed and scrutiny reduced. *Considering the characteristics of the project (scope, complexity, design, duration), does the project's estimated cost seem reliable and realistic? How objective and rigorous was the estimation provided?*								
	Decision-making. Incentives may exist for actors to bias the estimation of costs in order to influence the decision on project selection, and potentially to secure future gains. *How would you assess the impartiality of the actors involved in the estimation of costs? Are there known business interests or connections between project officials, local businesses or local authorities that might benefit from influencing the cost estimate or economic evaluation?*								
12 Funding model impartiality, and, oversight measures	*Decision analysis.* Current infrastructure needs exceed public funding and often need private funding to meet the gap. However the funding model and impartiality of the funder or financiers can be influenced by external interests to the detriment of people's needs. *How strong was the supporting analysis and the reasoning to select the funding model? Consider for example the following: Is there a business case to demonstrate that the funding model is financially and economically viable? Does the funding model contain adequate resources for upfront financing costs? Are costs repayments structured appropriately over time through taxes or user costs? Does the funding model adequately reduce risk?*								

12 Funding model impartiality, and, oversight measures *Continued*	*Decision-making.* The selection of the funding model requires strong technical and professional input to avoid risking the interests of citizens and harming long-term project and social sustainability. *Based on the available evidence, is it possible to identify who is funding or financing the project and who was involved in deciding the funding model, inside and outside government? Are there any indications that other factors - such as the economic influence of the private parties – may have had a role in the funding model decision? Are there short- or long-term conditionalities in the agreement that may limit the rights of access of citizens, adversely impact natural resources or induce long-term indebtedness? How effective are integrity and impartiality oversights provided by the funding model?*								
13 Other urgent or better alternatives	*Decision analysis.* There may be a more urgent infrastructure need or a better alternative to the identified need that this project is looking to address. *Is there evidence that alternative projects have been proposed to meet this need? If yes, is there an assessment of the different options? Does any published project pipeline indicate that there are more urgent infrastructure needs?*								
	Decision-making. The option which was selected from alternatives, or ahead of more urgent infrastructure needs, may have been chosen for individual or political gain. *Who was responsible for the decision? Was the recommended option approved by the authorised official(s)? Are there known business interests or connections between project officials, local businesses or local authorities that might benefit from influencing the choice of alternative?*								
14 Disaster Risks	*Decision analysis.* Information on the likely risk of disasters in a disaster-prone location should exist in planning documents. Was this information consulted? Have mitigation plans been put in place to limit the effects of disasters such as the requirement to build to withstand storms, earthquakes, etc or to not locate a project in certain areas, e.g., distance from the coastline?								

	Decision-making. .Incentives may exist for actors to select inappropriate project(s) for the location, for example, locations that are prone to earthquake, tsunami, cyclone, flood, sea level rise, bushfire that would not be safe or could not be built to the required standard to withstand the likelihood of disasters. Are there known business interests or connections between project officials, local businesses or local authorities that might benefit from influencing the selection of projects in disaster prone areas?								

Evaluation Scoring									
Sub-scores	Count the responses in each column								
	Weighting	1	2	4	6	1	2	4	6
	Products = count × weighting								
	Sub-score = Sum of products ÷ 14	DA =				DM =			
Project Selection Corruption Risk Score = (Sub score DA + Sub score DM) × 10 ÷ 14									

Worksheet 5C. Results – Project Selection Corruption Risk – Detailed Assessment

Project Selection Corruption Risk (score, max 10)	*[enter the Project Selection Corruption Risk Score, from Worksheet 5]*	
Key areas of concern:	**Decision analysis:** *[list the Project aspects having rating A4]*	**Decision-making:** *[list the Project aspects having rating B3 and B4]*
Areas to be considered further:	**Decision analysis:** *[list the Project aspects having rating A3]*	**Decision-making:** *[list the Project aspects having rating B2]*



LEVEL

03

COMMUNICATING AND ADDRESSING THE RISKS

LEVEL 03

COMMUNICATING AND ADDRESSING THE RISKS

The final steps support users to communicate the assessment of corruption risks and to engage with the relevant authorities. Regardless of the depth of analysis that is chosen by the user (i.e., Level I – Initial Assessment, or Level II – Detailed Assessment), both will generate the basis for an informed process of holding power to account (defined in Box 8 below) that is at the heart of Steps 6, 7 and 8. Three sets of actions are considered within these steps: Addressing the Findings, Recommended Mitigation Measures and Report on Findings.

STEP 6. ADDRESSING THE FINDINGS

In this Step, you will review all the findings from Worksheets already completed. Reviewing these findings will help you identify any patterns that emerge from the areas of concern and the project vulnerabilities identified. Special attention should be given to the Worksheet 5C findings if the optional detailed assessment has been undertaken.

- Do the higher risks relate mainly to technical issues, the information used, or the method applied?
- Do the higher risks relate mainly to the people involved, such as the agency staff, officials, local stakeholders?
- Are there credibility issues around key aspects, such as: the viability of the project; its impacts on the environment or communities; the intended beneficiaries and who benefits most; the sustainability of the project?
- Are there some important areas where we just don't have enough information?
- Is there enough evidence to support the Indicative Risk rating and the final Corruption Risk rating, or do you need to avoid a strong conclusion and show that the evidence is inconclusive?

Next, you should summarise the findings in a way that is suitable for communication to important stakeholders (citizens, watchdog groups, officials, media), including:

- What are the headline messages?
- What areas warrant further enquiry?
- What steps should be taken before the report in step 8 is finalised?

Table 6A presents some potential follow up lines of enquiry. The specific lines chosen by the user will depend on the specific findings and the areas where information is lacking or contradictory. **Annex 9** provides examples of questions that can support the accountability process with the authorities and help persuade them to act on the assessment developed and the findings uncovered. The list of Accountability Questions is not exhaustive, and you are encouraged to consider your own questions that will be applicable to your own context and the issues that have been identified.

BOX 5

HOLDING POWER TO ACCOUNT

Holding power to account prevents the abuse of power and ensures those entrusted with power serve the common good. This relies on strong institutions, which underpin the eradication of poverty and hunger, reduction in inequalities, protection of our environment, and access to healthcare, education and infrastructure. Power refers to public or governmental power and private power at all levels from businesses, not-for-profit institutions, local decision-makers and world leaders.

Holding power to account involves focusing on concentrations of power that pose the greatest risks of grand corruption and captured institutions. It requires institutional checks and balances, the enforcement of anti-corruption standards for accountability and active social oversight through political, legal and everyday social actions by civil society.

(2021 Transparency International)

Table 6A. Example Lines of Enquiry for Following up on the Assessment

	Example Lines of Enquiry
1.	Scope and completeness of the needs analysis
2.	Scope of project alternatives considered
3.	History of project proposals in the vicinity of the proposed project location
4.	Any business, social or political connections between local stakeholders (officials, landowners, businesses) and project agency officials
5.	Declaration of business interests of agency staff and local authorities involved in the project selection, e.g. conflict of interest disclosure
6.	Likely flow of benefits during preparation of the project, e.g. to landowners, businesses, local officials
7.	Any potentially serious impacts (environmental or social) or sensitive areas that may have been treated too lightly or avoided
8.	Any potential benefits that may have been distorted or exaggerated
9.	Reasons why the standard process was not followed or was fast-tracked

STEP 7. MITIGATION MEASURES

Consider the kind of mitigating measures which could be effective, first for the project selection case that was assessed, and second, for improving the project selection process in the future. Examples of mitigating measures which may be relevant are shown in Table 6B below. The measures you recommend should be appropriate to the specific situation and context and likely to be effective.

Table 6B. Example Mitigating Measures

	Project Case
1.	Require technical justification of project location and assessment of alternative options of intervention.
2.	Require a conflict-of-interest check on key stakeholders involved during the project identification stages.
3.	Require an independent technical study to review the existing project identification information (purpose, location, outline, scope), to reassess needs if necessary, and to identify options for further discussion.
4.	Require an environmental and social impact assessment (including a gender impact assessment) to precede and inform the detailed design.
5.	Require a disaster threat assessment and proof of compliance with applicable regulation (health & safety site checks, building codes, permit authorisations, etc).

Table 6B. Continued overleaf >

Table 6B. Example Mitigating Measures *continued*

Long-term Process Improvements	
6.	Require authorities to keep a public record of meetings with stakeholders.
7.	Introduce a template for authorities to provide technical evidence of the needs, purpose, outline and scope of potential projects – to be disclosed at the time it moves to evaluation and authorisation.
8.	Require authorities to publish and maintain a priority list of appraised projects and justify whenever budget is not allocated to the priority listing.
9.	Provide technical training to public officials on how to perform project appraisal and prioritisation.
10.	Limit project approval in periods close to elections.
11.	Require detailed technical reasoning for project approval in periods of crisis and emergency.
12.	Require technical justification of project design and assessment of alternative design options
13.	Introduce an external review process by an audit agency or technical body.
14.	Introduce a budget template requiring detailed technical justification of cost estimates.
15.	Publish the reasons why the standard process was not followed.

Box 6 provides an example of how the findings from a CoST Afghanistan report were used to introduce long-term reforms in the Ministry of Public Works

BOX 6



GOOD PRACTICE – DESIGN REVIEW UNIT

The work of CoST – the Infrastructure Transparency Initiative in Afghanistan helped to identify major problems in the preparation stage of the project cycle, particularly relating to inaccurate surveys and inconsistent designs, often leading to time and cost overruns. CoST technical findings prompted change and the National Road Authority established a Design Review Unit to address the challenges. As reported by CoST, between 2018 and 2019 the review of project design of road projects saved US$8.3 million in over 100 infrastructure projects due to reassessment of quantities and costs. *"The National Road Authority was facing significant problems. Projects often lacked feasibility studies, their design was inaccurate, hydrological studies were ignored, and there were many instances of inaccurate quantities and costs. These problems encouraged collusion between contractors and site managers and ultimately facilitated corruption"* (CoST approach saves millions: Paving the way to better roads and a stronger economy in Afghanistan).

STEP 8. REPORTING THE FINDINGS

The entire assessment should be summarised in a report that includes the Level I assessment (Worksheet 4C), the Level II assessment where applicable (Worksheet 5C), the lines of enquiry and the recommended mitigation measures.

A suggested structure for the report is summarised in Box 7 with a working example of the report available in **Annex 7**. You are encouraged to modify the structure to be applicable to the context, how the assessment was carried out and the findings that were identified. It is important that the report is clear and concise, minimising subjectivity and personal opinions and focusing on the facts that the assessment has identified.

BOX 7 REPORT STRUCTURE

- An executive summary that highlights the main findings and recommendations.
- An introduction that provides a brief background on the infrastructure sector, any recent concerns over corruption and general governance challenges within the sector and the reason for an infrastructure corruption risk assessment.
- A brief description of the infrastructure project and the reason it is under review.
- A summary of the methodology that was used including any limitations on what could be achieved such as the availability of information.
- A summary of the completed Level I assessment and Indicative Corruption Risk, highlighting the key project vulnerabilities and areas of concern and the supporting indicative evidence.
- A summary of the Level II assessment, if undertaken, including discussion of the areas of concern with the highest risk.
- The lines of enquiry that are used based on your analysis of the findings.
- The recommended mitigation measures that address the vulnerabilities that arise

CONCLUSION

The step-by-step guidance outlined in this tool is intended principally to help civil society, along with government and the private sector, to identify the Indicative Risk of Corruption at the earliest phases of an infrastructure project. The tool helps you to identify the key areas of vulnerability to corruption and guides you through the process of summarising the findings and communicating them to decision makers and other stakeholders. This process helps you to plan follow up enquiries with the goal of persuading decision makers to act on the red flags or vulnerabilities identified, both for the project assessed and for the selection process as a whole.

We hope going through this process will help to encourage more robust selection and appraisal criteria are used to assess projects before substantial budget is committed for expenditure at the implementation stage of a project. We expect this to result in higher quality, more appropriate projects that benefit the whole community, rather that select interest groups.

GLOSSARY

The terms in this tool have the meanings set out below:

Downstream stages of project development: the phase of project implementation that starts with procurement and includes construction, operation and maintenance through to decommission and repurposing (The Solutions Lab 2020).

Indicative risk: refers to an identified meaningful risk that is the result of an indirect assessment of evidence.

Governance of infrastructure: the processes, tools and decision-making used by governmental organisations in the delivery of infrastructure (OECD, 2015)

Public infrastructure: facilities, structures, equipment or physical assets that provide public goods, or goods that meet a politically mandated, fundamental need that the market is not able to provide on its own (OECD, 2015)

Public procurement: a mode of provision of public assets or services in which a government body contracts with private partners to provide infrastructure-based goods and services (OECD, 2015)

Public Private Partnership (PPP): a mode of provision of public assets or services in which a private partner bears significant risk and management responsibility, and remuneration is linked to performance (World Bank Guidance on PPP Contractual Provisions, 2019)

Risk: the potential for realisation of unwanted, negative consequences of an event (Society for Risk Analysis). Also defined as the effect of uncertainty on objects (ISO 2018). The negative consequence assessed in ICRAT is corruption.

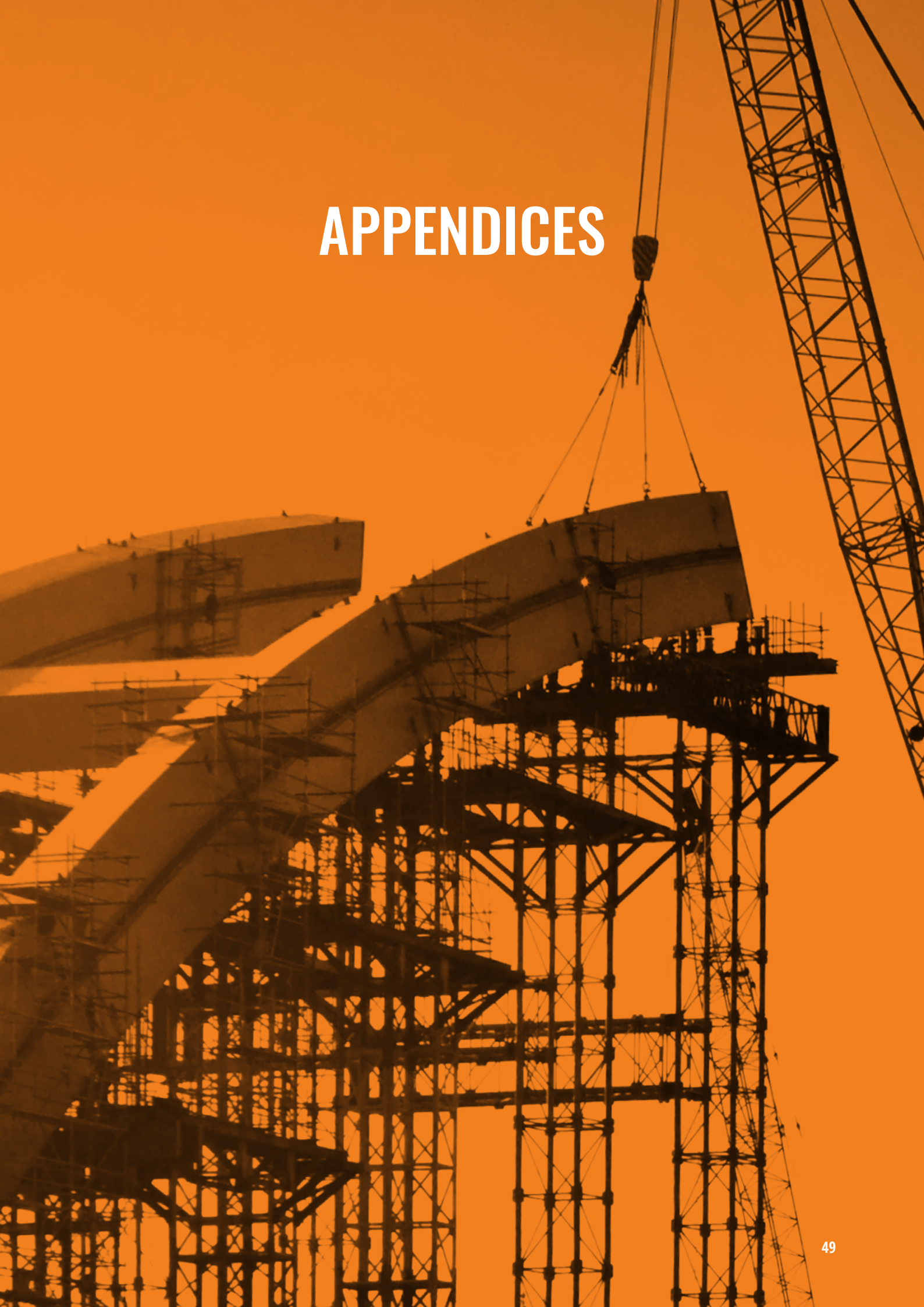
Unsolicited proposal: a proposal made by a private party to undertake a project submitted at the initiative of the private firm, rather than in response to a request from the government (World Bank 2020)

Uncertainty: imperfect or incomplete information/ knowledge about the occurrence of an event (Society for Risk Analysis). The uncertain event assessed in ICRAT is the potential of corruption.

Upstream stages of project development: the initial phase of project implementation that includes planning, prioritisation, selection and authorisation (The Solutions Lab 2020).

Vulnerability: The degree to which a system is affected by a risk source (Society for Risk Analysis). The risk source assessed in ICRAT is corruption.

APPENDICES



ANNEX 1: REFERENCES & USEFUL FRAMEWORKS

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ANNEX 2: WORKED EXAMPLE OF WORKSHEETS 1, 1A AND 1B

Fictional example:

Governance context:

Consider a country where democratic institutions, such as free elections, independent courts and active civil society, are in place. Integrity issues, however, remain a known impediment to economic and social development. Corruption schemes are frequently reported by the media, including in relation to infrastructure projects. A culture of favour is considered 'business as usual' in many sectors and strong ties between political and economic interests suggest a 'crony capitalism' style of development. The country suffers from a lack of technical skills within government and bureaucratic bodies. Formal proceedings exist to ensure transparency and accountability, but a 'rule of exception' seems to prevail whenever certain interests are in play.

Project context:

Consider a major road project developed under the responsibility and authority of the Roads Fund of Country 'X', named 'Improvement of Road Y to Z'. The project claims to connect rural communities to agriculture value chain development zones. The project includes improvements to the existing road, as well as construction of new bridges and a road link to a nearby port to ensure connectivity. The project is advertised as strategic to the region, supporting agribusiness growth, the 'levelling up' agenda and helping the region back to post-Covid recovery. When questioned by the media about community approval, the project political sponsor stated that: "If you consult communities earlier, you create all kind of expectations".

Worksheet 1. Assessment of the Context Risk for the Country and Agency Contexts

Governance Aspect	Assessment questions	Risk Description & Benchmark			Rating
		1	3	5	1–5
Country Context					
1 Election process	Are elections periodic, free and fair? Is the integrity of the ballot adequately ensured? Are candidates free to express opinions without interference? Is the right to establish a political party, the role of opposition, and gender balance ensured and respected? Is vote buying a regular practice? Are lobbying and campaign contributions transparent?	Open, contestable, free & credible	Partly fair but notable interference	Repressive, restrictive, & ballot fraud likely	**1**
2 Legal, judicial system and whistle-blowers	How independent are the courts from government, partisan or commercial influence? Are conditions for a fair trial adequately ensured? Is due process ensured as a matter of law? Are court decisions rendered within reasonable time? How effective are the provisions and enforcement to protect whistleblowers? Do whistleblower provisions protect women from gender-specific forms of retaliation?	Independent, transparent, efficient	Functional, but uneven quality	Weak, prone to external influence	**3**
3 Public finance and procurement	Is public procurement open and transparent? Is expenditure of public funds open, accountable, and audited? Can civil society monitor the allocation of public resources and the conduct of procurement? Are oversight agencies independent and properly resourced? Does the agency have ongoing support or capacity development programs with multilateral organisations such as the World Bank, Asian Development Bank? Does the agency receive loan or grant funding, and use multilateral organisation-endorsed procurment guidelines and/or processes?	Open, accessible, and compliant	Signs of bias, fast-tracking	Hidden, not published, prone to political control	**4**
4 Cultural hierarchy	Are there strong cultural ties or loyalties which dominate business and government appointments and decisions? For example: ethnic, family or business dynasty, religious, military, cartel-related, etc.	Impartial, fair	Signs of affiliation, preferences	Dominant influence, affects outcome	**5**
5 Access to information	Is there a right to information granted to all citizens? Are freedom of information laws and processes effective and enforceable? Can civil society and the public easily access information? How prohibitive are access barriers such as costs and delays? Is any information released usually complete or heavily redacted? Do women face additional barriers to access to information (such as literacy, location of information)?	Open and accessible	Moderate access, conditions apply	Non-existent laws and process. Access denied	**2**
6 Openness of media	Is the media free to report on sensitive matters of public interest? What is likelihood of crimes against journalists (intimidation, harassment, arbitrary detention, digital attacks, murder) going unresolved? Are there signs of organised disinformation campaigns?	Open and active	Passive, politically aligned	Controlled, restricted and/or threatened	**1**

7 Civil society activity	Are public groups active in drawing attention to issues of concern? Are individuals free to express opinions on sensitive matters of public interest without fear of surveillance or retribution? Is there academic freedom? Is there active engagement with authorities on social matters, such as gender, disadvantaged communities, or others of concern? Are women's rights organisations able to operate freely or if their ability to operate is constrained is this more so than other civil society organisations?	Active	Passive	Controlled, restricted and/or threatened	**1**
8 Corruption perceptions	What are the general perceptions of corruption in the country (as measured by Transparency International's published Corruption Perceptions Index (CPI))?	High CPI 70–100%	Medium CPI 40–69%	Low CPI <40%	**5**
Country Context – Average Rating					**2.7**

Governance Aspect	Assessment questions	Risk Description & Benchmark 1	3	5	Rating 1–5
Agency Context					
1 Executive management	Does the agency head report directly to a politician or to an independent board? Are nominations for board and senior management roles merit-based? Is the agency executive accountable for the performance and expenditure of the agency?	Independent, well-qualified	Political choice, qualified	Political appointment, not merit-based	**3**
2 External influence in agency operation	Are there signs that agency actions or decisions are strongly influenced by political, industry or other external interests? Or that technical considerations and community concerns are downplayed in favour of external preferences?	Minimal	Occasionally evident	Strong or dominant	**5**
3 Professional interaction within agency	Are professionals in the agency able to make technical decisions and to give frank and impartial advice? Is there a focus on thorough investigation and analysis? Is there a focus on due diligence and integrity in reporting?	Strong, active	Limited oversight or training	Lacks professional guidance	**3**
4 Professional and technical capacity	Do agency officials have appropriate experience and qualifications for their roles and responsibilities? Is there sufficient technical capacity to undertake the workload?	Strong	Average or mixed	Severely lacking	**3**
5 Openness of communication	How frequent is the sharing of information with the public? Is information made available to all who request access to information? Is it timely?	Regular, proactive, credible	Limited releases or information	Highly controlled, unreliable	**1**
6 Transparency on budget and program	Are budgets and programs published on a regular basis? Are they in sufficient detail to be verifiable? Is information on actual expenditure and implementation performance disclosed against budget allocations?	Clear and informative	Formal, but not informative	Inadequate or not credible	**4**
7 Grievance mechanisms	Does the agency have a working grievance mechanism? Are women able to access it or are there specific barriers for women's access such as lower literacy, gender norms or lack of formal title to land? Is there an impartial person or ombudsman to manage complaints when the outcome of the grievance mechanism is unsatisfactory? Is there disclosure on the agency's performance in handling grievances? Is there effective protection for whistle-blowers?	Strong and effective	Exists but limited effectiveness	No mechanism and/or not effective	**5**
8 Agency & leadership reputation	What is the agency's reputation for work performance, fairness in employment and openness in communications? How frequently are criticism, complaints or red flags raised about agency projects, integrity or leadership?	Good press, few complaints	Occasional problems, complaints	Frequent issues, poor reputation	**2**

9	Vested interests	Are conflict-of-interest issues frequent or apparent? Are there powerful groups or individuals – business interests, wealth, voting blocs, etc. – influencing agency decisions? Is there a culture of exchange of gifts and hospitality that could undermine the integrity of decision-making?	Not obvious	Occasional association or influence	Obvious and frequent influence	**5**
10	Agency-industry relationship	Are there conflict of interest disclosures by key agency officials? Is there disclosure of ownership and directorship of industry companies doing business with the agency? Is there open and impartial communication between the agency and industry players to ensure technical and economic efficiency in the delivery of infrastructure?	Respectful, impartial	Occasional conflicts or alliance	Undue influence and bias	**5**
11	Community engagement	In general, does the agency consult regularly with communities who will be impacted by its decisions? Are consultations meaningful and inclusive, including women and marginalised groups? How likely are the consultations to be effective?	Timely, meaningful and inclusive	Occasional but not meaningful	Rare and not meaningful	**3**
Agency Context – Average Rating						**3.5**

Worksheet 1A. Summary of Context Assessment

Context Risk:	*Country rating: 2.7* *Agency rating:3.5* *Overall rating (sum):* **6.2**	**H** – Significant areas of susceptibility to undue influence or corruption
Key areas of concern:	*Country aspects:* • Public finance and procurement • Cultural hierarchy • Corruption perceptions	*Agency aspects:* • External influence in agency operation • Transparency on budget and program • Grievance mechanisms • Vested interests • Agency-industry relationship
Areas to be considered further:	*Country aspects:* Legal and judicial system	*Agency aspects:* • Executive management • Professional interaction within agency • Professional and technical capacity • Community engagement

Worksheet 1B. Summary Rating of Context Risks

Context Risk rating	Context Risk description	Risk
1.0 – 2.9	Strong integrity and functional governance	L
3.0 – 5.9	Moderate integrity but areas of susceptibility	M
6.0 – 7.9	**Significant areas of susceptibility to undue influence or corruption**	**H**
8.0 – 10	Substantial probability of undue interference or corruption	VH

ANNEX 3: WORKED EXAMPLE OF WORKSHEET 2

Process Type A DETAILED & SYSTEMATIC	Process Type B STREAMLINED	Process Type C SHORT	Process Type D INVESTOR-LED
Identification phase			
Policy: A formal policy published for infrastructure sectors such as transport, roads, energy or water. **Plan or program:** A multi-year plan or pipeline (3–10+ years) of major infrastructure projects, based on needs assessment, technical grounds, and policy. **Prioritisation:** Prioritisation by technical, economic and readiness criteria. **Identification:** The candidate project is identified from the priority lists, with preliminary budget allocation.	**Sector Goals:** A specific policy or general sector goals. **Program:** Short-term pipeline of projects updated every 3–5 years. **Identification:** Identification based on available budget. Disclosure limited to identified pipeline.	**Identification:** Projects identified annually or 2–3 years with little reference to priorities or a plan.	**Identification:** Preferably selected from existing plan or pipeline. Unsolicited proposals need scrutiny for technical, sustainability, economic & financial viability.
Authorisation phase			
Project appraisal: Appraisal of viable alternatives; preferred option; preliminary design; economic evaluation. **Impact analyses:** Evaluation of environmental & social impacts, and potential mitigation. **Consultation:** Meaningful consultation with affected stakeholders, businesses, communities, indigenous peoples, etc. **Budget approval:** Detailed review of cost estimate, economic viability, impacts & mitigation compliance, and financing arrangements; fiscal approval.	**Project appraisal:** Preliminary design, economic analysis, environmental and social impact analysis by internal guidelines. **Consultation:** Statutory requirements met, but limited. **Budget approval:** Technical, economic & safeguard justification submitted on budget guidelines. Budget approval usually streamlined.	**Evaluation:** Evaluation is limited and internal, with few gateway steps and no public consultation (may be integrated with Identification) **Budget approval:** The budget proposal constitutes project disclosure; approval often fast-tracked.	**Evaluation:** Level of scrutiny & compliance requirements set by Gov't. **Consultation:** Minimal or no information disclosure unless required by Gov't. **Approval:** Conditional on compliance if requirements have been set; often fast-tracked.

Selected option: TYPE B

ANNEX 4: WORKED EXAMPLE OF WORKSHEETS 3, 3A AND 3B

Worksheet 3. Assessing the project areas that are vulnerable to corruption

	Project Aspects	Assessment questions	Red Flag Rating			Rating
			Low (1)	Medium (3)	High (5)	
1	Purpose and Need:	Is the purpose of the project clear and valid in relation to the public/ community needs? Have the actual needs been indicated and verified?	Valid	Unclear	Not valid, previously contested	**1**
2	Type of intervention	What is planned to be built? Is there sufficient information available to assess what is planned?	Clear, sufficient	Needs more information	Not clear, insufficient	**3**
3	Location	How appropriate is the location of the project? Is it where it is needed the most? Or may the choice be biased?	Fit	Maybe	Not fit	**5**
4	Size and scope	Does the project seem too large or too small for the intended purpose? Too elaborate or else inadequate?	Fit	Maybe	Not fit	**5**
5	Is it fit for purpose?	Does the project as proposed appear to be overall fit for the purpose and need – in location, type of intervention, size, scope, etc.?	Fit	Maybe	Not fit	**5**
6	Timing	Is this the right time for the project? Could it be done much later, or cancelled altogether?	Reasonable	Maybe	Not reasonable	**3**
7	Likely benefits	Are the benefits stated, credible and valid? Are they sufficient to justify the project and any adverse impacts?	Obvious	Yet to be determined	Not obvious	**3**
8	Likely beneficiaries	Will the project help the right people? Who will the project help the most?	Well targeted	Help is indirect, or not yet determined	More hurt than helped, or misdirected	**3**
9	Likely adverse impacts	How substantial are the likely adverse impacts? Is an evaluation publicly available and credible? E.g. Environment – land, water, protected areas, wildlife, air? Social – livelihoods, groups (women, indigenous, people with disabilities, poor, etc), resettlement, cultural heritage?	Not likely or not significant	Yet to be determined	Potentially significant	**5**
10	Impact mitigation plans	Are impact-mitigating measures indicated? Do they seem adequate? Have they been agreed to by affected communities?	Indicated & likely to be adequate	To be determined	Mitigation inadequate or neglected	**3**

11	Cost, value	Does the estimated cost appear high: relative to the agency budget, to the apparent value or benefits of the project, or to similar projects?	Seems reasonable	Unclear or unable to determine	Seems high compared to budget, other projects or value gained	**3**
12	Funding model impartiality, and, oversight measures	The funding model and impartiality of the funder or financiers can influence the corruption risk. Who is funding or financing the project? Are there vested interests that may override the interests of citizens, harm long-term sustainability and social equity, or divert benefits? Are there short- or long-term conditionalities in the agreement that may limit the rights of access of citizens, adversely impact natural resources or induce long-term indebtedness? How much provision did the financier make for citizen consultation and inputs, and redress? What integrity and impartiality oversights are required by the funding model? Is information on the funding model transparent and publicly available?	Impartial funding without external vested interests. Comprehensive, impartial oversight measures in place.	Funding with restrictions on vested interests. Oversight measures may be limited or partly ineffective.	Funding with strong external interests and few public controls. Oversight measures generally not public or not effective.	NA
13	Other urgent or better value alternatives?	Are there other projects which seem more urgent? Other ways to meet the needs which are less expensive or damaging?	No, not obvious	Maybe	Yes	**5**
14	Disaster risks	Is the project exposed to significant disaster risk? Would a different selection have lower exposure? How were these considered?	It seems so	It seems so	No, not obvious	
Result calculation		*Count answers in each column:*	**2**	**6**	**5**	
		Assigned risk value	*1*	*3*	*5*	
		Product = count × risk value	**2**	**18**	**25**	
		Sum of products	**45**			
Vulnerability rating		*Average score (= Sum of products ÷ 14)*	**3.2**			

Worksheet 3A. Results of Initial Assessment of Project Selection Vulnerabilities

Vulnerability rating (score, max. 5)	**3.2**
Project Vulnerability	**Significant**
Key vulnerable aspects	• Location • Size and scope • Fit for purpose • Likely adverse impacts • Disaster risks
Other vulnerable aspects	• Type of intervention • Timing • Likely benefits • Likely beneficiaries • Planned mitigation • Cost, value

Table 3B. Summary Rating of Project Vulnerabilities

Vulnerability rating	Project vulnerability description
<1.5	Low
1.5 < 3.0	Moderate
3.0 < 4.0	**Significant**
4.0 +	Substantial

ANNEX 5: WORKED EXAMPLE OF WORKSHEETS 4A, 4B AND 4C

Worksheet 4A. Assessment of Governance Risk

PROCESS TYPE	A DETAILED & SYSTEMATIC	B STREAMLINED	C SHORT	D INVESTOR-LED
Context Risk				
Low	1	2	3	4
Medium	2	4	4	6
High	4	**6**	7	8
Very high	5	7	8	10

Worksheet 4B. Heatmap for Potential for Corruption in the Project Selection Case

Project Vulnerability Description	Governance Risk			
	Low 1–3	Moderate 4–5	High 6–7	Very High 8–10
Low	Very Low	Low	Moderate	Moderate
Moderate	Low	Moderate	High	High
Significant	Moderate	High	**Very High**	Very High
Substantial	High	Very High	Very High	Very High

Worksheet 4C. Outline of Initial Assessment Report

INDICATIVE CORRUPTION RISK IN PROJECT SELECTION – INITIAL ASSESSMENT	
Project name	Improvement of Road Y to Z
Project brief description	The project consists of road development between Y and Z that includes improvements to the existing road, new bridges, and additional logistics connections.
Project owner/agency	Roads Fund
Project Vulnerability	Significant
Key project vulnerabilities	• Location • Size and scope • Fit for purpose • Likely adverse impacts • Disaster risks
Other project vulnerabilities	• Type of intervention • Timing • Likely benefits • Likely beneficiaries • Planned mitigation • Cost, value
Governance risk classification	High
Governance context assessment	Significant areas of susceptibility to undue influence or corruption
Key governance areas of concern	*Country aspects:* • Public finance and procurement • Cultural hierarchy • Corruption perceptions *Agency aspects:* • External influence in agency operation • Transparency on budget and program • Grievance mechanisms • Vested interests • Agency-industry relationship
Other areas to be considered	*Country aspects:* • Legal and judicial system *Agency aspects:* • Executive management • Professional interaction within agency • Professional and technical capacity • Community engagement
Project selection process type	Type B – Streamlined
Indicative Risk of Corruption in the Project Selection Case	Very High

Narrative	The project under assessment is part of the country post-Covid recovery plan. The argument used by the agency to justify the project selection was the potential of leveraging connectivity opportunities for agribusiness, which will allegedly increase the region economic prospects and overall growth. The project size seems exaggerated, and the location and kind of intervention seem also biased to favour certain local interests, mostly agribusiness and big landowners. Communities have not been part of any decision related to the choice of the project. The assessment was developed to investigate the extent of bias in the selection. The Indicative Risk of Corruption was assessed as Very High, with many red flags identified. We will undertake Level II assessment to deepen our initial assessment. We faced some challenges to access information given the lack of proper records of the project. We used the Clarifying Questions to obtain more information from the agency but within the timeframe of the Initial Assessment no replies were presented.

ANNEX 6: WORKED EXAMPLE OF WORKSHEETS 5B AND 5C

Worksheet 5B. Detailed Assessment of Risks of Mismanagement and Undue Influence in the Project Case

Project Aspect	Assessment questions and guidance	Decision Analysis				Decision-Making			
		A1. Substantial technical analysis or reasoning	A2. Fair or basic analysis or reasoning	A3. Weak or no analysis, subjective result	A4. Result appears contrary to data or evidence	B1. No undue influence	B2. Influence sought but not affecting decision	B3. Evidence of undue or external influence	B4. Undue influence is evident, affected decision substantially
1 Purpose and Needs	*Decision analysis.* The purpose of a project is to meet specific needs of the population or economy. Good practice would require a statement, study or evidence of the needs, and an explanation of how the project addresses those needs. Does it align with National Strategy if one exists? In a poor decision, the purpose and/or stated needs may not align well with the actual or most important needs. Have needs been prioritised appropriately. For example, if the needs are to improve water supply, and replacing leaking pipes is the more urgent need but water storage is prioritised instead. *How well are the purpose and needs aligned? How strong was the supporting analysis and reasoning?*			X					
	Decision-making. The needs for a project may be raised by various sources, including citizens, industry, elected representatives or the technical agency responsible for the infrastructure. To proceed with a project, the needs should first be validated (through technical study, consultations, etc.) and evaluated against other needs and alternatives. Personal influence could over-ride or distort this. Thus, various parties and officials may be involved in the process. The rating here assesses: *Who was involved in evaluating the needs and deciding the project purpose, inside and outside government? How much engagement and influence did they have with the designated officials? If so, how much did the 'external' influence affect the project decision, perhaps adversely?*							X	

2 Type of intervention	*Decision analysis.* Infrastructure projects can vary in the type of facility (for example, water storage, treatment or reticulation) and intervention (e.g. construction of new infrastructure, or expansion, upgrading, retrofitting of existing infrastructure, etc.). They can also vary in the type of technology to be used (for example, low emission outputs, renewable energy, etc.). Good practice would require technical consideration of the options before making a decision (for example, through a feasibility study, but this would vary in depth depending on the type of the project selection process, Table 2). *How sound is the basis for the decision, in terms relative to the complexity of the Process Type (A, B, C or D)? (i.e. more analysis is expected under Type A than under Type C).*		X						
	Decision-making. The type of intervention may involve different interests, creating incentives for actors to try to influence the process, contrary to the public interest. The lead actors should normally be the responsible infrastructure agency and technical professionals, but finance officials, other relevant agencies (such as environment, etc.), industry suppliers, and possibly foreign agencies may try to exert substantial influence on what is built. How would you assess the impartiality of decision-making on the type of intervention?						X		
3 Location	D*ecision analysis.* Selecting the location of a project involves first, prioritising the areas where the needs are evident and second, finding a suitable location for the infrastructure facility (which potentially involves land acquisition, environmental and social impacts, disaster threats, operational and labour aspects, spatial planning, etc.). This analysis can involve many detailed studies in a Type A process or may be made in a series of discussions in a Type C process. *Was all the relevant information taken into account and considered in appropriate depth for the decision on location? Does the documentation show what alternatives were considered and how the decision was made? Does the final decision align with the available information?*		X						

3 Location *Continued*	*Decision-making.* Selecting the location can be one of the most political aspects of an infrastructure project. It must necessarily involve a wide range of actors or parties with relevant interests in the outcome. The process followed and the role of consultations in it can vary considerably. To detect undue interference, as distinct from weak management, there is a need to assess whether there was suitable balance of participation, or whether any parties had disproportionate power or others were unreasonably suppressed. *Were all relevant parties and views included in considerations regarding the location? Were there signs of pre-determination or bias in the way in which options were presented? Do any parties appear to benefit or gain from the location decision, and if so, what was their role in the decision-making?*						X		
4 Size and Scope	*Decision analysis.* The size and scope of a project depend on the scale of needs and potential demand for its use over time. As these factors significantly affect the cost of the project and its financial viability (#11), it is critically important that these align with the initial identification of needs and options. "White elephant" projects are famously those which are too large, too grandiose or too expensive for their practical use. Inadequate planning could lead to a project being too small to meet future demand. *The rating on Size and Scope should assess, e.g.: Has the capacity, functionality and performance of the facility been matched to the expected demand over its expected lifetime? How thoroughly has this been evaluated by the agency? How have the effects of externalities – import regimes, climate change, risk of disasters, resource restrictions, market prices, etc. – been evaluated?*				X				
	Decision-making. Analysis and evaluation of the size and scope typically requires substantial technical professional input. In this aspect, decision-makers should be well-advised by technical professionals and ensure that all relevant scenarios are analysed. Independent review may also be appropriate. An expectation of corrupt payments, which typically rise in proportion to the scale of a project, may also influence a decision on the size and scope. . *Have the decision-makers at agency level and government level followed the technical advice on Size and Scope? Are there any indications that other factors - such as grandstanding, political competitiveness, market conditions or corrupt payments - may have influenced the Size and Scope?*								X

5 Fit for Purpose	*Decision analysis.* Fitness for purpose is a broad assessment of the alignment between needs, type of intervention, location, size, and scope, climate impacts with the intended purpose. *Taking account of all these factors and considerations, is the proposed project "fit for purpose" and the most appropriate and sustainable facility to meet the needs at this time? Does the project documentation show that this kind of holistic assessment has been made – in technical, sustainable and economic terms?*				X				
	Decision-making. The potential for a project to be moved, downsized, or not approved may prompt some stakeholders to bypass certain steps such as fitness for purpose which might hinder the desired outcome or delay approval. *Is there evidence of undue pressure to play down, bypass or dilute the fitness for purpose requirements? Consider the statements and actions of key stakeholders who stand to benefit most and those who stand to lose the most.*							X	
6 Timing	*Decision analysis.* The timing of an investment project is often determined by fiscal or budgetary considerations, besides its technical urgency, so knowing the viability and implications of postponing a project are important for budget considerations. Furthermore, adequate time is needed for identification (needs, options and prioritisation) and evaluation (preliminary design, cost estimation, appraisal of economics and sustainability) to support a good budget decision. If the timing is rushed, then pertinent information may be unavailable or incomplete when budget authorisation is considered. *Is there information showing the implications of rescheduling or delaying the project, which might strengthen its budget priority or alternatively permit delay to allow other investment priorities to be advanced?*		X						

6 Timing *Continued*	*Decision-making.* The potential for a project to be delayed can prompt some stakeholders to exert undue influence to maintain a project's priority, especially if corrupt payments are expected within a certain timeframe such as an electoral period. Conversely, strong support for a project's priority may also indicate a valid exercise of responsibilities to constituents. *Are there signs that undue pressure is being applied to maintain a budget priority unreasonably or to defer a project, or where some parties may stand to benefit?*						X		
7 Likely benefits	*Decision analysis.* A pre-appraisal or feasibility study conducted as part of the Authorisation process should identify the project benefits in type, timing and economic (monetary) value. Where a formal pre-appraisal is not conducted (as in Process Types C or D, and possibly B) the benefits should at least be identified in terms of type and evaluated as justification of the estimated cost. *How rigorous is the analysis of project benefits in respect of type, timing and value? Does the method of analysis appear to be credible, or possibly biased to produce a favourable result? Has community engagement and agreement-making planned or taken place?*			X					
	Decision-making. The temptation to inflate benefits or to identify unrealistic or spurious benefits can be strong where the incentives to gain project authorisation are strong. The benefits are also more easily manipulated to gain project advantage than other project aspects. When agreement with the affected community is required, it must be transparent and include not only local elites but also men, women and the affected community. The project should bring benefits to the community as a whole, not only local elites. *How strong are the incentives to bypass or misrepresent project benefits in order to gain authorisation? Which actors are best placed to influence this aspect of the project information? Is community engagement open and transparent?*								X

8 Likely beneficiaries	*Decision analysis.* The analysis of the project beneficiaries should identify the likely users of the infrastructure or service to be provided. This uses technical characteristics of the project (size, location, scope), demographics, and consideration of trade-offs given the costs involved. It should also include a gendered analysis of benefits (for example, what 'practical gender needs' and 'strategic gender interests', if any, does the project address). An exaggerated estimate of beneficiaries can be due to ungrounded optimism or to misrepresentation of facts in order to portray unrealistic benefits. *Given the project characteristics, how rigorous and realistic is the analysis of project beneficiaries? Does the method of analysis appear to be reliable or possibly biased to produce a favourable result?*			X					
	Decision-making. The misrepresentation of the likely beneficiaries can be a way to ensure an undue advantage in the selection process, creating opportunities to bias the decision. A lack of a gender perspective when assessing beneficiaries can lead to bias in the selection process and can perpetuate or create new forms of gender discrimination. *How impartial are the actors involved in the analysis? Is there a strong advocate who may dominate the views or sway the results? Is there any political or personal alignment or connection between the project officials and local representatives? Have gifts or other benefits been given to community leaders to facilitate an agreement? Is agreement-making only between local elites or does it include participation from women, men and the local affected community?*								X

9 Likely adverse impacts	*Decision analysis.* The adverse impacts are typically identified in an environment and social impact study. The study should include a gender analysis and should assess the likely impact on the local communities (men and women) who live within the vicinity of the project location such as on their health and wellbeing, increased exposure to disaster threats, access to services and livelihood, and the potential environmental consequences such as deforestation, pollution, impact on wildlife and carbon emissions. *Given the project characteristics, does the environmental and social impact study sufficiently capture the likely adverse impacts on the local community and environment? Has there been a cumulative impact assessment? Were local communities (not only elite but also men and women representative of the community), consulted as part of the study, in a transparent way and are their concerns addressed? Will other, more distant communities be affected by the project?*								
	Decision-making. The study can be compromised due to concerns that the adverse impacts will be considerable, leading to an increase in project costs, or sufficiently controversial that its leads to delays or cancellation. Considering who the study team consulted – including experts, local communities (men and women) and political stakeholders, and whether it included a gender analysis – will help identify who may have had influence over the results. *Who carried out the study and how were they appointed? How broad and transparent was the consultation? Was the study approved by the relevant authority without changes?*								
10 Planned impact mitigation	*Decision analysis.* An Environmental and Social Impact Study (ESIA) should also identify the mitigation measures that will reduce the potential negative impacts on the local community and the environment. *Were the proposed mitigation measures based on a formal study, and do they appear sufficient to reduce the potential impacts? Are the mitigation measures included in the preliminary design and the initial budget?*								

	Decision-making. The authorised officials are tasked with approving the study and the range of mitigating measures to be adopted. Actors may look to influence this decision, to minimise the need for mitigating measures or dilute them in order to reduce costs or avoid difficult works. *Did the official(s) adopt all the mitigation measures in the ESIA report? Does there appear to be any conflict of interest that may dilute the recommended mitigation?*								X
11 Cost and value	*Decision analysis.* The estimation of project costs should offer predictability to public expenditure, establishing reliable parameters of disbursement. Cost overruns are common in infrastructure projects. There may be incentives to over-estimate project cost to cushion against overruns, but also to create space for private gains. Alternatively, costs may be under-estimated to expedite project authorisation, particularly if the timing is rushed and scrutiny reduced. *Considering the characteristics of the project (scope, complexity, design, duration), does the project's estimated cost seem reliable and realistic? How objective and rigorous was the estimation provided?*			X					
	Decision-making. Incentives may exist for actors to bias the estimation of costs in order to influence the decision on project selection, and potentially to secure future gains. *How would you assess the impartiality of the actors involved in the estimation of costs? Are there known business interests or connections between project officials, local businesses or local authorities that might benefit from influencing the cost estimate or economic evaluation?*								X
12 Funding model impartiality, and, oversight measures	*Decision analysis.* Current infrastructure needs exceed public funding and often need private funding to meet the gap. However the funding model and impartiality of the funder or financiers can be influenced by external interests to the detriment of people's needs. *How strong was the supporting analysis and the reasoning to select the funding model? Consider for example the following: Is there a business case to demonstrate that the funding model is financially and economically viable? Does the funding model contain adequate resources for upfront financing costs? Are costs repayments structured appropriately over time through taxes or user costs? Does the funding model adequately reduce risk?*	Not applicable to this project – only public funding							

12 Funding model impartiality, and, oversight measures *Continued*	*Decision-making.* The selection of the funding model requires strong technical and professional input to avoid risking the interests of citizens and harming long-term project and social sustainability. *Based on the available evidence, is it possible to identify who is funding or financing the project and who was involved in deciding the funding model, inside and outside government? Are there any indications that other factors - such as the economic influence of the private parties – may have had a role in the funding model decision? Are there short- or long-term conditionalities in the agreement that may limit the rights of access of citizens, adversely impact natural resources or induce long-term indebtedness? How effective are integrity and impartiality oversights provided by the funding model?*	Not applicable to this project – only public funding							
13 Other urgent or better alternatives	*Decision analysis.* There may be a more urgent infrastructure need or a better alternative to the identified need that this project is looking to address. *Is there evidence that alternative projects have been proposed to meet this need? If yes, is there an assessment of the different options? Does any published project pipeline indicate that there are more urgent infrastructure needs?*				X				
	Decision-making. The option which was selected from alternatives, or ahead of more urgent infrastructure needs, may have been chosen for individual or political gain. *Who was responsible for the decision? Was the recommended option approved by the authorised official(s)? Are there known business interests or connections between project officials, local businesses or local authorities that might benefit from influencing the choice of alternative?*								X
14 Disaster Risks	*Decision analysis.* Information on the likely risk of disasters in a disaster-prone location should exist in planning documents. Was this information consulted? Have mitigation plans been put in place to limit the effects of disasters such as the requirement to build to withstand storms, earthquakes, etc or to not locate a project in certain areas, e.g., distance from the coastline?			X					

	Decision-making. .Incentives may exist for actors to select inappropriate project(s) for the location, for example, locations that are prone to earthquake, tsunami, cyclone, flood, sea level rise, bushfire that would not be safe or could not be built to the required standard to withstand the likelihood of disasters. Are there known business interests or connections between project officials, local businesses or local authorities that might benefit from influencing the selection of projects in disaster prone areas?							X	
Evaluation Scoring									
Sub-scores	Count the responses in each column	**0**	**3**	**6**	**4**	**0**	**3**	**3**	**7**
	Weighting	*1*	*2*	*4*	*6*	*1*	*2*	*4*	*6*
	Products = count × weighting	**0**	**6**	**24**	**24**	**0**	**6**	**12**	**42**
	Sub-score = Sum of products ÷ 14	DA = **3.8**				DM = **4.2**			
Project Selection Corruption Risk Score (= {Sub score DA + Sub score DM} × 10 ÷ 13)		**5.7**							

Worksheet 5C. Results – Project Selection Corruption Risk – Detailed Assessment

Project Selection Corruption Risk (score, max 10)	**5.7**	
Key areas of concern:	***Decision analysis:*** • Size and Scope • Fit for Purposes • Likely adverse impacts • Other urgent or better alternatives	***Decision-making:*** • Size and Scope • Likely benefits • Likely beneficiaries • Likely adverse impacts • Planned impact mitigation • Cost and value • Other urgent or better alternatives
Areas to be considered further:	***Decision analysis:*** • Purpose and Needs • Likely benefits • Likely beneficiaries • Planned impact mitigation • Cost and value • Disaster risk	***Decision-making:*** • Purpose and Needs • Fit for Purpose • Disaster risk

ANNEX 7: SUGGESTED STRUCTURE FOR A REPORT ON THE FINDINGS

Abbreviation, Acronyms and Initialisms
Executive Summary Concise summary of: the project and reason for assessment; Indicative Risk and findings of initial assessment; Findings of detailed assessment, if done; Recommended mitigating measures. Usually limited to one page
Introduction Concisely setting the scene, explaining why the tool was applied and the issues to clarify.
The project under assessment A concise overview of the project reviewed, explaining the sector, the type of intervention and stakeholders involved (public entities or a private company if a Type D).
The methodology applied A summary of the activities undertaken: for example, desk-based research on publicly available information, contacts with stakeholders within the relevant agency and communities, requests of information submitted, if applicable. Reference to shortcomings and challenges faced during the exercise, including information gaps found and issues of access denial if occurred.
Level I findings Drawing on the results of the Table 4C, a short narrative to present the findings and shine a light on key risks identified and the supporting indicative evidence.
Level II findings Drawing on the results of the Table 5C (if applicable), a short narrative to present the findings and shine a light on key risks identified and the supporting indicative evidence.
Lines of Enquiry A check list of selected issues or accountability questions for following up on the assessment.
Mitigation measures and proposed recommendations Proposing mitigation measures and recommendations that address specific issues and concerns reflected on the key risks identified and the supporting indicative evidence.

ANNEX 8: EXAMPLES OF CLARIFYING QUESTIONS

Project Aspect		Clarifying Questions
1	Purpose and Needs	*What kind of analysis was conducted to identify the project needs and suitability?* *Who was involved? Was there equal gender representation and inclusion of marginalised groups?* *In the absence of a thorough technical analysis what supported the decision to select the project?* *It appears that a conflict of interests existed in the analysis of the project need and suitability. Could you please explain how the agency dealt with this issue?*
2	Type of intervention	*What kind of analysis was developed to assess the type of facility (e.g., road, railway, treatment plant) selected?* *Who was involved? Was there equal gender representation and inclusion of marginalised groups?* *What kind of analysis was developed to assess the type of infrastructure work (e.g., construction of new infrastructure, expansion, upgrading, retrofitting of existing infrastructure, etc.) selected?* *Who was involved?* *Were alternative options considered?* *Who was involved in the assessment of alternatives?* *In the absence of a thorough technical analysis what supported the decision to select the type of intervention?* *It appears that a conflict of interests existed in the analysis of the type of intervention selected for the project. Could you please explain how the agency dealt with this?*
3	Location	*What kind of analysis was conducted to assess the project location?* *Who was involved? Was there equal gender representation and inclusion of marginalised groups?* *Which alternative locations were considered?* *Were stakeholders, including communities, involved in the decision of project location and alternative options?* *In the absence of a thorough technical analysis what supported the decision to select the location?* *It appears that a conflict of interests existed in the analysis of project location. Could you please explain how the agency dealt with this issue?*
4	Size and Scope	*What kind of analysis was developed to assess the project size and scope?* *Who was involved? Was there equal gender representation and inclusion of marginalised groups?* *Were alternative options considered?* *In the absence of a thorough technical analysis what supported the decision to select the project?* *It appears that a conflict of interests existed in the analysis of the project [size / scope / functionality / performance]. Could you please clarify how the agency dealt with this issue?*

5	Fit for Purpose	*How does the project meet the identified needs?* *In the absence of a thorough technical analysis could you please explain what guided project selection?* *It appears that a conflict of interests existed in the project choice. Could you please clarify how the agency dealt with this issue?*
6	Timing	*Who decided on the timing of project selection?* *Could you please clarify the role played by elements such as elections, the budget cycle and agency internal factors on the timing of project selection?* *It appears that a conflict of interests existed in the timing of project selection. Could you please clarify how the agency dealt with this issue?*
7	Likely benefits	*What kind of analysis was developed to assess the likely benefits of the project?* *Who was involved? Was there equal gender representation and inclusion of marginalised groups?* *Were stakeholders, including communities, involved in assessing the likely benefits? Were these engagements and agreements transparent?* *In the absence of a thorough technical analysis how was the assessment developed?* *It appears that a conflict of interests existed in the analysis of the project benefits. Could you please clarify how the agency dealt with this issue?*
8	Likely beneficiaries	*What kind of analysis was developed to assess the likely beneficiaries of the project?* *Who was involved? Was there equal gender representation and inclusion of marginalised groups?* *In the absence of a thorough technical analysis how was the assessment developed?* *It appears that a conflict of interests existed in the analysis of the project beneficiaries. Could you please clarify how the agency dealt with this issue?*
9	Likely adverse impacts	*What kind of analysis was developed to assess the adverse impacts of the project?* *Who was involved? Was there equal gender representation and inclusion of marginalised groups?* *Were stakeholders, including communities, involved in assessing the adverse impacts? Were these engagements and agreements transparent?* *In the absence of a thorough technical analysis how was the assessment developed?* *It appears that a conflict of interests existed in the analysis of the project impacts. Could you please clarify how the agency dealt with this?*
10	Planned mitigation	*Was there a mitigation plan developed to alleviate the negative impacts of the project?* *Who was involved in assessing mitigation measures? Was there equal gender representation and inclusion of marginalised groups?* *Were stakeholders, including communities, involved in the discussions of mitigation measures? Were these engagements and agreements transparent?* *In the absence of a mitigation plan could you please explain how the adverse impacts will be alleviated?* *It appears that a conflict of interests existed in the development of the mitigation plan. Could you please clarify how the agency dealt with this issue?*

11	Cost and value	*How was the project budget calculated?* *What kind of analysis was developed?* *Who participated in the budget calculation?* *In the absence of a technical cost estimations how was the project budget calculated?* *It appears that a conflict of interests existed in the development of the project budget. Could you please clarify how the agency dealt with this issue?*
12	Funding model impartiality, and oversight measures	*What kind of analysis was conducted to identify the funding model? Who was involved?* *In the absence of a thorough technical analysis what supported the decision to select the funding model in question?* *It appears that a conflict of interests existed in the analysis of the funding model. Could you please explain how the agency dealt with this issue?*
13	Other urgent or better alternatives	*What was the reason to prioritise this project?* *What kind of analysis was developed to support the prioritisation?* *Who participated in the decision?* *Could you please clarify whether an analysis of alternative options was developed to support the prioritisation?* *It appears that a conflict of interests existed in the prioritisation the project. Could you please clarify how the agency dealt with this issue?*
14	Disaster risk	*Is there a significant disaster risk in this location?* *Why was this project selected for this location?* *What disaster mitigation measures are required?*

ANNEX 9: ACCOUNTABILITY QUESTIONS

Project Aspect	Suggested Accountability Questions
Purpose and Needs	*We could not find evidence of the technical analysis that supported the decision to select the project. In view of that, could you please further explain:* • *How was the project identified?* • *What kind of needs analysis was developed? Where the needs of women, men and marginalised groups considered?* • *Which steps of the assessment were [excluded / postponed / fast-tracked] and what was the reason?* • *Who participated in the assessment of the project needs?* • *Who participated in the decision to select the project?* • *Were people outside the agency, such as business groups, involved in this assessment and decision?* • *Were impacted communities and other relevant groups involved in the assessment and decision?* • *Was community consultation open and transparent? Did it include men, women, elite and non-elite?*
Type of intervention	*We could not find evidence of the technical analysis that assessed the type of intervention selected for the project. In view of that, could you please further explain:* • *Was there any technical advice received? Was it followed?* • *What alternative options were considered and how?* • *Who participated in the assessment of potential types of intervention?* • *Who participated in the decision that selected the intervention?* • *Were people outside the agency, such as business groups, involved in this assessment and decision?*
Location	*We could not find evidence of the technical analysis that supported the decision on location. In view of that, could you please further explain:* • *Was there any technical advice received? Was it followed?* • *What alternative locations were considered and how?* • *Who participated in the assessment of possible locations?* • *Were impacted stakeholders, including [communities (men and women) / civic groups / women groups / affected marginalised groups/ environmental groups / climate experts / humanitarian disaster experts] involved in in this assessment and decision?* • *Was community consultation open and transparent? Did it include men, women, elite and non-elite?*
Size and Scope	*We could not find evidence of the technical analysis that supported the decision on project size and scope. In view of that, could you please further explain:* • *Was there any technical advice received? Was it followed?* • *Who participated in the assessment and decision on project size and scope?* • *Were people outside the agency, such as business groups, involved in this assessment and decision?* • *How does the project size and scope meet the needs of [climate change / disaster threats risks / environmental limitations / social conditions / demographics characteristics / expected user demand]?*

Fit for Purpose	*We could not find evidence of the technical analysis that justified the overall suitability of project. In view of that, could you please further explain:* • *How does the project meet [social needs / gender needs / environmental concerns / climate risks / disasters threats / local conditions]?* • *Was there any technical advice on the overall project sustainability (both technical and financial?)* • *Who participated in the analysis of adequacy of the project choice?* • *Were people outside the agency, such as business groups, involved in this assessment and decision?*
Timing	*We could not find evidence to justify the timing of the project. In view of that, could you please further explain:* • *Was the project pushed or delayed to fit any specific timeframe or political commitment?* • *Who participated in the decision that pushed or delayed the timing of the project?* • *Were people outside the agency, such as business groups, involved in this assessment and decision?*
Likely benefits	*We could not find evidence of the technical analysis that assessed the project likely benefits. In view of that, could you please further explain:* • *Was there any technical assessment developed and how?* • *Who participated in this assessment?* • *Were people outside the agency, such as business groups, involved in this assessment?* • *Were impacted stakeholders, including [communities (men and women) / civic groups / women groups / affected marginalised groups/ environmental groups / climate experts / humanitarian disaster experts] involved in in this assessment and decision?* • *Was community consultation open and transparent? Did it include men, women, elite and non-elite?* • *How does the project benefits meet the identified needs?* • *How would you respond to claims that the project likely benefits may be unrealistic or partial?*
Likely beneficiaries	*We could not find evidence of the technical analysis that assessed the project likely beneficiaries. In view of that, could you please further explain:* • *Was there any technical assessment developed and how?* • *Who participated in this assessment?* • *Were people outside the agency, such as business groups, involved in this assessment?* • *Were impacted stakeholders, including [communities (men and women) / civic groups / women groups / affected marginalised groups/ environmental groups / climate experts / humanitarian disaster experts] involved in in this assessment and decision?* • *Was community consultation and agreement open and transparent? Did it include men, women, elite and non-elite?* • *How does the project beneficiaries meet the identified needs?* • *How would you respond to claims that the project likely beneficiaries may be unrealistic or partial?*

Likely adverse impacts	*We could not find evidence of the technical analysis that assessed the project likely adverse impacts. In view of that, could you please further explain:* • *Was there any technical assessment developed and how?* • *Who participated in this assessment?* • *Were people outside the agency, such as business groups, involved in this assessment?* • *Were impacted groups including [communities (men and women) / civic groups / women groups / affected marginalised groups / environmental groups / climate experts / humanitarian disaster experts] involved in this assessment?* • *Was community consultation and agreement open and transparent? Did it include men, women, elite and non-elite?* • *How would you respond to claims that the project likely adverse impacts may be unrealistic or partial?*
Planned mitigation	*We could not find evidence of mitigation measures to alleviate the project's adverse impacts. In view of that, could you please further explain:* • *Was there any mitigation plan developed and how?* • *Who participated in this assessment?* • *Were people outside the agency, such as business groups, involved in this assessment?* • *Were impacted groups including [communities (men and women) / civic groups / women groups / affected marginalised groups / environmental groups / climate experts / humanitarian disaster experts] involved in this assessment?* • *Was community consultation and agreement open and transparent? Did it include men, women, elite and non-elite?* • *Were the mitigation measures adopted?* • *Were the mitigation costs, including resettlement and others, included in the project budget?* • *How would you respond to claims that the mitigation measures may be insufficient or unfair?*
Cost and value	*How was the project budget calculated?* *What kind of analysis was developed?* *Who participated in the budget calculation?* *In the absence of a technical cost estimations how was the project budget calculated?* *It appears that a conflict of interests existed in the development of the project budget. Could you please clarify how the agency dealt with this issue?*
Funding model impartiality, and oversight measures	*We could not find evidence of the technical analysis that supported the decision to select the funding model. In view of that, could you please further explain:* • *Who participated in the assessment of the funding model?* • *What alternative funding options were considered and how?* • *How would you respond to claims that the funding model selected is not economically or socially sustainable?* • *How would you respond to claims that the funding model selected is biased or partial?*
Other urgent or better alternatives	*We could not find evidence of the technical analysis that assessed the project's costs and value. In view of that, could you please further explain:* • *How does the proposed budget meet the project [scope / complexity / design / duration]?* • *Who participated in the budget preparation?* • *Were people outside the agency, such as business groups, involved in this task?* • *How would you respond to claims that the project budget may be unrealistic or partial?*

ANNEX 10: CORRUPTION PERCEPTIONS INDEX FOR COUNTRIES IN THE ASIA-PACIFIC REGION IN 2021

CPI	COUNTRY
70+	*21 countries*
88	New Zealand
85	Singapore
73	Australia
40–69	*65 countries + unrated*
48	Malaysia
45	Vanuatu
43	Solomon Islands
40	India
55	Fiji
nr	Kiribati
nr	Micronesia
nr	Samoa
nr	Tonga
<40	*94 countries*
39	Vietnam
38	Indonesia
37	Sri Lanka
35	Thailand
33	Philippines
26	Bangladesh
30	Lao PDR
28	Myanmar
31	Papua New Guinea

Note. nr = Not rated. The TI CPI methodology requires countries to have a minimum of three (out of thirteen sources) external sources of data to be given a score and rank on the CPI. The unrated Pacific Islands are placed in the same group as the rated Pacific Islands.

ENDNOTES

1 UN Environment. Integrated approaches to sustainable development. Available at https://www.greengrowthknowledge.org/sites/default/files/downloads/resource/Integrated_Approaches_To_Sustainable_Infrastructure_UNEP.pdf.

2 This includes "building resilient infrastructure" (goal 9) and other goals related to cities and human settlements, where infrastructure is critical to equitable and sustainable provision of energy, water and sanitation (goals 6, 7).

3 Saha, D. 2018. Low-carbon infrastructure: an essential solution to climate change? World Bank Blog. Available at https://blogs.worldbank.org/ppps/low-carbon-infrastructure-essential-solution-climate-change.

4 Wegrich. K.; Hammerschmid, Kostka, G. 2017. The challenge of infrastructure. In: The Governance of Infrastructure. Oxford University Press. Available at https://www.researchgate.net/publication/316341730_The_Challenges_of_Infrastructure,U 4.

5 How Strong Infrastructure Governance Can End Waste in Public Investment, available at https://blogs.imf.org/2020/09/03/how-strong-infrastructure-governance-can-end-waste-in-public-investment/.

6 Organisation for Economic Co-operation and Development, OECD Framework for the Governance of Infrastructure, 2019, available at: www.oecd.org/gov/governance-of-infrastructure.htm.

7 The process of project selection includes all the decision processes before contracting and construction commences. This includes strategic planning, feasibility studies, cost/benefit analyses, risk assessments, etc.

8 Available at https://giaccentre.org/examples-of-corruption/.

9 Sohail, M. Cavill, S, 2006. Corruption in construction projects, available at https://dspace.lboro.ac.uk/2134/3966.

10 Ambraseys, N., & R. Bilham (2011) Corruption kills. *Nature*. 469(7329): 153–155; Sanderson D, Patel S, Loosemore M, Sharma A, Greenwald K and Patel R (2021) A review of peer-reviewed published research on corruption and disasters in the built environment. Disasters Journal, accepted for publication. DOI: 10.1111/disa.12500.

11 The CPI scale ranges from 0 (highly corrupt) to 100 (very clean). See Annex 9 for 2020 data for a sample of countries in the Asia-Pacific region. The unrated Pacific Islands are placed in the same group as the rated Pacific Islands (see Annex 9).

NOTES

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