Accountable Infrastructure in Indo-Pacific

Established in 1995, Transparency International Australia (TI Australia) is part of the Transparency International global coalition against corruption. The TI Movement brings together chapters operating in more than 100 countries worldwide with an international Secretariat based in Berlin, working towards a shared vision: a world free of corruption.

BACKGROUND

Across the Indo-Pacific region, countries are making little progress in tackling corruption, as confirmed by Transparency International's 2023 Corruption Perception Index (CPI). Corruption is prevalent across most sectors in the Indo-Pacific region, and particularly in infrastructure and mining, two sectors that are closely linked and will lead Australia's COVID-19 economic recovery in the Indo-Pacific region (e.g. AIFFP Policy Framework, DFAT development assistance in the Pacific). TI Australia aims to address the lack of existing analysis of corruption risks in the infrastructure sector in the region to enhance understanding of these risks, advocate for strengthened governance frameworks and hold decision makers accountable.

PROJECT APPROACH

With support from the TI Indo-Pacific Partnership for Strong, Transparent, Responsive & Open Networks for Good Governance (TI IPP STRONGG) 2020 – 2023, TI Australia worked towards identifying and addressing corruption risks in the infrastructure sector in the Indo-Pacific region through the development of tools and advocacy strategies under the Accountable Infrastructure project. Building on expertise, networks and partnerships established under other initiatives, including the Accountable Mining Programme, TI Australia used its advocacy expertise and capacity to advocate for transparency, and accountability in infrastructure decision making processes and encourage the participation of women and vulnerable communities in decision making. The project was implemented over a period of 3 years and 4 months, from August 2020 to December 2023.
Establishing the ICRAT tool

At the beginning of this project TIA developed the Infrastructure Corruption Risk Assessment Tool (ICRAT) to identify and address corruption risks in the infrastructure sector in the Indo-Pacific region. The ICRAT tool enables civil society to engage with infrastructure decision making processes to better understand the corruption risks in the planning and design phase of infrastructure projects as well as the gendered impacts of these risks.

The tool is a new approach to assessing corruption risks in infrastructure focusing on the early phase, unlike other efforts which have focussed on contracting and procurement. It details how the process of selecting infrastructure projects can be skewed or manipulated to bring rich rewards to the project proponents and other beneficiaries (including government officials), at the expense of the public good.

As was shown through the ICRAT pilot projects in Solomon Islands and Indonesia, if the project selection process is skewed or manipulated and corruption or undue influence is able to gain a foothold at the project selection and design stage, the flow on effects over the duration of the project can be disastrous. It can result in cost blowouts and inefficiencies, poor quality or substandard construction and 'white elephant' projects, poorly aligned with the public's need.

The implementation of the ICRAT tool in the Solomon Islands, Indonesia and a research project assessing the policy environment across eight Pacific Island countries identified common issues in infrastructure decision-making policies and processes. It was known from the outset that infrastructure decision-making is highly politicised which creates corruption risks or the risk of undue influence when projects are selected.

These projects also highlighted a lack of detail or process in the early stages of decision making which make it open to manipulation by vested interests, lack of adequate engagement with communities that considers both the benefits and adverse impacts, and difficulty in accessing information, even in cases where publication of this information was mandated by law.

The results of this work are now being developed into guidance documents that form the basis of the chapters' advocacy calling for policy and institutional change to strengthen the policy environment and close loopholes that enable corruption to manipulate decisions.

“No equivalent tool of this sophistication exists as far as I am aware in relation to project selection. This seems to be an extremely well written, well researched and well thought through tool.”
Neill Stansbury, Global Infrastructure Anti-Corruption Centre

Increasing local demand for accountability

The ICRAT projects in Solomon Islands and Indonesia collected important data and enabled a more detailed understanding of the infrastructure decision-making processes, their gaps, deficiencies and corruption risks.

In Solomon Islands, the project was implemented with direct civil society and community input. This helped to strengthen the partnerships TI Solomon Islands already had with these stakeholders, as well as begin a broader discussion of the importance of communities being involved in infrastructure
decision-making processes. A group of local NGOs worked in collaboration to collect information on multiple infrastructure projects selected from the Solomon Islands National Infrastructure Investment Plan 2013-2023 priority list of projects. The participation of multiple NGOs in the assessment process helps to raise community anti-corruption awareness and builds a community of stakeholders who can hold the government to account for the decision they make.

In Indonesia the chapter invited experts from government, the private sector, professionals, and civil society to participate in the research phase of the project. TI Indonesia then carried out three focus group discussions, the first to brainstorm and refine the scope of the project, the second to identify the risks and impacts of corruption resulting from poor governance of the infrastructure sector and develop a long list of infrastructure projects to assess, and the third and final focus group was held to verify and gather feedback on the ICRAT report and identify how to respond to the risks identified as a result of the ICRAT research.

TI Indonesia’s multistakeholder approach to the ICRAT project gives the results a high level of credibility. The report recommendations urge civil society groups to take up the tool and identifies the possibility for civil society groups to organise citizen-led monitoring of infrastructure projects at scale.

**Building stronger partnerships**

Throughout the project, TIA has worked to develop strong partnerships with civil society, government and industry stakeholders. The chapter built relationships across all three sectors in Australia, Indonesia, Solomon Islands as well as regionally and globally.

In the middle of the project TIA worked with chapters to carry out ICRAT assessments and developed partnerships with a range of organisations to share progress and seek their advice and input. TIA was able to present their work at the UN Responsible Business and Human Rights Forum, the G20 Anti-Corruption Working Group, the OECD Infrastructure Anti-Corruption toolbox working group. They have engaged with government and government agencies in Indonesia, Australia, Solomon Islands, US, UK, Japan, New Zealand and built relationships with industry stakeholders from construction and infrastructure companies, development contractors, and industry associations.

By building these strong partnerships TIA is now in a position to build a network to drive forward the findings of the ICRAT assessments and work together in a multistakeholder format to call for increased transparency and accountability to communities in infrastructure project selection.

**Strengthening partnerships**

In August 2023, colleagues from TI Indonesia, TI Solomon Islands and Integrity Fiji came to Australia as part of a chapter exchange program, to attend TIA’s National Integrity Summit and to participate in an infrastructure roundtable in Canberra with industry and government stakeholders.

This meeting of chapters provided an opportunity to support and learn from each other and share approaches to our work. It also allowed chapters to share the progress and results of the ICRAT project in Indonesia and Solomon Islands with government and industry stakeholders in Australia at TIA’s National Integrity Summit and at the government and industry roundtable.

The group discussed the preliminary findings of the ICRAT pilots, workedshopped potential solutions and ideas for increasing transparency and community engagement with infrastructure decision making and tested the advocacy approaches.

TIA strengthened partnerships with industry and government stakeholders which sets them up for future engagement in the next phase of the project.