

Industry comment





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FIDIC's *State of the World* report makes a compelling case for acting more decisively on corruption and for doing it now. Its message could not be more timely or more urgent. That's because a failure to act will undermine our efforts to meet the pressing global challenges that we face.

Fortunately, we are in a stronger position to tackle corruption than ever before. We understand the challenges better, the tools at our disposal are more effective and almost all governments and international agencies are committed to improving things. This doesn't mean of course that we will succeed, but it does mean that succeeding is within our grasp.

As the report acknowledges, there has been some progress on tackling corruption in the last decade. This has been driven in part by the need to respond to global challenges, including the climate emergency, recovering from the pandemic, the threat of global recession and the fact that progress on meeting the Sustainable Development Goals has stalled.

More and better-quality infrastructure is an essential element of efforts to meet all of these challenges. The focus is often on mobilising new investment, but losses resulting from corruption, mismanagement and inefficiency are on average around 30%. This presents a significant opportunity, as reducing these losses could provide up to a third additional productive investment without having to mobilise additional investment.

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However, the most recent Corruption Perceptions Index suggests that globally, progress on tackling corruption has halted. As a headline summary that is bad enough, but the detail reveals that in many countries and not only the poor ones, but it also appears to be getting worse.

FIDIC has demonstrated that the economic costs of not tackling corruption are likely to rise. If, as seems likely, resource constraints have contributed to the lack of progress in the past, the lack of progress could be prolonged, particularly as the world may be edging toward a global recession in 2023. We have to find ways to do more with less and new technologies offer that potential.

InfraTech has been described as "the integration of material, machine, and digital technologies across the infrastructure life cycle". It has enormous potential to deliver better connected, more efficient, green and resilient infrastructure and services. So far-reaching are its potential impacts, that in 2020, the G20 produced the Riyadh InfraTech Agenda. It is essential that anti-corruption efforts are fully integrated into this agenda.

The most efficient mechanisms to guard against corruption are those that involve the whole of society. Digital technologies are making this a reality. Data disclosure and analytic platforms are informing and empowering citizens, journalists and businesses and enabling them to exercise scrutiny and hold decision-makers to account. This is reducing the space for corruption to occur and providing incentives for decision-makers to act ethically.

In my own work with CoST, the Infrastructure Transparency Initiative, these approaches have saved hundreds of millions of dollars, produced the evidence needed to transform public institutions and to increase market competition. These technologies are efficient, effective and widely available at low cost.

CoST considers FIDIC an important ally in the fight against corruption. We fully endorse this *State of the World* report and call on all stakeholders to support the implementation of its recommendations.

