



Ever heard of the Global Infrastructure Anti-Corruption Centre? Here's why all public and private entities need to know about the GIACC.

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In a world with a multifaceted complex of industries and sectors, a greater focus tends toward economic development by opening new markets and revitalizing existing ones. Unfortunately, in this milieu, the rule of law and ethical standards and enforcement of good governance play second fiddle to economic progress, whilst these should rather be co-extensive with economic progress. The Global Infrastructure Anti-Corruption has nine affiliates in its global network, South Africa with its GIACC offices based in Cape Town, is one such affiliate. This article presents a broad discussion of the Global Infrastructure Anti-Corruption Centre (the "GIACC") and why it is an important and necessary independent utility for good governance to which anti-corruption resources and performance alike are imperatives. The idea here is one of correlation, that good private and public sector performance anti-corruption capabilities show a high correlation with the capabilities of entities to be effective and achieve good outcomes.

The GIACC is an international, independent, not-for-profit organisation that develops and promotes anti-corruption measures for the infrastructure sector. Founded in 2008, and originally located in the United Kingdom, the organisation presently operates internationally. It is constituted by three organisational objectives, to raise awareness of corruption. Second to this is the objective to develop and publish free resources that assist in understanding and dealing with corruption. Lastly, but of key importance to the founding of this organisation is its objective to promote the implementation of effective anti-corruption measures by governments and by public and private sector organisations.

The role of the GIACC

Corruption is a global problem and is also a fundamental problem for development. The former United Nations General Secretary, Kofi Anan has intimated that “[t]his evil phenomenon (corruption) is found in all countries – big and small, rich and poor – but it is in the developing world that its effects are most destructive. Corruption hurts the poor disproportionately – by diverting funds intended for development, undermining a government’s ability to provide basic services, feeding inequality and injustice, and discouraging foreign investment and aid. Corruption is a key element in economic underperformance and a major obstacle to poverty alleviation and development”.¹

The GIACC holds the view that there is no internationally legal definition of corruption. The GIACC prefers and utilizes the term “*corruption*” in its broader sense, to include “*bribery, extortion, fraud, cartels, abuse of power, embezzlement, and money laundering.*”².

As the definition above suggests, the GIACC focuses on the alleviation of corruption in the global infrastructure sector. However, public infrastructure is said to be particularly vulnerable to corruption given that so many functions of public service delivery are linked to weak governance in policy, legal and regulatory systems and institutional policy. One might argue that it is on these grounds that the GIACC’s resources are provided because they are primarily for the assistance of all those involved in the infrastructure sector, including governments, project owners, funders, contractors, consulting engineering firms, and suppliers of equipment, materials and services. However, it is worth noting that these resources can be adapted and used by public and private sector organisations and individuals in all sectors.

The GIACC’s key objectives are to “*develop and publish free resources which assist in understanding, preventing and dealing with corruption*” and to “*promote the implementation of effective anti-corruption measures by governments, and by public and private sector organization,*”³ In Brazil, the construction sector and, especially, its interaction with governments, has been in the limelight because of the Petrobras scandal, the 2014 Brazilian political corruption scandal that involved the indictment of dozens of high-level businesspersons including politicians as part of a widespread investigation alleging that millions of dollars had been kicked back to officials of Petrobras,

¹ Imiera, PP. (2020). “*The corruption race in Africa: Nigeria versus South Africa, who cleans the mess first?*”, DEJURE 5 at para 6.

² GIACC. (2023). “*What is Corruption*” available at, <https://giaccentre.org/what-is-corruption/> accessed 10 January 2024.

³ GIACC. (2023). “*About GIACC*” available at <https://giaccentre.org> accessed 10 January 2024.

Brazil's huge majority-state-owned oil company, and to politicians by prominent Brazilian corporations in return for contracts with Petrobras.

The corruption of public officials and politicians was an integral part of this corruption scheme. Bribes, usually in the form of certain percentages of the contract awards, were paid to the employees of state-owned entities, ministers, governors, congress members and presidents alike. These schemes were allegedly later replicated outside Brazil, as the investigations revealed that Brazilian construction companies acted in the same manner across Latin America and elsewhere.⁴

The malfeasance in the Petrobras scandal was revealed by a federal investigation which began in 2014 under the code name Lava Jato (“Car Wash”). The massive scheme defrauded Petrobras, Brazil’s largest enterprise and a symbol of the country’s entrenched economic nationalism – did not fully come to light, however, until after the narrow re-election of President Rousseff on October 26, 2014.

It is important to note that the “*GIACC does not investigate or report on allegations of corruption*”. However, as discussed, one of the GIACC’s objectives is to “*promote the implementation of effective anti-corruption measures by governments, and by public and private sector organisations.*” In light of this fact, it is very crucial for governments, including the Brazilian government which as outlined above was at the centre of one of the biggest corruption scandals involving the construction sector, ought to implement effective anti-corruption measures. These measures must not only have an impact on dealing with corruption after the fact but they must also serve to prevent corruption before it takes place, in other words, these measures must discourage public officials, companies and private individuals from being involved in corruption particularly because very often the negative impact brought about by corruption is almost irreversible.

Affiliates and Alliances

The GIACC achieves its objectives itself or through its constantly growing network of affiliates and alliances. Currently, nine GIACC affiliates are part of the international GIACC network and assist in the promotion of the GIACC objectives and implementation of anti-corruption measures as an integral part of government, corporate, and project management. This includes the GIACC-

⁴ Guilherme France. (2020). “*Sectoral corruption in Brazil: A look at the health, agribusiness and construction sectors*” available at <https://www.jstor.org/stable/resrep24899> accessed on 10 January 2024.

South Africa (“**GIACC-SA**”) as well as its Tanzania, Tunisia, Zimbabwe, and Zambia affiliates in Africa, and four other affiliates across three other countries.

Each of the above affiliates is registered in its country as a non-profit organisation or the equivalent thereof. Their relationship with the GIACC resembles that of organisations that are legally and financially independent, although they are affiliated with each other using a common entity name and shared organisational objectives. These affiliate entities make up a global structure cooperating to further GIACC’s objectives and may collaborate efficiently on projects on a case-by-case basis.

The GIACC has anti-corruption alliances with two international organisations, and 18 national organisations in 15 countries. Other structures and/or components of the GIACC include its councils. The GIACC has an international Advisory Council (“**Advisory Council**”) whose sole purpose is to advise on two central matters. Firstly, the advisory body advises on how the GIACC can achieve its objectives and secondly, on how the GIACC Resource Centre can be improved, the resource centre is a crucial mechanism for the institution discussed in detail below as. The GIACC also has an Affiliate Council (“**Affiliate Council**”) which comprises representatives from GIACC and the GIACC Affiliates. This council facilitates the exchange of ideas and coordination of activities within the GIACC Affiliates network. While the extensive reach and breadth of its network are commendable, the true strength and primary value-add of the GIACC to the business sector lie in its resource centre.

The GIACC Resource Centre

The GIACC developed a resource centre (the “**GIACC Resources Centre**”) offering free online information, advice, and tools to assist in understanding, preventing, and dealing with corruption. Through the corruption information and resource centre, the GIACC furnishes an analysis of what corruption is, and how to identify it by explaining why it occurs and how it occurs. Alongside highlighting the importance of avoiding corruption, the center addresses liability, cost and hypothetical examples offering guidance on dealing with corruption across various case scenarios applicable to diverse business sectors.

The GIACC Resources Centre comprises a variety of materials aimed at the awareness and educating organisations about anti-corruption. Materials offered include anti-corruption education and training presented in the format of either a university course, workshops, or online anti-corruption training. Modules offered are tiered into either short or comprehensive online training.

The anti-corruption programmes are targeted at organisations, governments, funders, project owners, and professional institutions as key role players that can implement these objectives within any organisation. However, key role players need to understand the organisational environment to tailor anti-corruption measures to the entity. In this regard, the GIACC-SA has two primary programmes and measures: one aimed at infrastructure projects and the other for public sector entities.

The Project Anti-Corruption System (“**PACS**”) is a management system aiding in the prevention and detection of corruption on infrastructure projects. Meanwhile, the Commonwealth Anti-Corruption Benchmarks, are designed to help governments and public sector organisations to assess their anti-corruption laws and procedures against international good practice. The crucial tail-end of these benchmarks is the information they provide for organisations on how to implement appropriate improvements.

The GIACC’s resources are provided primarily for the assistance of all those involved in the infrastructure sector, including governments, project owners, funders, contractors, consulting engineering firms, and suppliers of equipment, materials and services. Notably, these resources can be adapted and used by public and private sector organisations and individuals in all sectors to suit their business needs and environment.

The Significance of GIACC-SA in South Africa

The GIACC-SA is a non-profit company based in Cape Town, South Africa. As stated above, the GIACC-SA’s aim, as an affiliate of GIACC, is to assist in the promotion of the GIACC objectives and implementation of anti-corruption measures across the public and private sectors.

Important to localizing the entity within South Africa is its alignment with the local legislative framework. The GIACC-SA aligns itself with South Africa’s National Development Plan as well as the Nation Anti-Corruption Strategy (“**NACS**”) vision to ensure that South Africa strives to become an ethical and accountable state, business and civil society sector in which all those parties of power and authority act with integrity. Additionally, becoming a state in which, its citizens respect the rule of law and are empowered to hold those in power to account. Equally is visioned to become a country with zero tolerance for corruption in any sphere of activity and with substantially reduced levels of corruption.

The GIACC-SA also supports the nine “NACS Pillars”, outlined as follows:

- [1]. support citizen empowerment in the fight against corruption, including support of whistleblowers;
- [2] develop sustainable partnerships with stakeholders to reduce corruption and improve integrity management;
- [3] improve transparency by government, business and civil society sectors;
- [4] improve the integrity of the public procurement system to ensure fair, effective and efficient use of public resources;
- [5] support the professionalisation of employees;
- [6] improve adherence to integrity management and anti-corruption mechanisms, improve consequence management for non-compliance of these across government, business and civil society sectors;
- [7] strengthen oversight and governance mechanisms in the government sector;
- [8] strengthen the resourcing, cooperation and independence of dedicated anti-corruption agencies; and
- [9] build specific programmes to reduce corruption and improve integrity in sectors particularly vulnerable to corruption with an initial focus on the Justice, Crime Prevention and Security Cluster.

As stated above, corruption persists in all countries and therefore as Anton Krause puts it *“South Africa is no different and in fact, corruption is one of the country’s oldest traditions. It has been a constant feature of the South African political landscape for much of the past 350 years and is deeply embedded in the culture... Today, it is said that we are living in an age of ‘New Corruption’ where lessons learnt from the past seem to have long been forgotten and where new terms such as ‘State Capture’ (the use of state funds to serve private interests) are used to provoke latent rage in the present world population.”*⁵

The Public Works and Infrastructure Minister Patricia de Lille has intimated that *“South Africa had been left littered with unfinished projects because the construction sector was one of the most corrupt in the country”*⁶ It has also

⁵ Krause, A. (2023). *“A global renaissance of trust – demonstrating ‘intelligent trust’ to mitigate infrastructure corruption risk”*.

⁶Infrastructure News. (2021). *“Corruption in the construction sector costing SA billions”* available at <https://infrastructurenews.co.za/2021/06/17/corruption-in-the-construction-sector-costing-sa-billions/> accessed on 10 January 2024.

been reported that “[g]raft in the construction sector has cost the state about R10 billion in price fixing.”⁷

Much like the GIACC, the “GIACC South Africa does not investigate or report on allegations of corruption but believes through training and open-forum discussion corruption can be curbed.”⁸ The high levels of corruption within the construction sector in South Africa showcase the necessity of the GIACC-SA to ensure that the country becomes an ethical and accountable state, its leaders, both in public and private business sectors act with integrity, the citizens respect the rule of law and are empowered to hold those in power to account, and lastly that South Africa becomes a country with zero tolerance of corruption in any sphere of activity and with substantially reduced levels of corruption.

Just how effective and impactful can the GIACC be in addressing corruption in South Africa?

As outlined above, the GIACC was established for the primary purpose of developing, publishing and promoting, on an independent and impartial basis, effective and achievable anti-corruption measures for the infrastructure sector, and it has grown rapidly in size and reach since its founding in 2008. The main aim of the GIACC-SA is to assist in the promotion of the GIACC objectives and implementation of anti-corruption measures as an integral part of government, corporate and project management.

In August 2023, the Minister of Public Works and Infrastructure highlighted the challenge of corruption in South Africa, stating that the private sector hesitates to invest in major infrastructure projects due to widespread corruption. Despite the vision, policies, and strategies of GIACC-SA, South Africa grapples with effectively combating corruption in the infrastructure sector, necessitating the implementation of GIACC-SA policies and strategies by the government. It becomes evident and imperative that South African lawmakers should strengthen existing laws on combating corruption, incorporating GIACC-SA policies and mechanisms to enforce anti-corruption measures effectively. Organizations, to enhance effectiveness, need to introduce measurement tools within their oversight and accountability mechanisms.

The visions, policies, and strategies of GIACC-SA represent a positive step to combat corruption in South Africa’s infrastructure sector. However, as GIACC-SA lacks legislative power, it cannot enact policies into law. It is emphasized that

⁷ Ibid.

⁸GIACC. (2023). “GIACC South Africa Laying the foundation for a corruption-free South Africa” available at <https://www.giaccsa.org.za/#:~:text=GIACC%20South%20Africa%20does%20not,discussions%20corruption%20can%20be%20curbed.&text=The%20Global%20Infrastructure%20Anti%2DCorruption,independent%20and%20non%2Dprofit%20organisation> accessed 10 January 2024.

“GIACC South Africa does not investigate or report on allegations of corruption but believes through training and open-forum discussion corruption can be curbed.” The government must intervene to ensure effective handling of corruption within the infrastructure sector through the enforcement of anti-corruption laws.

While institutions like GIACC-SA play vital roles in regulatory and awareness capacities, they do not replace the necessity of whole-of-government participation in improving anti-corruption performance. Robust laws, impartial and effective judiciary, anti-corruption investigation agencies, and public awareness and education are essential elements for a country to effectively combat corruption. Entities like GIACC are crucial in establishing and driving anti-corruption performance. Widespread public awareness of such entities and materials can open new avenues in policy, improving good governance across both public and private sectors. Anti-corruption measures find optimal implementation when adopted as standard business practices by all organizations, rather than being centralized in one state office or unit.

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