

Transparency International Anti-Corruption Helpdesk Answer

Corruption and unsolicited proposals

Risks, accountability and best practices

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Unsolicited proposals (USPs) have grown in popularity as an innovative, cost-saving type of public-private partnership. However, the unsolicited, sometimes secretive, nature of these projects and the barriers to traditional competition in public-private partnerships make them vulnerable to corruption risks. This brief details concrete steps governments can take to minimise corruption risk when dealing with USPs during the submission, evaluation, study development, procurement and implementation phases. General best practices include clearly explained guidelines with detailed timelines, opening the project for competitive tender when it has been accepted, establishing clear guidelines for the government and private sector roles, and disclosing details of the project to the public as early as possible to mitigate perceptions of corruption. It concludes with some successful examples of past projects.

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Query

What are the corruption risks posed by unsolicited proposals (USPs)? If governments choose to consider USPs, how can they minimise risks, and ensure transparency and accountability in the delivery of infrastructure projects? What are the international best practices in USP policies?

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Introduction

Public-private partnerships (PPPs) are contractual arrangements involving the public and private sectors working together in some way, though there is no sole legal meaning for these agreements (Farquharson, Torres de Mästle and Yescombe 2011). They are a way for the government to contract the private sector to innovate and implement large-scale projects (primarily infrastructure projects) more efficiently, cheaper and often quicker than the public sector alone. In 2018, PPPs totalled more than US\$90 billion in various infrastructure projects in 41 low- and middle-income countries (The World Bank 2018a).

A specific type of PPP is the unsolicited proposal (USP), an approach to government from a private entity to deal directly with the government over a commercial proposition that the government has not requested (New South Wales Government 2017). USPs should be closely analysed for

Main points

- USPs are vulnerable to several corruption risks because of their low levels of transparency and competition.
- There are mechanisms that governments can enact before even receiving a USP to be transparent and accountable about the submission and evaluation process.
- When proceeding with a USP there are ways that governments can make the tender and procurement process open to competition to eliminate opportunities for patronage or kickbacks.
- Clear evaluations and specific ex ante timelines throughout the process can reduce opportunities for corrupt coordination and mitigate the public's doubts.

corruption risks. The USP, unlike other PPPs that respond to a call for proposals or open government solicitation, by definition are not requested by the government and usually originate

within the private firm or firms. For this reason, they present different corruption risks, patronage or malfeasance than typical PPPs that follow standard contracting procedures.

Studying USPs and the opportunities they present for corruption is important because they are becoming increasingly common. Though global statistics are not available on the proportion of PPPs that are solicited versus unsolicited, there are some countries that significantly rely on USPs for their infrastructure projects – for example, approximately 43 per cent of Taiwan's PPP projects in 2007 originated as a USP (Hodges and Dellacha 2007).

Defining USPs

According to the World Bank (2018b), a USP is a “an exception to the norm, where infrastructure projects are initiated by the public sector”. These private firms reach out to the government with a proposal for an infrastructure or service project without having received an explicit call to do so. The scope of the definition is quite broad since governments may not want to limit the types of proposals they receive. For example, the government of New South Wales's definition of USPs includes proposals to build or finance infrastructure, provide goods or services or undertake a major commercial transaction (New South Wales Government 2017).

USPs are most different than solicited PPPs in the initial phases. Where standard PPPs begin by identifying the need and opening a screening process, the USP process begins at any time the government receives a USP submission from a firm (The World Bank 2018b).

Why use USPs?

The possible benefits and costs to a government for entering into a USP deserves brief attention because government resources are scarce, so it may seem counterintuitive for it ever to be a good idea for a government to fund or implement something they did not explicitly ask for. There are a few important benefits of USPs that motivate governments to accept them.

The benefits of USPs can be reduced to two primary categories: i) technical and financial capacity, and ii) innovation. Both of these are potential benefits of USPs, but it is important to note that these benefits are not guaranteed and much depends on the quality of implementation at every step in the USP process.

Firstly, many governments may see USPs as an opportunity to offload financial and technical feasibility to the proposing partner. Though this is not always the case – some USPs can become stuck in the development stage for just as long as solicited PPPs before becoming operational – it appears to be a major motive for government officials when considering entering into the partnership (PPP Knowledge Lab 2019). Some specific policies – like Colombia's abbreviated low-cost procurement process for USPs – encourage governments to pursue these expensive infrastructure projects at a lower cost and in less time (Hodges and Dellacha 2007; The World Bank 2018b).

Secondly, many governments consider innovation to be one of the greatest benefits of USPs. Since they are born in the private sector they may be more creative, use new methods, or address

issues in ways that the government had not yet considered and that would not fit in a standard call for proposals from the government. One truly innovative USP was proposed to the state of Gujarat, India, in 2012. An energy company approached the government with a proposal to store and re-gasify natural gas that could be used as energy. The technology would provide cost savings and environmental benefits, but the company needed the government's partnership to build the storage units on the state's shoreline (The World Bank 2018c).

Though USPs, when done well, can yield many benefits for governments, they do not come without risks. There is another side to both of these possible benefits: for the first, if the financial feasibility is not clear, the project can take many years to get off the ground. Kenya and the Philippines' attempted highway construction projects took more than 10 years to reach implementation (The World Bank 2018c). For the second, there seems to be a lack of clarity among government officials on what it means to be truly innovative.

Some governments define "innovation" as merely "different" and reward or praise USPs that propose something "different" that is not a response to an outstanding call for proposals (Farquharson, Torres de Mästle and Yescombe 2011; The World Bank 2018b). This can take money away from funding core government priorities.

The following section goes into greater detail about these risks and focuses on their relationship to corruption. The third section explains how government agencies can minimise these risks and ensure a more transparent and accountable

process when entering into USPs, while the last section concludes with some sample cases showing best practices in USP policy.

Corruption and USPs

There are several risks governments should consider when developing USP policy and analysing proposals. Some of these are consistent with the risks of PPPs in general, concerning feasibility, the competence of the implementing partner and if the benefits to the public outweigh the costs. Other risks to the general public (that the government may not disclose) are the risks of corruption. USPs may be a convenient way for governments to turn infrastructure projects into white elephant projects that can be used for rent-seeking. These corruption risks can be exacerbated by low transparency and a lack of competition in the USP process, which can create opportunities for corruption, patronage and collusion at all stages.

Low transparency

Transparency in the selection and implementation of projects is fundamental as governments enter into USPs. The use of USPs is sometimes thought to reduce the transparency of a project because it is unclear what the origins of the project idea were, and if the private sector partner made the proposal in good faith or was (at least partially) motivated by corruption.

Critics may be concerned that corrupt government officials and the private sector enter into corrupt agreements and orchestrate the USP from the beginning, leaving the extent of their relationships or true intentions very opaque. Transparency in

this process generally refers to the preparedness to open a project and its details to public scrutiny, debate and criticism, given the project's intellectual property or security constraints (New South Wales Government 2017). Low levels of transparency create opportunities for corruption and obfuscation in the following areas.

Bureaucracy

When governments do not have streamlined guidelines explaining which agencies are responsible for administering and managing the USP, the bureaucratic USP process can seem opaque and create opportunities for corruption. From submission to evaluation to project development and, finally, procurement, unclear organisational structures create opportunities to sow confusion and reduce transparency that makes it easier for either party to be corrupt (The World Bank 2018c). Furthermore, the balkanisation of the various steps in these four phases can create opportunities for the firm or a deviant public official to cook the books or skim some off the top. For the deviant private sector contractor, a complex bureaucracy could look like an opportunity to target bribes or misinformation toward individual bureaucrats that only see a part of the USP and not the whole. For the corrupt public official, a complex bureaucracy could decrease their perception that they will be caught accepting a bribe and make them more amenable to taking a bribe. A clunky, bureaucratic USP process can increase the risk of corruption simply by having too many players involved in the transaction (The World Bank 2018c).

Public perceptions of corruption

Public perceptions of corruption are a spillover risk related to low transparency in the selection and implementation of USPs. While public perceptions themselves may be independent of the corruption risk of a project, the *perceived* corruption risk is important. When the perceived risk of corruption is high, even if there has not yet been wrongdoing, the project could be dead on arrival. In fact, the perceived risk of corruption in the face of lower level of transparency in the USP process is so high that the UK government decided that the aforementioned benefits were not even worth considering USPs (The World Bank 2018c).

Lack of competition

Lack of competition has long been associated with corruption: barriers to entry reinforce existing corrupt relationships and make it more difficult for new players to enter markets, win contracts and price goods competitively (Transparency International Helpdesk 2019). The lack of competition is one of the most important risks of corruption that USPs face. Not only does a lack of competition raise concerns about whether the private sector contractor is already in cahoots with government actors but it opens the door to several vulnerabilities down the line. These are some examples of the specific corruption risks that involve low levels of competition in USPs.

Direct negotiation

Direct negotiation occurs when governments receive a USP and do not open a subsequent competitive bidding process. On one hand, it may be more efficient and cost-effective in the short term to begin negotiations just with the initial bidder (Hodges and Dellacha 2007). On the other,

the lack of competition when governments accept USPs and directly negotiate with just one bidder may increase the risk of kickbacks or nepotism. A study in Mexico found that 44 per cent of private bidders submitting USPs admitted giving a “piece of the pie” to public authorities (The World Bank 2018c). Even when this type of kick-back is not present, the direct negotiation with just one firm may make the public suspicious and question both the public sector and the bidders’ intentions. Though there is scant data, this direct negotiation could create conditions for nepotism as well. Conversations behind closed doors could give family or close friends opportunities to propose USPs offering a “piece of the pie” to familial authorities.

Tender process

There are ways for governments to still accept USPs and make the process more competitive, one of which is opening a competitive tender process upon receipt of the USP. There are three principal types of competitive processes that governments use to introduce unsolicited USPs into a competitive bidding process, all of which are formalised bidding structures but vary on the number of total bidding rounds or the distribution of points that governments allocate to the initial bidder vis-à-vis new bidders that enter once the competitive bidding process has opened (Hodges and Dellacha 2007).

When governments do not open a competitive tender process, it makes it easier for them to conceal patronage, collusion or to not award the tender to the most deserving bidder. At least, the public assumes that this is the case. Collusion in the tender process can happen when the private

sector partner and government make behind-the-scenes negotiations about their procurement or implementation partners, perhaps not choosing the most efficient or cost-effective but choosing a partner that can provide some kickbacks or patronage to *them*, personally.

The following case illustrates possible risks of collusion and patronage in the tender process. In the Highway 2000 negotiations in Jamaica in 2011 between the government of Jamaica and the China Harbor Engineering Company (CHEC) (Caribbean Development Bank 2017; Office of the Contractor-General 2012), the Office of the Contractor-General raised concerns about the direct negotiation and lack of a competitive bidding process and asked the government of Jamaica to cease negotiations and open a competitive tender process. There was pushback from the government, and the CHEC stated that they would “not participate” in a competitive tender (Caribbean Development Bank 2017). This refusal raised concerns about collusion and sowed doubts about what the CHEC and government officials were getting from the exchange that was not mentioned in the official documents. The CHEC eventually carried out implementation of the bid after a six-month investigation by the contractor-general delayed negotiations. Though the contractor-general permitted the Jamaican government to carry on with the project, these deals (and wary behavior surrounding the deals) exemplify why a lack of competition is often associated with greater suspicions of corruption.

Minimising risk and ensuring accountability in USP policies¹

In an experience review of USPs conducted by the World Bank's Public-Private Infrastructure Advisory Facility (PPIAF), once in 2007 and updated in 2018, the authors broke down the USP process into five stages: 1) submission of the proposal by the private entity; 2) evaluation of the USP by the public agency; 3) development of the studies for the USP project; 4) procurement of the USP project; and 5) implementation of the project (the construction and operations phases) (Hodges and Dellacha 2007; The World Bank 2018c, 2018b). Though the risks of corruption in the aforementioned section can appear at various stages in the process, this section explains specific policies and safeguards countries can implement to minimise the risk of corruption at each of the five stages.

Stage 1: Submission of the proposal by the private entity

To minimise risk of corruption and ensure accountability from the beginning, governments should have a well-specified submission process with clear guidelines and request thorough submission materials and/or a small application fee for quality assurance. Part of the benefits of having an explicit, efficient system from the beginning are to increase transparency and send an implicit message that the process is transparent, above board, and that there is little room for collusion, nepotism or patronage. These specific, actionable items are ways that governments can effectively communicate their

commitment to transparency and fair competition at the first stage of the USP process.

Submission process

One way to reduce bureaucracy in the USP process is to streamline and centralise USP policymaking in one agency (The World Bank 2018c). In Chile, the Public Works Ministry (Ministerio de Obras Públicas, or MOP) is the single federal agency that accepts all USPs, processes them, and then rejects them or approves them to the following stage (República de Chile 1991; World Bank Group 2018). They have an established “concession system” where the MOP accepts all submissions that comply with their formatting and minimum requirement standards, processes them and sends out notification decisions. Even if the proposed project is outside of the scope of the MOP (that is, it is for the defence industry or focused on a new technology outside of the scope of traditional public works) the system is streamlined with this as the initial step. This allowed Chile to open the country to many possible infrastructure projects quickly in the post-dictatorship era and maintain some levels of quality assurance (World Bank Group 2018).

On the other hand, it appears that countries that did not adopt such a streamlined submission procedure – such as Colombia – receive many USPs at various agencies, especially at lower levels of government, and experience difficulty coordinating, evaluating and developing USPs (The World Bank 2018c). Data on Colombian USP submissions since a new 2012 PPP Law was

¹ Many of these recommendations are taken directly from the World Bank PPIAF's 2018 Review.

passed show that submissions have skyrocketed (companies may submit USPs to any level of government and to any agency), from 360 in 2015 to nearly 750 in 2019 (Departamento Nacional de Planeación 2019). Interview data shows that the lack of centralisation led to duplicate applications, coordination problems across agencies and general confusion, all of which is prime breeding ground for corruption and malfeasance. Governments should try to avoid complicated submission processes like these.

Thorough submission materials and/or an application fee

While government agencies may want to consider making the USP submission process simple and streamlined, the application itself should not be. Not only could a thorough submission packet and possible application fee eliminate the non-serious bidders from the pack and save government employees' time but it could have possible corruption reducing effects as well. Requiring lengthy submission materials could also possibly save governments money in the long run by tying the hands of applicants: if they require a detailed budget upon application, it may be more difficult to conceal patronage and kickbacks into the budget later down the line.

For example, the Australian state government of New South Wales has a two-step submission process. They require all USP bid submissions, if they pass the first brief stage, to submit a detailed proposal in the second stage, which includes feasibility studies on the technical and financial aspects of their plan, a financial model, and the economic benefit from their project (New South Wales Government 2017).

Less common is an application fee, but it could serve the same purpose. The US State of Pennsylvania requires a US\$50,000 application fee (that is refunded if the application is not accepted), which may be credited toward the costs of further evaluation (State of Pennsylvania 2012). A commitment to the project, either expressed through the detailed feasibility studies and budget or through the application fee could serve as a credible signal to regulators and the public that the company is proposing the project in good faith. The detailed submission materials could be a useful benchmark for accountability and for oversight institutions that are monitoring the project's development, like Jamaica's contractor-general was in the case of Highway 2000.

Stage 2: Evaluation of the USP by the public agency

Once the private company has submitted their bid, the project is in the government's hands for stage two, evaluation of the USP by the public agency. Several potential pitfalls and corruption risks are present at this stage, particularly regarding corruption via lack of competition. At this stage, governments should take care that their evaluation procedures are clear with specific timelines, and that the USPs actually work in the public interest. Of course, these objectives are beneficial for the possible infrastructure project writ large, but they are also specific ways to reduce possible corruption in the USP process and increase accountability.

Clear evaluations and specific timelines

The USP evaluation process, including whether or not the government will advance the proposal to some type of competitive tender process, should

be very clear to the private sector before they submit the application. They should have clarity on the specific steps of the evaluation process and approximately how long they should take, as well as which governmental agencies are responsible for what and roughly what criteria they will use to evaluate the proposal (Hodges and Dellacha 2007; The World Bank 2018c).

Essentially, the private sector should have a detailed template for their USP submission and clear guidelines for how and when they will be evaluated. This is good for government efficiency and makes it more difficult for corruption to occur: the higher levels of transparency and clear delineation of responsibility complicates the act of corruption and the creation of white elephant projects. In a systematic review of countries' timelines and evaluation procedures, researchers found that 11 of 19 governments used a two-stage review, similar to the New South Wales (Australia) one described in the Stage 1 section (New South Wales Government 2017; The World Bank 2018c).

It seems there are many ways to effectively evaluate USP submissions, but one policy to implement that will both minimise opportunities for corruption and possibly raise the quality of USP applicants is to communicate these evaluation standards – whatever they may be – clearly to the applicants. Improved communication about evaluation standards could, in the future, improve public perceptions of corruption around USPs as well – a business that proposes a USP knowing that they will have to compete to still be the contracted firm once the tender is opened to other bidders does not seem as corrupt as a business that wants to conduct the entire transaction behind closed doors.

In the public interest

One way to increase accountability and eliminate possibly corrupt USP projects is to ensure that they are in the public interest. For the government evaluators, this would involve some sort of needs assessment of their own constituents and their resources, as well as whether or not the proposed project will actually meet their needs. If not, but they choose to fund it anyway, this could be a red flag for corrupt activity.

Yet being in the public interest alone is not enough for government officials to approve a project to the next phase or to not be wary of corruption. Schools and hospitals have been vessels for corruption and are some of the core infrastructure projects in the public interest (Chêne 2009; Nawaz and Chêne 2009). A prime example is the USP that funded the Angel Hospital in Mestre, Italy – a state-of-the-art hospital that cost more than €500 million to construct, raising questions about discrepancies in the project budget, initial evaluation and oversight (The World Bank 2018c; Venice-Mestre Hospital (Ospedale dell'Angelo Mestre, Angel Hospital) 2019). Taking both of these criteria into account when evaluating projects – a rigorous assessment of the feasibility, plan, budget and how the project is in the public's interest – can help government officials reduce the likelihood of corruption in this second stage of the USP process.

Stage 3: Development of the studies for the USP project

In the third stage of the USP process, the government has already decided that the project is in the public interest and decided that the

applicant's materials look like an accurate forecast. In this stage, the government and USP partner prepare the project, including opening it for (possible) tender. This includes any further feasibility studies, the project documentation and logistics, and procurement information for sub-contractors. There are again many opportunities for corruption in this phase of the USP process, but there are steps the government can take to minimise them. Governments should take the lead in project development at this stage to ensure they are creating appropriate accountability structures and should create equal bidding conditions during the competitive tender.

Government leads project development

It is possible that the government requested many full feasibility studies in the first or second stage of the submission process. Though it might sound contradictory, a corruption-minimising step at this stage would be for the government to take the reins and lead all further feasibility studies, detailed analyses and plans. This is so the government can define the project according to its objectives and strengthen its negotiating position, building in appropriate bargaining or accountability structures where necessary (The World Bank 2018c). A review by the PPIAF of 19 countries found that countries where the governments led the project development stage were in better bargaining positions and more equipped to take over the project when it was finished than those that let the USP partner continue leading (The World Bank 2018c). Though there are no explicit examples in their review of the connections to corruption, it is possible that government control over this stage could increase accountability and reduce the possibility that funds are diverted to

private sector bosses or to corrupt officials they have bought. A benefit of government control of this phase means that more government employees will have an idea of the true costs of the project and the technicalities of implementing it – this will be useful for the longevity and transparency of the project.

Establishing equal bidding conditions

Another policy governments can implement that will serve this dual purpose – making the project better while also making it more transparent – is to open it for competitive tender. Before that, they need to establish the bidding conditions. This, again, is like the rubric, only this time, the USP partner will help to set the criteria for the company that wins the tender.

If governments choose to open a competitive tender, they should have control over the bidding conditions (the criteria they will use to evaluate the potential partner) so that the USP proposer does not rig them unfairly or create criteria irrelevant to the actual task at hand. By controlling this, the government can curtail future corruption by the bidder, and if the bidder really is the most cost-effective, best choice for the job, then they will have won using the government's criteria, not their own. If this is the case, and if they do win in a competitive market, then there likely will not be as many opportunities for corruption, because all possible rents from corruption would have been competed away as they were trying to win the contract from their competitors. This is another small policy in the overall USP process that can greatly affect public perceptions of corruption in the USP process. The next section explains how

corruption can be curtailed during the actual competitive tender process.

Stage 4: Procurement of the USP project

The fourth stage of the USP process is all about competition, when the tender process has been opened. There are ways, however, to make a competitive tender process look like window dressing and not introduce an element of competition at all. Instead, accountability can be increased and corruption reduced during the procurement process by avoiding directly negotiated deals and establishing fair bonus mechanisms.

Avoiding directly negotiated deals

Directly negotiated deals may be appealing because they may seem more efficient, because the government has already developed a working relationship with the USP partner, or because of corruption. Policymakers should establish clear criteria before USPs are in progress what the competitive tender process will be, and should make few to no exceptions for USP partners that try to directly negotiate a deal. The lack of competitive tenders is extremely politically unpopular, as shown by the temporary suspension of Jamaica's Highway 2000, or the Accra-Kumasi Highway in Ghana which was delayed for more than 10 years for the same reason (Brocklebank 2014; Caribbean Development Bank 2017). There is scant evidence of directly negotiated deals being more efficient than those that enter the competitive process; in fact, they seem more prone to corruption and can lead to subsequent public unrest about corruption (The World Bank 2018c).

Fair bonus mechanisms

Many competitive tenders that stem from USPs will have a bonus mechanism for the original bidder that submitted the USP. All three of the initial types, mentioned earlier in this brief, have some kind of bonus mechanism, and they are commonplace. This is because governments do not believe that companies would be incentivised to submit USPs (in the absence of corruption) if there were no bonuses or advantage during the tender process as there would be no reason for them to go through all of the effort and cost of the feasibility studies and submission if the government could pick another company to implement their idea.

It is not necessarily the case that no bonuses should be invoked, but bonuses should be a small percentage of the bid-evaluation criteria to avoid the introduction of gross externalities and disincentivise competitors from entering. If bonuses were too high competitors would not be incentivised to enter, even if they believed they could provide the good or service for a more competitive price. One possible solution is a bump of a few percentage points in their final evaluation when the competitive process is over.

The most commonly used bonus is called "right to match", used by India, the Philippines, Peru, Colombia, Jamaica and Italy (World Bank Group 2018). The right to match means that if the USP bidder is not selected initially, they can resubmit a proposal that matches the one selected by a different firm and still win the contract. A downside of the "right to match" criteria is that it disincentivises competition. Italy has had

numerous controversies over right to match. The process was banned in 2007 because many claimed it reduced competition and fostered corruption. It was subsequently reintroduced a year later, in 2008, at the pressure of private sector lobbies (The World Bank 2018c).²

Also relevant is the timing of the open tender process. If governments open the tender for just a few weeks or even months, depending on how complicated the bidding process is, then it may not be enough time for other firms to put together their submission materials and could also result in low levels of competition. A study on PPPs in the US found that a key reason why firms do not enter competitive processes is because of the short time frame; 60 days is often not enough time to put together the extensive application materials (Abdel Aziz Ahmed and Nabavi Human 2014).

Both of these factors – little time and the perceived preference towards the USP partner – could disincentivise companies from entering the competitive process. It could also be used by corrupt employees of either the government or private company to *purposely* disincentivise them from entering the competitive process. For this reason, setting fair guidelines for bonuses and length of time to open the competitive market *ex ante* is important and will send a strong signal that the government is accountable and that the process is open for competition.

Stage 5: Implementation of the project (construction and operation phases)

The final stage of the USP process is where it all comes to life, but in reality, the policies in the first four stages are what lay the groundwork for this stage being transparent, accountable and non-corrupt. It will vary extensively depending on the project, but the government should establish reporting norms with the USP partner and their sub-contractors to receive frequent and detailed information on the progress of the project. Any deviations from the plan should be explained to the government.

Best practices in USP policies

Some countries have developed more extensive criteria to ensure transparency and minimise corruption risks when entering into USPs. The best practices show how the government is able to maximise the private partnership by contracting something that is truly innovative, large-scale or expensive without sacrificing accountability or transparency or letting the project turn into a nepotistic patronage project. Here are two best practice cases in two specific areas.

New South Wales, Australia

The New South Wales USP policy is an exemplar in how they communicate the submission, evaluation and procurement process to potential bidders. The 38-page document, easily accessible on their website³, is replete with flowcharts and numbered estimates of the time each stage will take at every step along the way. It has specific guidelines for which information will be made public in the tender versus which information will

² The Italian data is from interviews conducted specifically for the PPIAF 2018 evaluation.

³ Document available here: <https://static.nsw.gov.au/nsw-gov-au/1505101800/Unsolicited-Proposals-Guide-2017.pdf>

be kept confidential, and when (New South Wales Government 2017). This is the level that governments should aspire to when communicating directly with possible bidders about the USP process.

Chile

The Concessions System in Chile allowed the private sector to finance economically profitable projects and recover investment through direct charges on the financers. Chile was exemplary in their systems management; the MOP (Ministerio de Obras Públicas) processes all of the USP requests with skill and efficiency, all while staying transparent about the submission and evaluation process (Republica de Chile 1991; World Bank Group 2018). The result was an explosion of PPPs, many of which were co-financed and initially proposed by the private sector, and that helped Chile's economic growth until the late 1990s. In addition to being efficient in their submission process, Chile also asks applicants for an environmental feasibility study, in addition to the financial and technical feasibility study.

Conclusion

There are numerous concrete policies that governments can implement at all five stages of the USP process to limit the risks of corruption and to increase competition and transparency. Many of these policies are congruous with longer term growth or cost savings policies, but the added boon of reducing corruption or the chance of corruption could make them even more desirable and make the USP more likely to succeed.

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