

# Impact Story: The High Level Reporting Mechanism (HLRM)

**"What has the (HLRM) project changed to make the global market conditions fairer and less vulnerable to corruption?"**

The "High Level Reporting Mechanism" ('HLRM'), a concept developed by the OECD and the Basel Institute and supported by the B20 Task Force on Transparency & Anti-Corruption, is currently being piloted by Colombia in connection with the public procurement process for the 4G Road Projects. This ambitious program includes some 40 projects to build around 8,000km of roads with a total investment of US\$25bn during the course of the next seven years, with the goal of establishing a comprehensive road infrastructure that supports economic development in Colombia. The projects will be carried out under a Public Private Partnership (PPP) approach.

The HLRM provides a way for the companies bidding on the projects to escalate integrity concerns they may have about the bidding process to the highest levels of the government without necessarily interrupting the bidding process. These concerns could involve issues related to bribery, collusion or other irregularities as agreed under the transparency pact signed by the companies involved in the process.

At a conference in Bogota, Colombia in February 2014, the HLRM was described in detail by representatives from the National Infrastructure Agency and the Office of the Secretary for Transparency under the President of the Republic. The Basel Institute and the OECD partnered in several sessions in the conference to explain how the HLRM functions, lessons learned and the ways in which it could be adapted to other legal systems and situations. Senior government officials from five Latin American countries attending the conference have expressed particular interest in the HLRM and will investigate the model further to see if a similar system may be adopted in their country to address bribery risks in procurement procedures.

The HLRM is neither a legal procedure, nor is it a substitute for existing procedures, nor a panacea for all public procurement corruption related issues. It may, however, be considered a success even though the complaints mechanism in Colombia has not yet been triggered in the early phase of this pilot project. The reasons to count it a success were highlighted during the conference and included the fact that the HLRM required companies to sign up to a transparency pact, in which they were made very

aware of the bribery risks and consequences. Further, one European country indicated that some twelve years ago its companies had pulled out of Colombia due to corruption risks and other uncertainties. The development of the HLRM has been seen by the private sector of that country as a strengthening of the anti-corruption framework in Colombia that is both practical and transparent, and companies are now sufficiently reassured such that they will consider re-entering Colombia. The HLRM as piloted in Colombia involves a review process by a committee of four experts, including one or more engineers. This element was cited by those close to the process as being a key reason why the HLRM is a success; the presence of experts who can take an independent view on an issue has built trust in the market. In other words the existence of the HLRM itself has generated a positive atmosphere, which in turn has had a stabilizing effect. All these elements taken together can be regarded as contributing to the development of fairer markets and reducing vulnerability to corruption.

More information: <http://www.collective-action.com/initiatives/hlrn>