



# CWRD Water Sector: Executing and Implementing Agencies

## The Integrity Learning Series

**Lisa Kelaart-Courtney**  
*Director*

**Rohan Schaap**  
*Director*

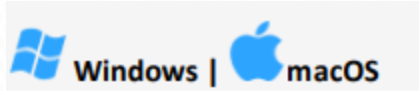
*The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.*



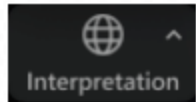
# Language selection

Use the Interpretation panel for real time language interpretation

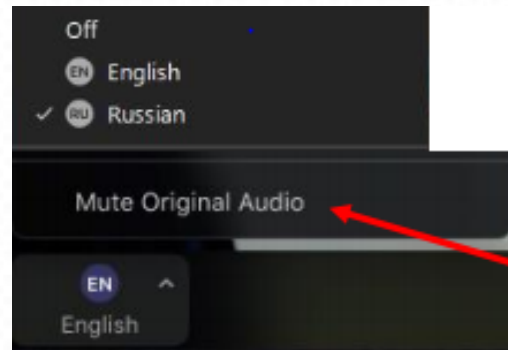
## Listening to language interpretation Windows



- In your meeting/webinar controls, click Interpretation.

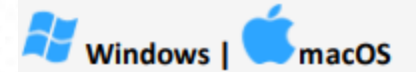


- Click the language that you would like to hear.

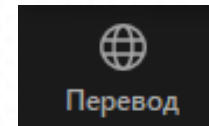


- (Optional) To only hear the interpreted language, click **Mute Original Audio**.

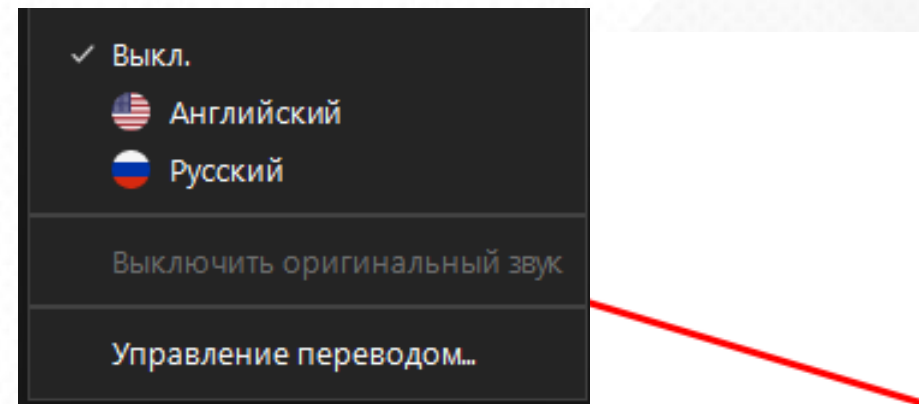
## Прослушивание перевода в Windows



В элементах управления совещанием/веб-семинаром щелкните «Перевод».



Выберите язык, который хотите услышать.



(на ваше усмотрение)  
Чтобы слышать только перевод, щелкните на «Выключить оригинальный звук».

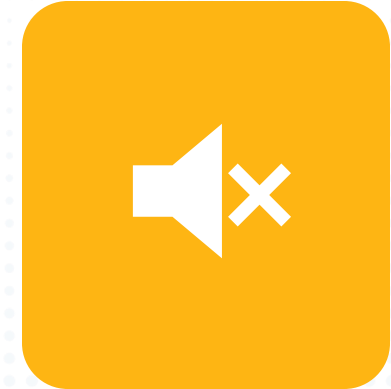
# Reminders



The session is  
being recorded



Type in your questions  
through Q&A at any time



Please remain on  
mute if not speaking





The Integrity Learning Series

# Welcome Remarks

## Jesper K. Petersen

Advisor and Head, Portfolio, Results, Safeguards  
and Gender Unit  
Central and West Asia Department

## John Versantvoort

Head  
Office of Anticorruption and Integrity



*iACT to fight corruption.*

# Objectives



**Increase awareness** of potential integrity risks and remedial actions



**Refresh your knowledge** of ADB's Integrity framework

Click to add text



**Improve skills** in corruption and integrity risk detection, risk assessment, and prevention

# Outline

1 ADB's Vision and Strategy 2030

2 Integrity Risk Impact

Click to add text  
Click to add text

3 Recognizing and reducing risk

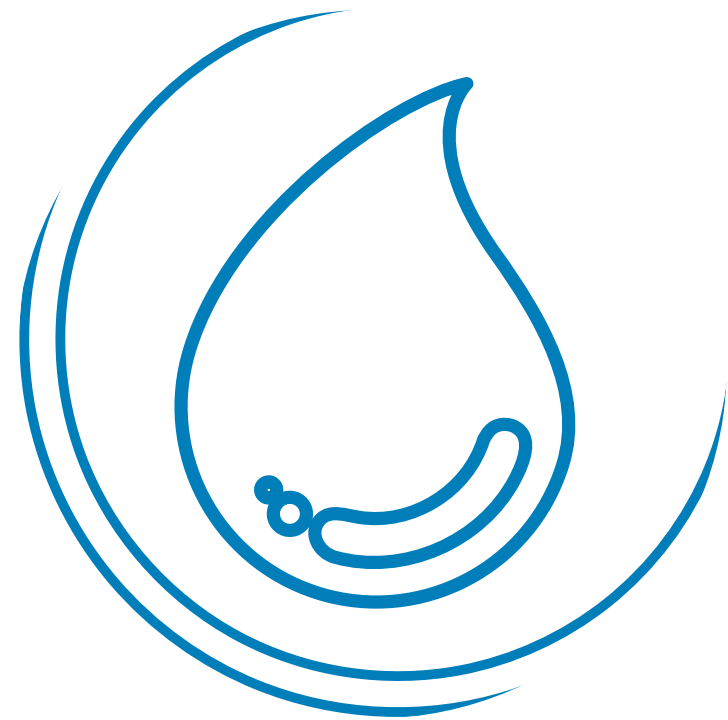
4 Integrity Violations and Remedial Actions

1

# ADB's Vision and Strategy 2030

# ADB's Vision

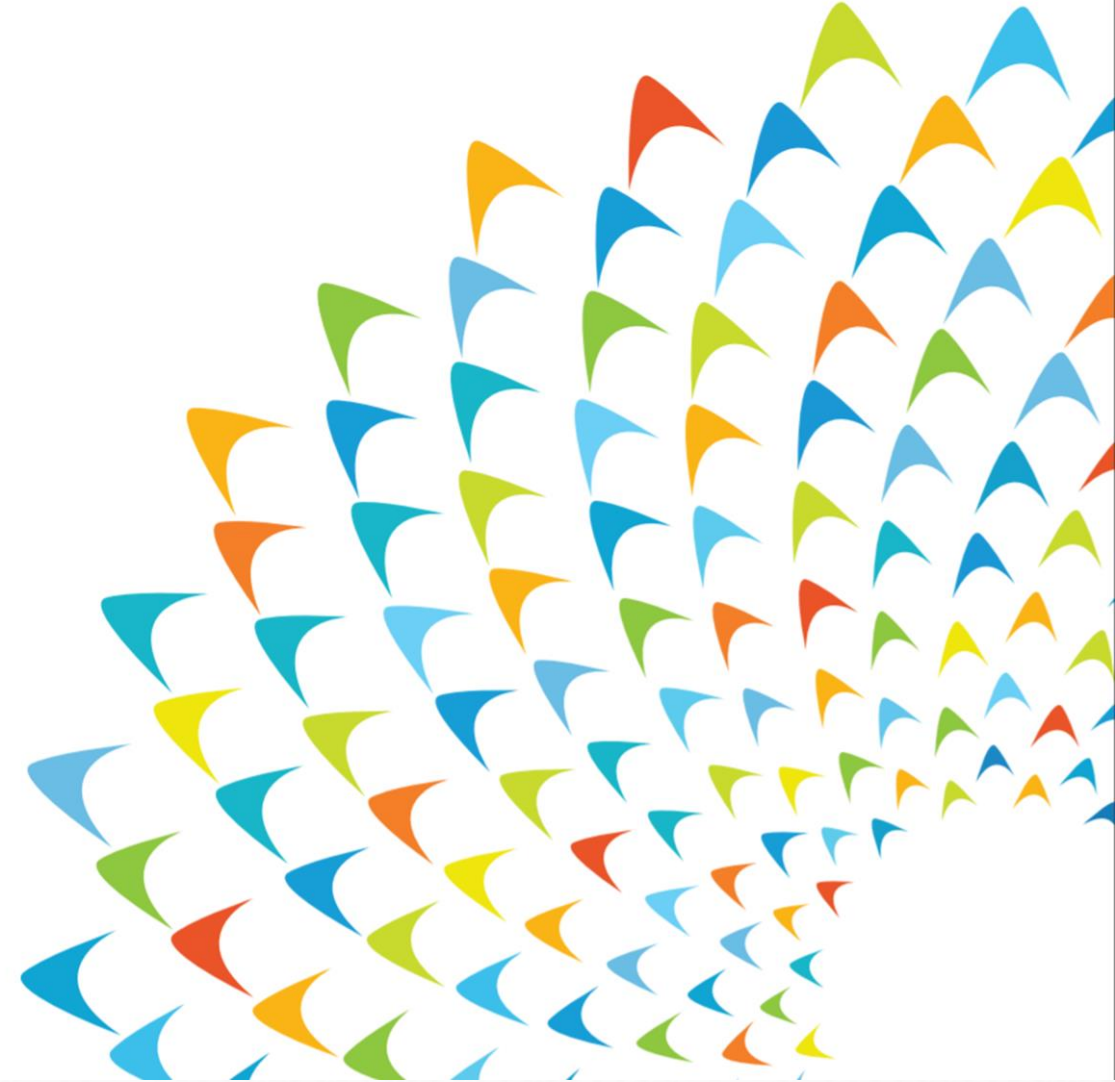
- ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.
- Effective governance and improved institutional capacity in ADB's developing member countries is required to achieve ADB's vision.





# ADB Strategy 2030

- **Strengthening governance and institutional capacity**
- ADB will support governments efforts to **eradicate corruption**
- ADB will promote effective, timely, and **corruption free** delivery of public services
- ADB will implement **anticorruption measures** in all ADB projects and programs



# 2

## Integrity Risk Impact

“

Corruption is the **single greatest obstacle** to economic and social development around the world.

Every year, **\$1 trillion** is paid in bribes, while an estimated **\$2.6 trillion** are stolen annually through corruption.

A sum equivalent to more than **5%** of the global GDP.

United Nations Security Council 10 September 2018

# Probability and Likelihood



Association of Certified Fraud Examiners: Report to the Nations 2020





Primary internal control weaknesses contributing to corruption and fraud

Association of Certified Fraud Examiners: Report to the Nations 2020

**FINANCIAL CRISIS AT MAJOR  
CONTRACTOR: WHERE DID THE MONEY  
GO?**

**Inappropriate contract  
negotiations cause of project  
failure**

**Sewerage in water sees  
spike at hospital  
emergency**

**Substandard materials and  
works: contractor 100%  
accountable**

**Shock resignations following litigation scandal never verified**

# 3

## Recognizing and Reducing Risk

# ADB's Anticorruption Policy



Promoting efficient, effective, accountable, and transparent public administration including good governance and capacity building



Supporting anticorruption efforts in the region through quality dialogue with the DMCs



Ensuring that ADB projects and staff adhere to the highest ethical standards



ADB defines **corruption** as the **abuse of public or private office for personal gain**



# ADB's Anticorruption Policy



**Policy and  
Guidelines**



**Operational  
Instructions**



**Administrative  
Orders**



Applies to **executing and implementing agencies, contractors, consultants, suppliers, ADB staff, and anyone connected to an ADB-financed, -administered, or –supported activity.**

# Project Implementation Processes

## Procurement

### Bidding

Prequalification; bidding documents preparation; and bid advertisement, submission, and opening

### Bid evaluation

Assessment of bidders' compliance with bidding requirements, and preparation and approval of evaluation report

### Contract award

Post-bid evaluation activities until contract is awarded and signed

## Contract & Asset Management

### Contract administration

The management of the day-to-day practicalities and administrative requirements under the contract

### Output monitoring

Engagement with/supervision of contractors, consultants, and suppliers in relation to project outputs

### Asset control

Safeguarding and maintenance of project assets including asset inventory

## Financial Management

### Expenditure management

Approval and processing of payments for project expenditures

### Financial reporting

Project accounting and auditing

These sub-processes reflect those assessed by OAI and do not necessarily reflect all sub-processes that exist within each process.

# Poll: What is integrity due diligence?



# Commercial Benefits of Due Diligence

Due diligence allows **informed decision making** by enhancing the amount and quality of information available to decision makers and by ensuring that this information is systematically used to deliberate on the decision at hand and all its costs, benefits, and risks\*

Assurance or otherwise that the third party:

- a) Has the **necessary skills** and **experience** to provide the services for which they will be contracted;
- b) Is a **reputable** and **reliable** business partner with a **good track-record**;
- c) Is *bone fide* and there are no **identifiable risks of corruption or other integrity risks** associated with the third party;
- d) Is charging a **fair market price** for their services (a company paying bribes may often charge more for its services in order to create a slush fund to pay bribes).

Provide **actual knowledge of integrity risks**, or **red flags**, associated with the third party and the opportunity to **assess** and **mitigate** those risks at the outset which will reduce integrity risk.

Not being associated with **disreputable** suppliers, contractors, counterparts.

Contribute to safeguarding the project and **ensuring that the funds** are being **utilized** for their intended **development purpose**.

Chapman, C. E. (2006). *Conducting Due Diligence*. Practising Law Institute, New York, NY



# Factors in Conducting Due Diligence



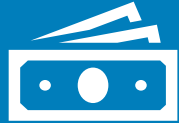
## Industries considered higher risk



- Public works/construction
- Utilities
- Real estate, property, legal and business services
- Oil and gas
- Mining
- Power generation and transmission
- Pharmaceuticals and health care
- Heavy manufacturing
- Fisheries
- Arms, defence and military
- Transportation and storage
- Telecommunications
- Consumer services
- Forestry
- Banking/finance
- Information Technology
- Civilian aerospace
- Light manufacturing
- Agriculture

*Transparency International Bribes Payers Index Report 2011 which ranks 19 economic sectors from the most bribery-prone to the least bribery-prone.*

# Conducting Due Diligence



## Financial background & payment of contract

- ☐ Are there any payments that are not transparent where it is not clear who the payment is being paid to or why? E.g. are there vague or non-specific payments such as “consulting expenses”?
- ☐ Have the third party’s fees been commensurate with the services provided?
- ☐ Is there anything unusual about the frequency of payments?
- ☐ Consideration should also be given to expenses— particularly if they are excessive. This could be an indication of bribes.

# Conducting Due Diligence



## Does/has the third party...

- ☐ Have experience of the industry and country where the services will be provided?
- ☐ Have the qualifications and experience to provide the services required under the contract?
- ☐ Provided a competitive estimate for the work?
- ☐ Have a business presence in the country where the services are to be provided?
- ☐ Been recommended by a public official?
- ☐ Requested urgent payments or unusually high commissions?
- ☐ Requested payments to be made in cash, to a third party, or to different country?
- ☐ Suggested they know all the 'right people' to secure the contract?
- ☐ Been selected in a transparent way?
- ☐ Are there sufficient business reasons for awarding the contract to this third party?
- ☐ Are the scope of services necessary?



# Conducting Due Diligence



## Reputation

- ☐ How long have you known the third party?
- ☐ In what capacity do you know the third party?
- ☐ Have you experienced any problems with the third party?
- ☐ Have you ever had any concerns of corruption or other integrity risks in respect of the third party?
- ☐ Are you aware of any allegations of criminal activity against the third party or any of its employees?
- ☐ Do you consider the third party to be honest in its business dealings?
- ☐ Do you know if the third party has any connections with government officials or government agencies?
- ☐ Do you know if any of the third party's employees or family members of the employees have any connections with government officials or government agencies?

# Mitigating Measures: Vulnerabilities in Bid Evaluation

BEC members should undergo hands-on training on all aspects of bid evaluation, especially due diligence, before embarking on new bid evaluation assignments. Support from ADB regional departments, supervision consultants, and engaged procurement experts required.

Perform rigorous review of bid evaluation reports, particularly when the executing agency's procurement capacity is not strong or when contracts are high-value, high-risk, or complex. Rigorous review entails seeking clarifications from the executing/implementing agencies, calling in bids on a sample basis, validating evaluation report information against bids, and assessing the reasonableness of significant evaluation committee decisions.

The executing/implementing agency should hold pre-bid meetings for high-value, high-risk, or complex procurement, where bidding requirements are carefully discussed with bidders. These requirements must be understood by the bidders and consistently applied by the BEC.

The executing/implementing agency should check accuracy and completeness of information in BERs before submitting these for ADB's approval. For transparency, decisions made and justifications for deviations should be properly documented in the BERs.





# Mitigating Measures: Non-Publication of Contract Award

The executing agency should publish the contract award notice immediately after receiving ADB's no objection.

The no-objection letter should highlight the requirement to immediately publish the award notice.

# Mitigating Measures: Guarantee and Warranty Deficiencies

The executing/implementing agencies should obtain adequate advance payment guarantee from contractors. In cases of delay in completion of services, the contractor should be requested to accordingly extend the validity period or increase the amount of the bank guarantee.

The executing/implementing agencies should include warranty provision for project assets in contracts. This provision should be enforced on the suppliers and contractors, holding them accountable for any asset defects.



# Mitigating Measures: Substandard materials and defective works

Erring contractors, consultants, and suppliers should be held accountable to ensure that they fulfill their contractual obligations. This entails enforcing relevant penalty clauses and reporting poor performance to ADB.

For decentralized, complex, or high-risk projects, third party monitoring firms should be engaged to augment the monitoring activities performed by executing/implementing agencies, ADB regional departments, and supervision consultants.

Executing/implementing agencies should closely monitor the supervision consultants. This entails rigorous review of the consultants' progress reports and, as necessary, verification of the progress through field visits.

# Mitigating Measures: Ineligible Expenditures

Ensure that prior to endorsing claims for payment

- (i) payment approval procedures are followed,
- (ii) supporting documents are checked for accuracy and completeness, and
- (iii) details in the claims are validated against the contracts and supporting documents.

Payments should be refused or reduced in line with relevant contractual provisions for works or services that were not performed or goods that were not delivered.

# Mitigating Measures: Contract awarded without ADB's approval

For contracts requiring prior approval, the executing agency should only award contracts after ADB's approval of the procurement decision.

Post-facto approvals for prior review contracts are inappropriate and should only be sought for exceptional circumstances.

# Mitigating Measures: Unauthorized substitution of key post contract award

After contract award, the executing agency should approve any substitutions of key experts before these experts are deployed.

The approval should be

- (i) based on whether the substitute expert has the qualifications required (at least equal to the expert to be replaced) for the position and
- (ii) properly documented.

# Mitigating Measures: Books and records

Project accounts should be maintained separately from other projects and activities of executing/implementing agencies.

Periodic account reconciliations between

- (i) project accounts and ADB financial records, and
- (ii) project accounts and bank records should be performed monthly or quarterly, as necessary and practicable, and any discrepancies should be immediately addressed.

Implement records management procedures to facilitate records storage and retrieval, improve accountability, and prevent misplacement.



# Mitigating Measures: Books and records

The executing agency should

- develop a manual on maintaining adequate and reliable accounting systems and procedures,
- train all the project management agencies/units/offices on applying this manual, and
- monitor compliance with the manual. The manual should at least include guidelines on maintaining financial records, performing account reconciliations, segregation of duties, and flow of project information.
- The executing agency is encouraged to implement a computerized accounting system, where the critical functions can be automated and data can be generated in real time.





# Risk identification and mitigation: Sanctions



# Executing agencies (EAs) are responsible for sanction screening

## Procurement of Goods and Works - Stages



## Procurement of Consulting Services



# EA and IA Access to ADB's Complete Sanctions List

## Sanctions List

The following page lists the entities sanctioned by the Asian Development Bank (ADB) and also those cross-debarred by ADB and other Multilateral Development Banks (MDBs). These entities are not eligible to participate in ADB-financed, -administered, or -supported activities for violating the specified Anticorruption Policy.

### COMPLETE LIST

### PUBLISHED LIST Accessible to the public

#### Published List (No Login Required)

What you will see in the list:

- Sanctions violation while ineligible
- Second and subsequent violations
- Debarred entities who are uncontactable
- Cross debarred entities
- Subset of the complete list

[VIEW PUBLISHED LIST](#)

#### Complete List (For authorized users only\*)

What you will see in the list:

- Published List
- First violations

*This is a secure application operated by ADB for its official business. Only those given access to the application can access the list.*

[VIEW COMPLETE LIST](#)

Password-protected, accessible to:

- ADB Staff
- BoD
- Parties with a “need to know”: international organizations, bilateral and government partners
- EAs and IAs

[sanctions/related/79926/adb-sanctions-list-faq.pdf](#)

# Requesting Access

## Sanctions List

The following page lists the entities sanctioned by the Asian Development Bank (ADB) and also those cross-debarred by ADB from other Multilateral Development Banks (MDBs). These entities are not eligible to participate in ADB-financed, -administered, or -supported activities for violating the specified Anticorruption Policy.

### Published List *(No Login Required)*

What you will see in the list:

- Sanctions violation while ineligible
- Second and subsequent violations
- Debarred entities who are uncontactable
- Cross debarred entities
- Subset of the complete list

[VIEW PUBLISHED LIST](#)

### Complete List *(For authorized users only\*)*

What you will see in the list:

- Published List
- First violations

*This is a secure application operated by ADB for its official business. Only those given access to the application can access the list.*

Are you a registered user?

[LOGIN](#)

Are you a qualified (non-ADB staff) user who needs access to the complete sanctions list?

[SIGN-UP](#)

#### Qualified users:

- Officially involved in an ADB-financed, -administered or -supported activity (e.g. Project Director, Deputy Project Director)
- Favorably endorsed by ADB Project Officer

If you have problems submitting the online application, please download the [Application Form](#), complete it and email to [integrity@adb.org](mailto:integrity@adb.org)

**Sign up here**

**Manual form  
available**

<http://sanctions.adb.org>



# Requesting Access

## Apply for access to Asian Development Bank full sanctions list:

\* - required fields

Your Name *	<input type="text"/>	<input type="text"/>	<input type="text"/>
	First Name	Middle Name	Last Name
User Name / Password *	<input type="text"/>	<input type="text"/>	<input type="text"/>
	User Name	Password	Confirm Password
Designation *	<input type="text"/>		
(i.e. Deputy Secretary / Proj Officer)			
Organization / Agency *	<input type="text"/>		
(i.e. name of Organization, Ministry, Employer, etc)			
Address *	<input type="text"/>		
Country *	<input type="text"/>		
Telephone Number *	<input type="text"/>		
Fax Number	<input type="text"/>		
Email Address *	<input type="text"/>		

### In connection with this application, I confirm that:

**I am involved in an ADB-financed, administered or supported activity in my capacity as:**

Designation *	<input type="text"/>
(i.e. Project Director etc)	
Project(s) *	<input type="text"/>
ADB Loan number(s) *	<input type="text"/>

### Project is being executed/implemented by:

Organization / Agency *	<input type="text"/>
-------------------------	----------------------

### ADB Project Officer's contact information:

Project Officer *	<input type="text"/>
Officer's ADB Email *	<input type="text" value="@adb.org"/>
Information on why access is required	<input type="text"/>

If granted access, I shall use the information in ADB Sanctions List exclusively in connection with the project identified above. I shall protect the confidentiality of the information and use it only for the purpose for which the access has been granted.

The information will be granted without prejudice to the privileges and immunities conferred on ADB and its officers and

Make you fill in the name of an ADB project officer and email address who can verify your involvement in the project

# Requesting Access

Your registration has been successfully submitted. You will receive an email after the approval process. Thank You.

[Back to Home Page](#)

# Managing the Access



## EAs and IAs should...

- ☐ Designate the appropriate person(s) from the organization/agency requiring access on a 'need-to-know' basis
- ☐ Not share user accounts or passwords – each user must apply for a unique user ID.
- ☐ Submit accurate, detailed information that allows the user ID to be identifiable to a single user
- ☐ Inform ADB ([integrity@adb.org](mailto:integrity@adb.org)) or ADB project officer if the user profile details have changed since the initial request or require deactivation (access no longer required or user no longer connected with the EA)

# Searches

Search: viet nam

GO

TIP: Use the \* for better search results. Type \*example\* to list all entities containing the text 'example' anywhere in the line.

33 documents for query "viet nam"

Page: 1 | 2

Name	Address	Sanction Type	Other Name/Logo	Effect Date   Lapse Date	Grounds
Viet Nam Industrial Commercial Investment and Development Joint Stock Company (Short name: Viet Nam Indetra Co., JSC)	No. 10, Cluster 17, Mai Dich Ward, Cau Giay District, Hanoi, VIET NAM  41 Nguyen Trung Ngan, Vinh City, Nghe An, VIET NAM	Debarred	Công ty cổ phần đầu tư thương mại và phát triển công nghiệp Việt Nam	16/Sep/2021   16/Mar/2025	Violated ADB's Integrity Principles and Guidelines 2A (ii).
Hoang Mai Construction Import and Export Joint Stock Company (Trade Register No.: 0103774823)	Xom Bo, Commune Thanh Liet, District Thanh Tri, Hanoi VIET NAM  Room 3016, Building B, Vinaconex Building Nguyen Xien (Phòng 3016 Tòa B Vinaconex 2 Nguyễn Xiển) Dai Kim Ward, Hoang Mai District (Phường Đại Kim, Quận Hoàng Mai) Hanoi 100000 (Hà Nội) VIET NAM  No. 14, TT6B Urban West Nam Linh Dam, Hoang Mai (Số 14, TT6B Khu đô thị Tây Nam Linh Đàm, Hoàng Mai) Hanoi 100000 (Hà Nội) VIET NAM	Debarred	Công ty CP xuất nhập khẩu xây dựng Hoàng Mai	17/Feb/2021   17/Aug/2026	Violated ADB's Integrity Principles and Guidelines 2.A(ii)

# Search Functionality

## Complete Sanctions List

Search:

TIP: Use the \* for better search results. Type \*example\* to list all entities containing the text 'example' anywhere in the line.

Category:

View by:

Filter by:



Search names using the search bar



Avoid including common terms when searching

"Ltd", "Company", "LLC"

Example: Use "A2Z" when searching for A2Z Waste Management



Remove leading terms such as "M/S, or M/S." from company names



# Searches

Search: A2Z

TIP: Use the \* for better search results. Type \*example\* to list all entities containing text 'example' anywhere in the

## 14 documents for query "A2Z"

Name	Address	Sanction Type	Other Name/Logo	Nationality	Effect Date   Lapse Date	Grounds
A2Z WASTE MANAGEMENT (LUDHIANA) LTD.	PLOT NO. B. 38, INSTITUTIONAL AREA, SECTOR -32, GURUGRAM- 122001, HARYANA, INDIA	Debarred		India	23/Jun/2021   11/Nov/2024	Cross-Debarment: WB
A2Z WASTE MANAGEMENT (ALIGARH) LTD.	PLOT NO. B. 38, INSTITUTIONAL AREA, SECTOR -32, GURUGRAM- 122001, HARYANA, INDIA	Debarred		India	23/Jun/2021   11/Nov/2024	Cross-Debarment: WB
A2Z INFRASERVICES LTD.	O-116, 1ST FLOOR, DLF SHOPPING MALL, ARJUN MARG, DLF PH-I GURUGRAM - 122002, HARYANA, INDIA	Debarred		India	23/Jun/2021   11/Nov/2024	Cross-Debarment: WB
A2Z POWERCOM LTD.	O-116, 1ST FLOOR, DLF SHOPPING MALL, ARJUN MARG, DLF PH-I GURUGRAM - 122002, HARYANA, INDIA	Debarred		India	23/Jun/2021   11/Nov/2024	Cross-Debarment: WB
RISHIKESH WASTE MANAGEMENT LTD. (FORMERLY KNOWN AS A2Z POWERTECH LTD.)	O-116, 1ST FLOOR, DLF SHOPPING MALL, ARJUN MARG, DLF PH-I GURUGRAM - 122002, HARYANA, INDIA	Debarred		India	23/Jun/2021   11/Nov/2024	Cross-Debarment: WB
A2Z INFRASERVICES LANKA PVT. LTD.	BOC MERCHANT TOWER, LEVEL 8, NO: 28 ST. MICHAEL'S ROAD, COLOMBO 3, SRI LANKA	Debarred		Sri Lanka	23/Jun/2021   11/Nov/2024	Cross-Debarment: WB
A2Z INFRA ENGINEERING LIMITED(Previously known as A2Z Maintenance & Engineering Services Limited)	PLOT NO. B-38, SECTOR 32, INSTITUTIONAL AREA, GURGAON - 122001, HARYANA INDIA	Debarred		India	8/Dec/2020   11/Nov/2024	Cross-Debarment: WB
A2Z WASTE MANAGEMENT (NAINITAL) PRIVATE LIMITED	PLOT NO. B-38 INSTITUTIONAL AREA, SECTOR 32, GURGAON, 122001, HARYANA, INDIA	Debarred		India	23/Jun/2021   11/Nov/2024	Cross-Debarment: WB

# Searches

AARON INGENIEROS CONSTRUCTORES & CONSULTORES E.I.R.L.*	JR. CHAUPIMAYO D-5 SANTA ANA – LA CONVENCION, CUSCO Peru	Debarred	Non ADB Member Country ⓘ		Cross-Debarment: WB
Abdellatif, Cherkaoui	Nº3012 Av des Far Lachalé Dcheira Inezgane Morocco	Debarred	Non ADB Member Country ⓘ	21/Sep/2020   19/May/2023	Cross-Debarment: EBRD

# United Nations Security Council Sanctions: Obligations



# United Nations Security Council Sanctions

Home » About the Council » United Nations Security Council Consolidated List

## United Nations Security Council Consolidated List

- [Technical actions](#)
- [Composition of the List](#)
- [Identifiers and acronyms in the List](#)
- [Individuals](#)
- [Entities](#)
- [Mailing list Subscription](#)
- [Search UN Security Council Consolidated Lists](#)

United Nations Security Council Consolidated List

Search function



# UNSC Sanctions: Search

## United Nations Security Council Consolidated List Search

### Language

☐ العربية

☐ 中文

☒ English

☐ Français

☐ Русский

☐ Español

Select the language of the report

### FULL TEXT SEARCH

### Enter keywords

A

You can enter more than one word to search separated by space.

*For example:*

*case 1: if you enter **John Doe** the results shown will consist of individuals or entities that contain the word "John" or "Doe". If you are searching for an exact phrase include it between quotes "your phrase here". **The field is not mandatory when Advanced search options are used.***

*For best results search words entered must be at least 3 characters long.*

Search

reset

For Advanced search options [click here](#)

# UNSC Sanctions: Advanced Search

## FULL TEXT SEARCH

Enter keywords

A

You can enter more than one word to search separated by space.

*For example:*

*case 1: if you enter **John Doe** the results shown will consist of individuals or entities that contain the word "John" or "Doe". If you are searching for an exact phrase include it between quotes "your phrase here". **The field is not mandatory when Advanced search options are used.***

*For best results search words entered must be at least 3 characters long.*

Exclude

B

You can enter more than one word to exclude separated by space.

*For example:*

*case 2: if the keywords entered in **A** are **John Doe** and you want to exclude all individuals or entities that contain "1987" from the search results of **A** then you would enter **1987** in **B**. Therefore the search results will show all the entries with John Doe that do not have 1987 (John Doe born in 1987 will be excluded).*

*Case 3: if you want to exclude individuals or entities that contain the word **Taliban** then you would leave **A** blank and enter **Taliban** in **B** (All entries that have the word Taliban will be excluded). If you want to exclude a phrase put it between quotes "your phrase". **The field is not mandatory.***

Date of Birth

**FROM:** Year     Month     Day     **TO:** Year     Month     Day

*Choose only a year (e.g. **FROM 1987 TO 1990**) or a full date (e.g. **FROM 1987-01-01 TO 1990-01-01**).*

*Another case would be **FROM 1987 TO 1990-01-01** or **FROM 1987-01-01 TO 1990**.*

*If **TO** is completely blank then only **FROM** date will be selected. **The field is not mandatory.***

# Red Flag Indicators



Translation of certificates or supporting documents: bidding documents not clear from whom attestation should be obtained from



Local government minister is strongly encouraging the project implementation unit to hire the spouse of the minister as one of the PIU consultants



In several bids over procurement of several packages, 70%-80% of unit price items in the bill of quantities were identical i.e. exactly the same unit price

# Red Flag Indicators



Three firms have discussed to bid for an executing agency-administrated procurement opportunity. They have fairly amongst themselves decided to adjust the prices to ensure that one of the firms is awarded the project and the remaining two agree will cooperate for future biddings.



A bidding submission included bidder's experience which looks unreasonably large in comparison to the nature of works and contracted period. It appears that one digit was added to the contracted price in the supporting documents. Notes were attached in a local language. A photocopy was submitted as part of the bid document. In the photocopy, the numbering was not aligned in a straight line.



Submitted bid included a set of photocopied bidder's invoices as supporting their experience. No official receipt, certification of works completion or other documents issued by the client were submitted.



# Red Flag – Other Examples



- Insufficient on-site monitoring and supervision of contracts
- Poor quality of works, services and goods
- Weak enforcement of professional standards
- Lack of required equipment and qualified personnel
- Contracts exceed original contract amount
- Deviation from construction design or Terms of Reference
- Submission of irregular interim and final performance certificates
- Submission of irregular contract variations (exaggerated contract amount, scope of contract)
- Manipulation of Bill of Quantities



ADB Irrigation and  
Water Project  
**BIDDING IS  
NOW OPEN**

# Bids/ Proposals: Red Flags

## Bidding Forms

### Bill of Quantities

#### Objectives

The objectives of the Bill of Quantities are

- (a) to provide sufficient information on the quantities of Works to be executed, to enable bidders to prepare bids to be prepared efficiently and accurately; and
- (b) when a contract has been entered into, to provide a basis for the Bill of Quantities for use in the periodic valuation of Works executed.

In order to attain these objectives, the Bill of Quantities should be itemized in sufficient detail to distinguish between different types of Works, or between Works of the same nature carried out in different locations or under different circumstances that may give rise to different considerations of cost. Consistent with these requirements, the layout and content of the Bill of Quantities should be as simple as possible.

#### Content

The Bill of Quantities should be divided generally into the following sections:

**BOQ and bidding documents should be authentic**





# Bids/ Proposals: Red Flags

## Bidding Forms

Technical Proposal

Technical Proposal – Personnel

Form PER – 1: Proposed Personnel

Bidder shall provide the details of the proposed personnel and their experience in the relevant Information Forms below for each candidate:

1.	Title of position*
	Name
2.	Title of
	Name

Form PER – 2: Resume of Proposed Personnel

Position	
Personnel information	Date of birth
Professional qualifications	
Present employment	Name of employer
	Address of employer
Telephone	Contact (manager / personnel officer)

Proposed personnel should be aware and available

# Bids/ Proposals: Red Flags

## Bidding Forms

Technical Proposal – Equipment

Form EQU: Equipment

The Bidder shall provide adequate information and details to demonstrate clearly the capability to meet the equipment requirements indicated in Section 6 (Employer’s Requirements) using the Forms below. A separate Form shall be prepared for each item of equipment listed in the alternative equipment proposed by the Bidder.

Item of Equipment		
Equipment Information	Name of manufacturer	Model and power rating
	Capacity	Year of manufacture
Current location	Storage location	

# Bids/ Proposals: Red Flags

## Bidding Forms

### Bidder's Qualification

To establish its qualifications to perform the contract in accordance with Section [blank] and Qualification Criteria) the Bidder shall provide the information requested in the Bidding Information Sheets included hereunder:

Form ELI - 1: Bidder's Information Sheet

Bidder's Information	
Bidder's legal name	
In case of JV, legal name of each partner	
Bidder's country of constitution	
Bidder's year of constitution	

Information on incorporation documents, shareholders, owners and managers, authorized representative, JV partners, legal address and country of constitution should be in order

# Bids/ Proposals: Red Flags

## Bidding Forms

Form LIT - 1: Pending Litigation

Each Bidder or member of a JV must fill in this form if so required under Criterion 2.2 of Section 3 (Evaluation and Qualification Criteria).

Choose one of the

Form FIN - 2: Average Annual Construction Turnover

Each Bidder or member of a JV must fill in this form.

The information supplied should be the Annual Turnover of the Bidder or each member of a JV in terms of the amounts billed to clients for each year for work in progress or completed, converted to US Dollars at the rate of exchange.

Annual

Year	

Form FIN - 1: Historical Financial Performance

Each Bidder or member of a JV must fill in this form.

Financial Data for Previous

Year 1:	

Form EXP - 1(a): Construction Experience in Key Activities

Fill up one (1) form per contract.

Total Assets

Total Liabilities

Contract with Similar Size and Nature

Contract Identification

Form EXP - 1(b): Construction Experience in Key Activities

Fill up one (1) form per contract.

Contract with Similar Key Activities

Contract No ..... of .....	Contract Identification
Award Date	Completion Date
Total Contract Amount	US\$

Should meet the bid qualification requirements





# 4

## Integrity Violations and Remedial Actions

Integrity Violations

Remedial Actions

Cross debarment

Complaints Assessment

Investigation Process

Appeal Process



# Case study 1: Rehabilitation of the Road Network Project

*Background: Bidder A's proposal was lower than engineer's estimate and other bidders. Bidder A's proposal was not disqualified despite not meeting the qualification requirements.*



USD54 million contract was awarded to Bidder A whose books of accounts and bank statements revealed multiple payments totaling USD2 million, which were transferred to intermediaries known to be affiliated with the family of the Minister of Transport.

**Impact:** poor quality of works and supervision, contract amount increased, delay in contract completion and economic loss.

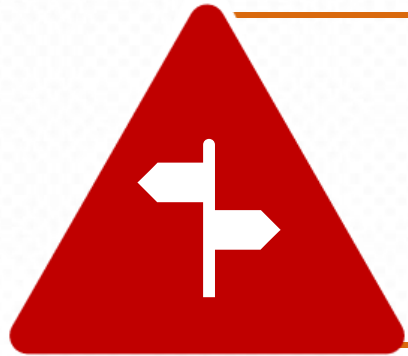


**What are the integrity violations?**



## Case study 2: Urban Road Extension Project

*Background: during bid proposals evaluation, the EA was unable to confirm a bidder's past work experience to meet the bid requirements*



When examining the authenticity of a bidder's technical proposal, it was found that bidder's claimed experience (scope of work and amount of contract) and submitted manufacture authorizations from suppliers were fake.

**Impact:** unexperienced bidder, poor quality of works, contract amount increased, delay in contract completion and economic loss



**What is the integrity violation?**

# Case study 3: Rural Roads Construction and Rehabilitation Project

*Background: beneficiaries of the project complained that Section 5 of the Road is poor quality and unsafe*



The investigator was unable to review contract-related documentation as the contractor has not provided the documentation and prevented the investigator to visit the contractor's office and Section 5 of the road.

**Impact:** poor quality and unsafe road, weak project supervision, additional resources to rectify the defects, economic loss



**What are the integrity violations?**

## Case study 4: Great Ocean Road Rehabilitation Project

*Background: Multilateral Bank A received an allegation that supervision consultants turned blind eye on the quality of contractor's works and goods.*



Most payments have been made without certifications from supervision consultants, particularly civil construction contracts. Still, full payments were made to the contractors. No disputes were raised by project officials against the product substitution.

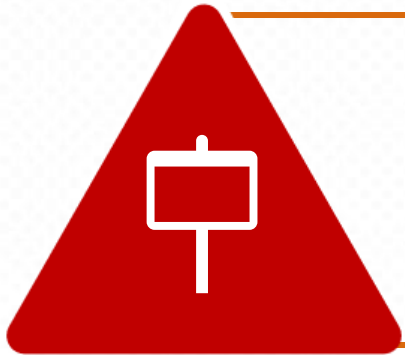
**Impact:** poor quality of works and goods, weak project supervision, additional resources to rectify the defects, economic loss



**What are the integrity violations?**

## Case study 5: Rehabilitation of the 300 – 560 km of the Road 66

*Background: investigative journalist established that the winning bidder has an affiliation with the member of the tender committee*



The CEO of the winning bidder for construction works contract has a close familial relations with the member of the tender committee for the contract. This relations were not disclosed prior to the bid evaluation.

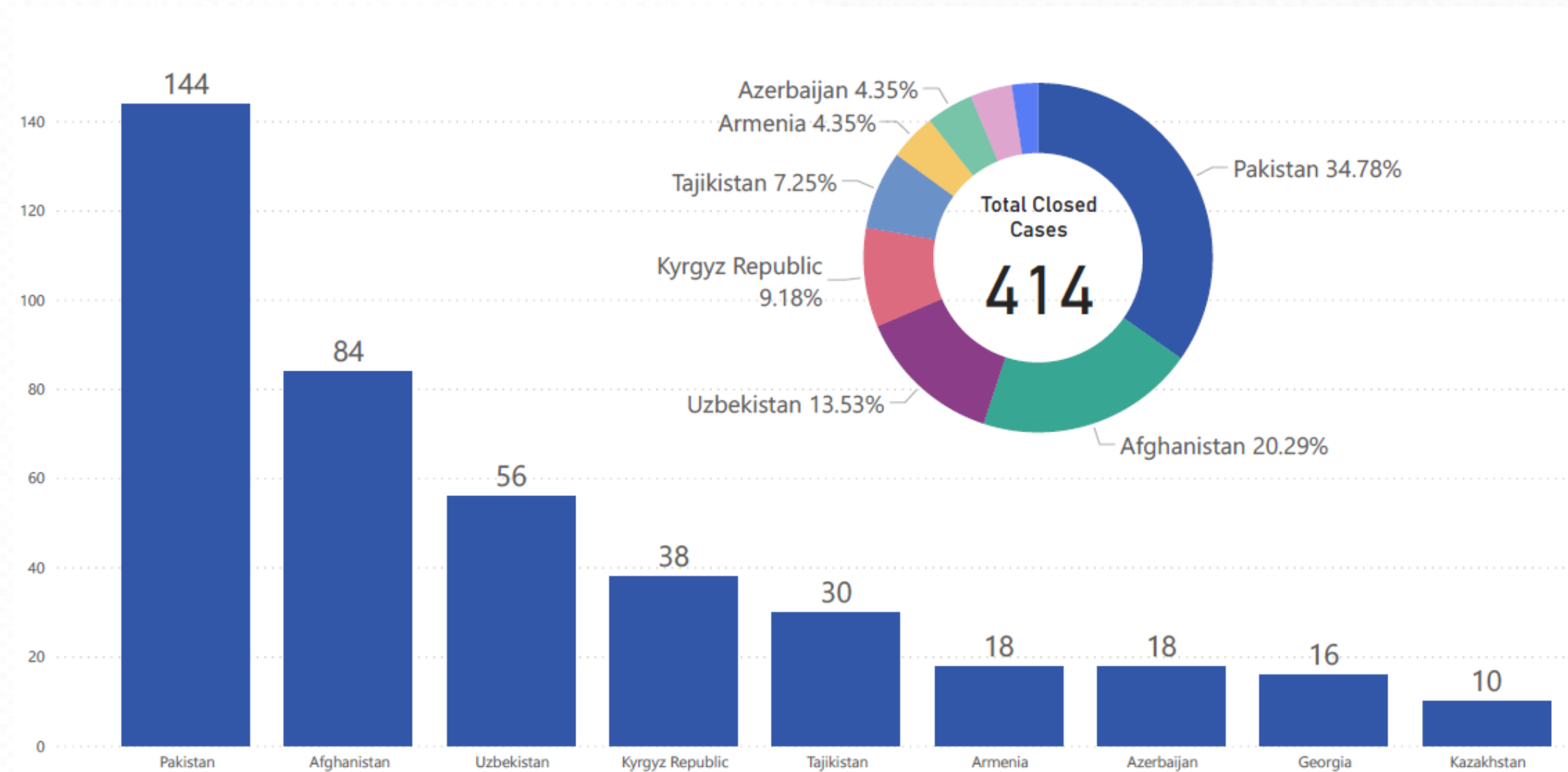
**Impact:** reputational risk, poor performance of contractual obligations, economic loss



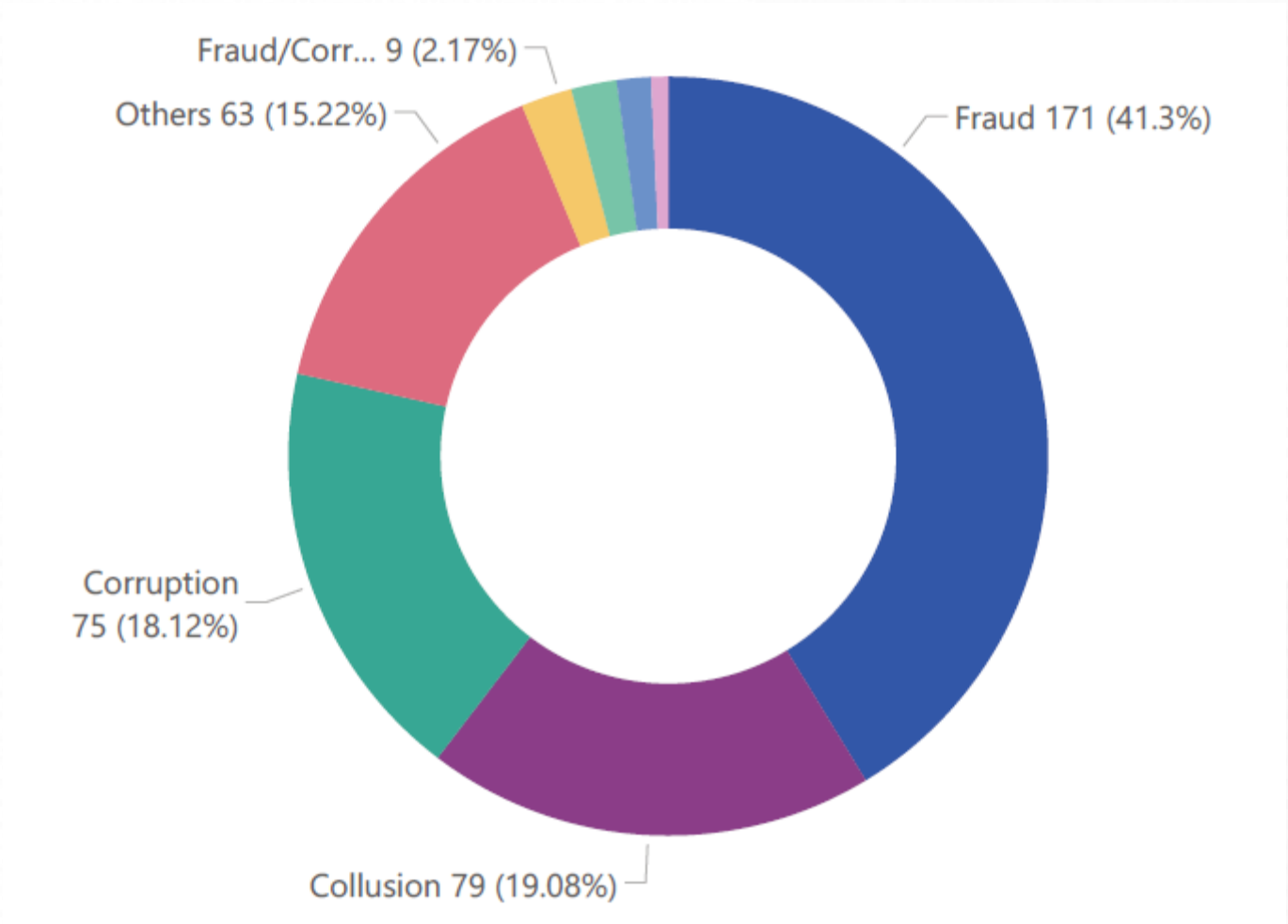
**What are the integrity violations?**



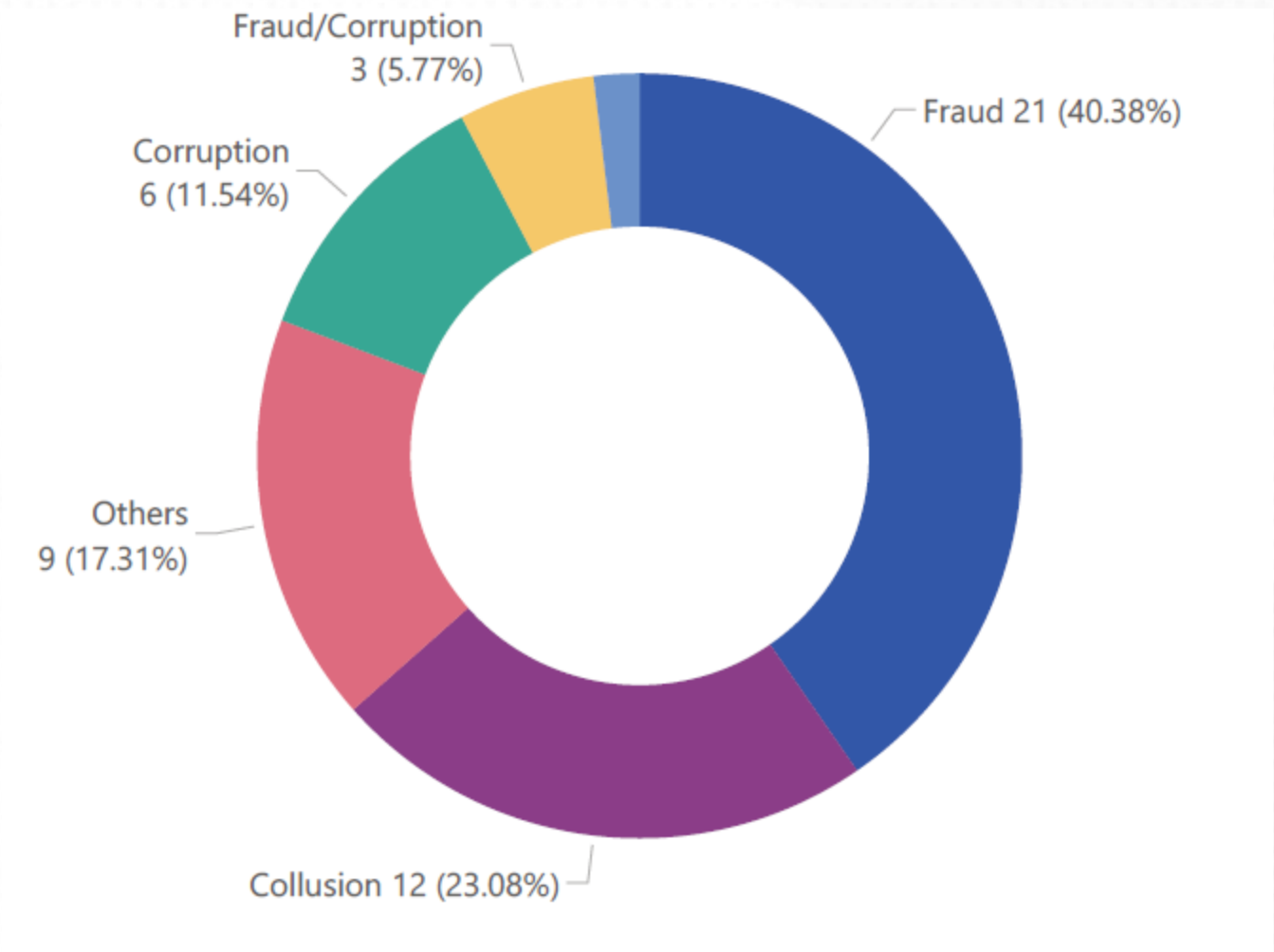
# CWRD closed cases 2012-2021



# CWRD closed cases: Integrity Violations



# CWRD closed cases: Water Sector



# Following an ADB Investigation

1. ADB proposes a debarment, which is accepted by the entity
2. Via the Integrity Oversight Committee



firms and individuals  
currently debarred by ADB





# Following Another MDB Investigation



- ADB receives a notice from the MDB of the debarment which ADB enforces, otherwise known as a cross debarment



firms and individuals  
currently debarred by ADB



Fraud



Corruption



Collusion

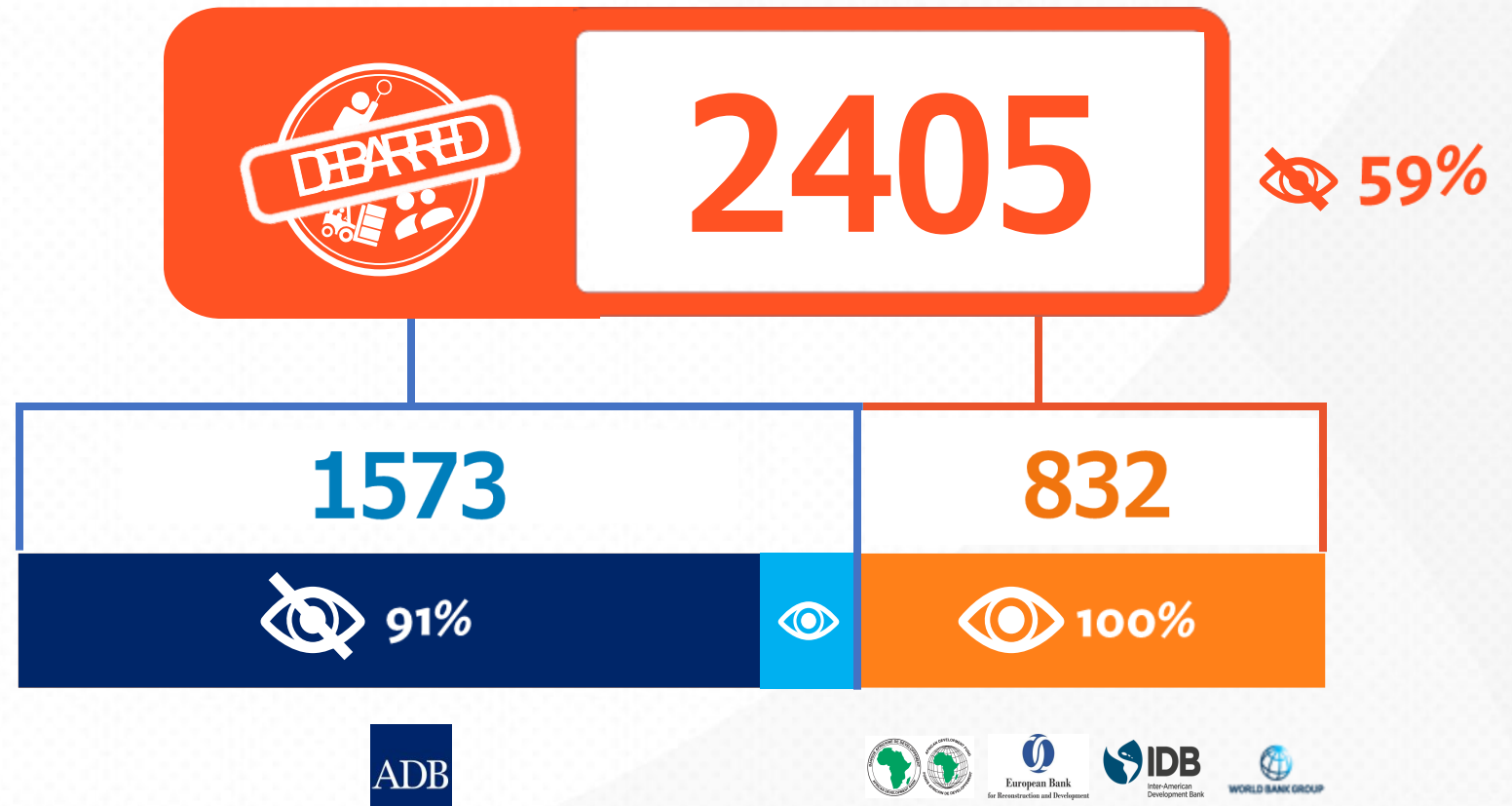


Coercion

# Consequences of a Debarment

To publish or not to publish:

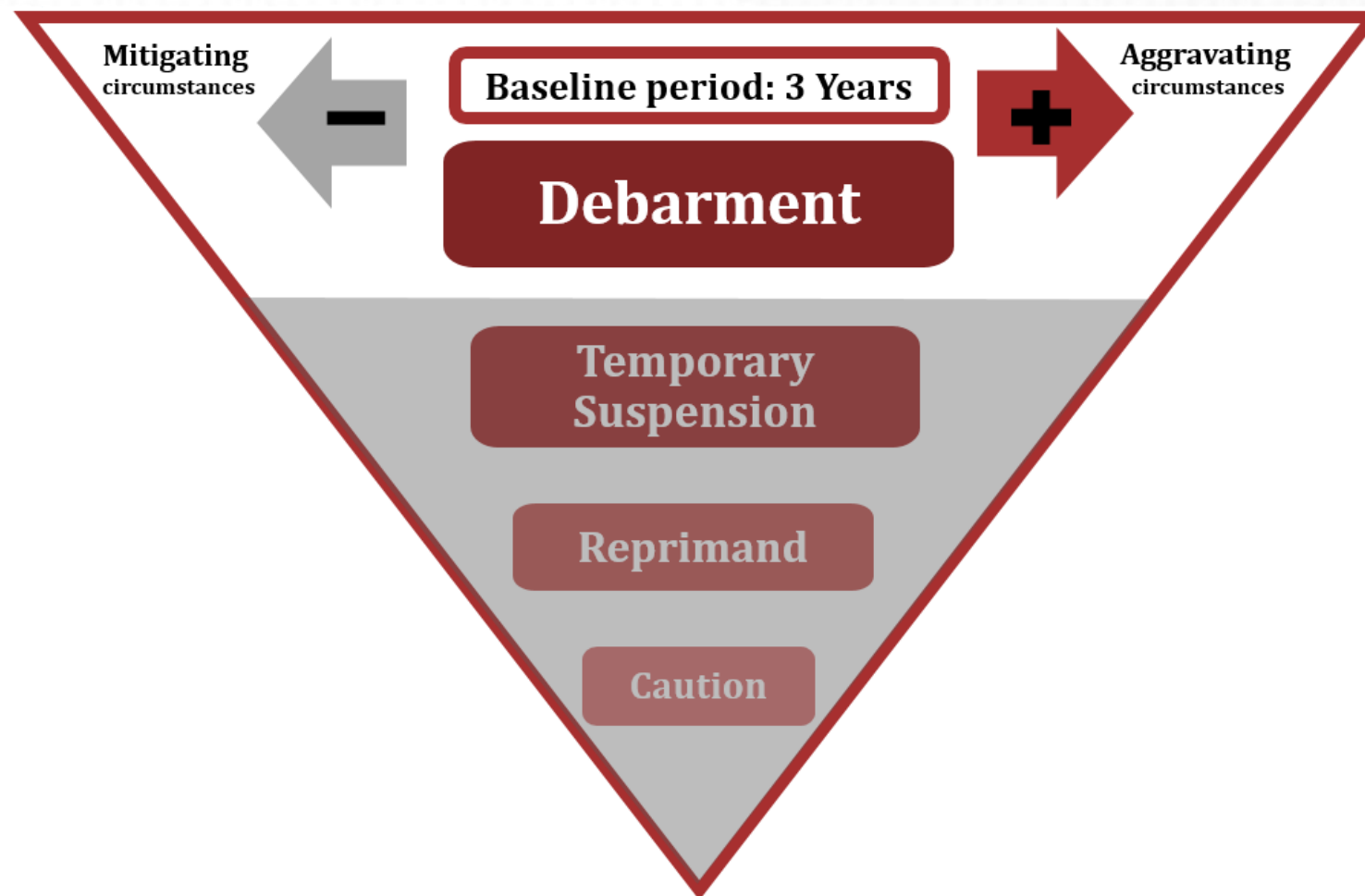
1. ADB debarments are generally not published
2. Cross debarments are always published



# CWRD Debarments

Debarments - CWRD	Firms	Individuals	Total
Entities currently debarred by ADB	84	106	<b>190</b>
Debarments – Published List	5	4	<b>9</b>
Debarments – Unpublished	79	102	<b>181</b>
Entities currently cross debarred by ADB	31	8	<b>39</b>
<b>Total Debarments</b>	<b>115</b>	<b>114</b>	<b>229</b>

# Remedial Actions





# Consequences of Integrity Violations in ADB-financed Projects



Sanctions of firms or individuals

Suspension of the loan or grant allocations

Termination of loan or grant allocations

Return of misused loan or grant resources back to ADB

Changes of administrative arrangements

Request to investigate or change government staff

Cross debarment



# Impact while under sanction



# Recap



An abstract graphic on the left side of the slide. It features a solid blue hand at the bottom, with several colorful, smoke-like or smoke-like trails (in shades of blue, yellow, orange, and red) rising from it and curving upwards and to the right. The background is white with light gray curved lines.

Open Floor





**Scan**

## Survey QR Code

Your feedback would help the Office of Anticorruption and Integrity in providing knowledge products and services relevant to you.

Answers will be kept confidential and data will only be assessed in the aggregate.

# Office of Anticorruption and Integrity



[www.adb.org/integrity](http://www.adb.org/integrity)



@anticorruptionandintegrity



[anticorruption@adb.org](mailto:anticorruption@adb.org)  
[integrity@adb.org](mailto:integrity@adb.org)



@adb\_oai



+63-2-8632 5004



ADB Anticorruption and Integrity



+63-2-8636 2152

Due to the COVID-19 pandemic, please reach out to OAI via email.

Report integrity violations through OAI's complaint form:

<https://www.adb.org/integrity/report-violations>

