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## The Integrity Learning Series

# Executing and Implementing Agencies - India

**Graeme M. Seed**  
***Principal Integrity Specialist***

14 April 2023

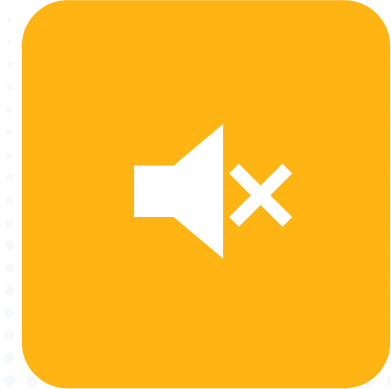
# Reminders



The session is  
being recorded



Type in your questions  
through Q&A at any time



Please remain on  
mute if not speaking

# Objectives



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



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



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

# 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



# 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



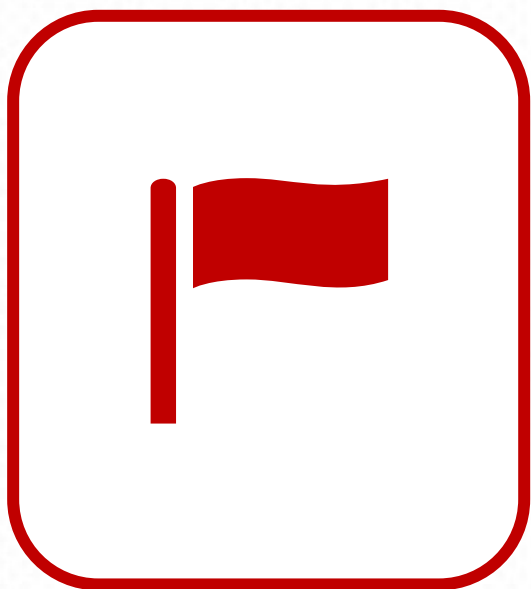
Association of Certified Fraud Examiners: Report to the Nations 2022



Primary internal control weaknesses contributing to corruption and fraud

Association of Certified Fraud Examiners: Report to the Nations 2020

# Recognizing and Reducing Risk



Be alert to the  
**red flags** of  
integrity risks.

# Perform integrity due diligence



Process of checking the accuracy of information of a business or individual prior to, during, and after engaging in a contract and informs risk mitigation



WHY?



WHO?



WHEN?



WHAT?

# Factors in Conducting Due Diligence



# ADB's Anticorruption Framework



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 Framework



**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.

# Mitigating Measures: Vulnerabilities in Bid Evaluation

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.

BEC/CSC 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 may be required.

The BEC/CSC should check accuracy and completeness of information in BERs/submissions before submitting these for ADB's no-objection. For transparency, decisions made and justifications for deviations should be properly documented in the BERs/Submissions.

# Conflict of Interest

Letter of Bid

NOTE

The bidder must

Bid Submission Sheet

NOTES

1. The bidder must accomplish the Bid Submission Sheet and address.

2. To be used for Single-Stage Bidding.

To: ..... [insert complete name of bidder]

We, the undersigned, hereby certify that the bidder has no conflict of interest with participating firms.

(a) We have

Date: .....

International Competitive Bidding (ICB) No.: .....

Invitation for Bid (IFB) No.: .....

Alternative No.: .....

[Insert identification no. if this is an alternative bid; if alternative bid is not permitted, delete this field]

# Red Flags



An expert, who had a very long and productive working relationship with the executing agency (i.e., representing the executing agency in many situations, both on a retainer and volunteer basis), assisted in the request for proposal preparation for a consultant section. The expert was one of the nominated experts of the winning consulting firm in the selection.



A director of a consulting firm who was hired to assist in the bidding activities (including bidding documents preparation) was a key staff member of the winning firm in that bidding.

## Case study: The firm that prepared the project is in a COI situation



- A firm would like to submit an EOI for an EA-administered consulting assignment for detailed engineering design and project readiness support consulting services.
- The firm was part of a JV that ADB previously hired under a TA to develop and prepare the proposed project. Services rendered included preparing a feasibility level design for each subproject, and to prepare the TOR for the design and implementation consultants for the ensuing project.
- The consultant's key deliverables for the (new) consulting assignment include, among others, a review of available studies and preparing a concept design that improves, upgrades, and fills gaps in the existing feasibility studies.

## Case study: The firm that prepared the project is in a COI situation

**Issue:** Whether or not there is COI considering the firm's involvement in preparing the project



### Finding: There is COI

- Consultant was tasked under the new contract's TOR to review, assess, and evaluate the feasibility study prepared under a related TA
- The firm (if hired) will verify, update, improve, upgrade, and fill the gap in its JV's work/output produced under the previous TA
- Firm is placed in a position where its interests could improperly influence its performance of its contractual obligations



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

# Bidder's Qualification

Form ELI – 1: Bidder's Information Sheet	
Bidder's Information	
Bidder's legal name	
In case of a Joint Venture, legal name of each partner	
Bidder's address	
Bidder's constitution	

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

# Evaluation and Qualification Criteria

**Form LIT – 1: Pending Litigation and Arbitration**

Each Bidder must fill out this form if so required under Criterion 2.1.2 of Section 3 (Evaluation and Qualification Criteria) to describe any pending litigation or arbitration formally commenced against it.

In case of a Joint Venture, Partner's name below:  
Joint Venture

**Form FIN – 2: Size of Operation (Average Annual Turnover)**

Each Bidder must fill out this form.

The information supplied should be the Annual Turnover of the Bidder or each member of the amounts billed to or received from the client or the amounts billed to or received from the exchange at the end of the year.

In case of a Joint Venture, Partner's name below:

**Form FIN – 1: Historical Financial Performance**

Each Bidder must fill out this form.

In case of a Joint Venture, Partner's name below:

Joint Venture must fill out this form separately and provide the Joint Venture Partner's name below:

**Form EXP – 1: Contractual Experience**

Fill out one (1) form per contract.

**Contractual Experience**

Contract

**Form EXP – 2: Technical Experience**

Fill out one (1) form per contract.

**Technical Experience**

Name of Product:

**Should meet the bid qualification requirements**

# Red Flags



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. In the photocopy of the supporting document submitted as part of the bid, the numbering was not aligned in a straight line.



The 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.



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

# Bill of Quantities/List of Goods and Related Services

## 1. List of Goods and Related Services

The purpose of the List of Goods and Related Services (LGRS) is to briefly describe and identify each of the Goods and Related Services that the Purchaser requires the Bidder to supply. As a part of the Schedule of Supply, the LGRS constitutes a Contract document and is a part of the Contract. The Purchaser must prepare the LGRS and include it as a part of the Schedule of Supply.

If the Goods and Related Services are grouped in lots, the Purchaser must state whether Bidders are permitted to submit Bids for individual lots or not.

[Alternative 1. Insert: “The Goods and Related Services are grouped in lots. Bids on individual lots are not permitted. Only Bids for lots can be accepted.”]

[Alternative 2. Insert: “The Goods and Related Services are grouped in lots. Bidders shall have the option of submitting Bids for one, any combination, or all of the lots. Lots shall not be further subdivided for the purpose of bidding.”]

**BOQ/LGRS and bidding documents should be authentic.**

# Red Flag



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

# Proposed Personnel/Experts

**FORM TECH-6B**

*[Note to Consultant: Each Curriculum Vitae (CV) should have a maximum of five pages]*

**CURRICULUM VITAE (CV) FOR INTERNATIONAL OR NATIONAL EXPERT**

1. I understand that any willful misstatement or omission made herein may lead to my disqualification or dismissal, if engaged.

2. \_\_\_\_\_ Date: \_\_\_\_\_  
Expert or authorized representative of the firm<sup>9</sup> Day/Month/Year

Full name of authorized representative

\_\_\_\_\_

Proposed personnel/experts should be aware and available.

# 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-administered 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 agreeing 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 (e.g., exaggerated contract amount, scope of contract)
- Manipulation of Bill of Quantities

# Conducting Due Diligence: Sanctions checks



## Help your EA/IA understand their obligations

### 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, -supported activities for violating the specified Anticorruption Policy.

**COMPLETE**

#### **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

# 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"/>
	<i>First Name</i>	<i>Middle Name</i>	<i>Last Name</i>
User Name / Password *	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<i>User Name</i>	<i>Password</i>	<i>Confirm Password</i>
Designation *	<input type="text"/>		
<i>(i.e. Deputy Secretary / Proj Officer)</i>			
Organization / Agency *	<input type="text"/>		
<i>(i.e. name of Organization, Ministry, Employer, etc)</i>			
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>(i.e. Project Director etc)</i>	
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 sure you fill in the name of an ADB project officer and email address who can verify your involvement in the project

# Searches

## Complete Sanctions List

Category: **FIRMS** **INDIVIDUALS** **ALL ENTRIES**

View by: **Name** **Latest Update** **Cross Debarment Effectivity** **Nationality** **Cross-debarred Entities** **Sanction Type**

Filter by: **All** **A** **B** **C** **D** **E** **F** **G** **H** **I** **J** **K** **L** **M** **N** **O** **P** **Q** **R** **S** **T** **U** **V** **W** **X** **Y** **Z**

Search: india

GO

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

105 documents for query "India"

Page: 1 | 2 | 3 | 4

Name	Address	Sanction Type	Other Name/Logo	Nationality	Effect Date   Lapse Date	Grounds
LLOYD INFOTECH (INDIA) PRIVATE LIMITED	159, OKHLA INDUSTRIAL ESTATE, PHASE-III,, NEW DELHI -110020 India	Debarred		India	20/Apr/2020   No Date	Cross-Debarment: WB
BRC Constructions	B R C Constructions 107, Manikanth Complex Besides Swamy Talkies Sanathnagar, Hyderabad INDIA or Plot No. 268 Officer's Colony Malakpet, Hyderabad 036 INDIA (Undelivered)	Debarred		India	23/Jun/2004   No Date	Debarred, not contactable.

# 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

## 14 documents for query "A2Z"

Search: A2Z

GO

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

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

# Executing agencies (EAs) are responsible for sanctions screening

## Procurement of Goods and Works - Stages



## Procurement of Consulting Services



# 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

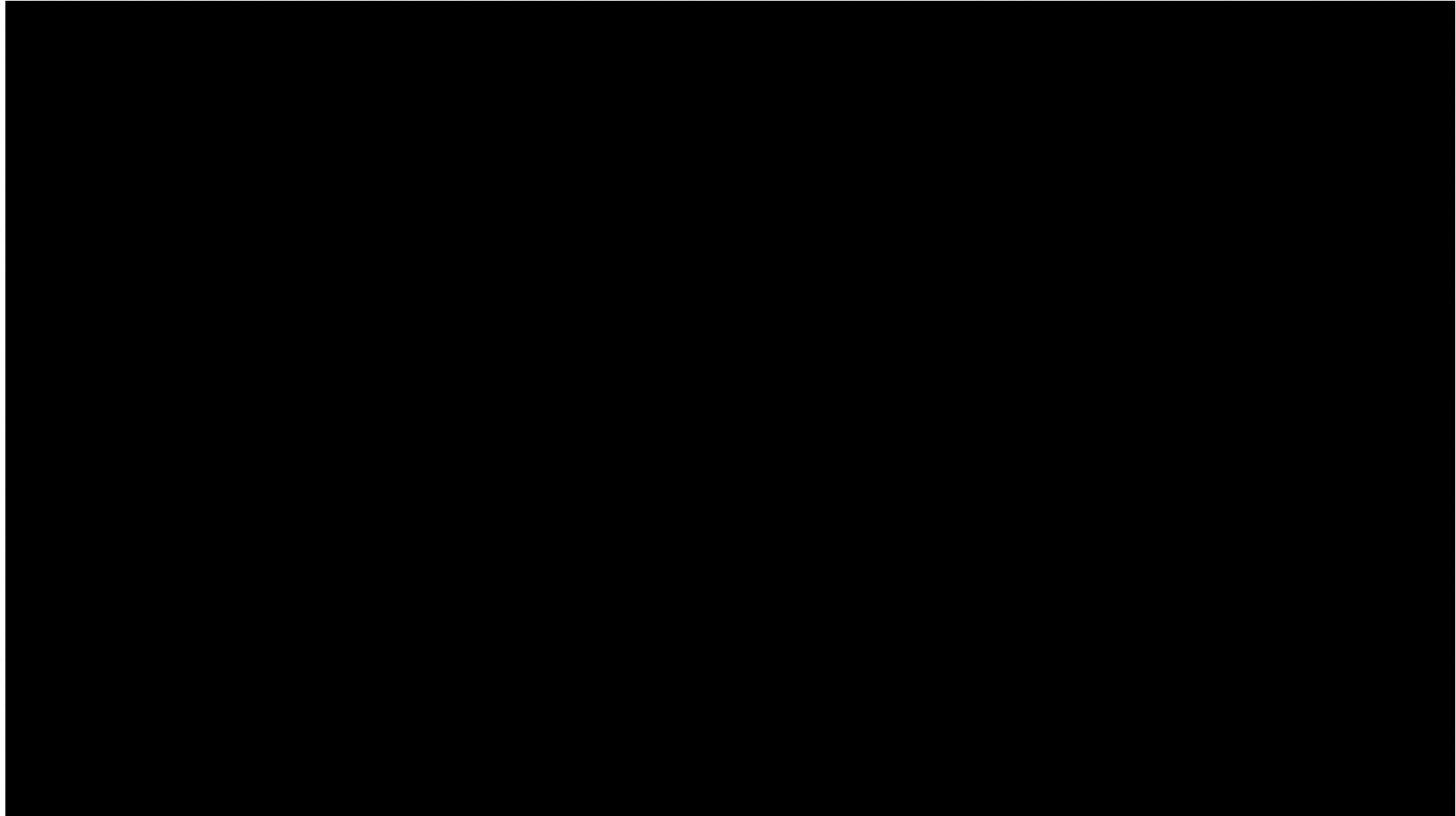
- [Technical actions](#)
- [Composition of the List](#)
- [Identifiers and acronyms in the List](#)
- [Individuals](#)
- [Entities](#)
- [Mailing list Subscription](#)
- [Search UN Security Council Consolidated Lists](#)

United Nations Security Council Consolidated List

Search function

# ABD Debarments and Temporary Suspensions

# Integrity is Everybody's Business





Integrity Violations

Assess and Investigate

Remedial Actions

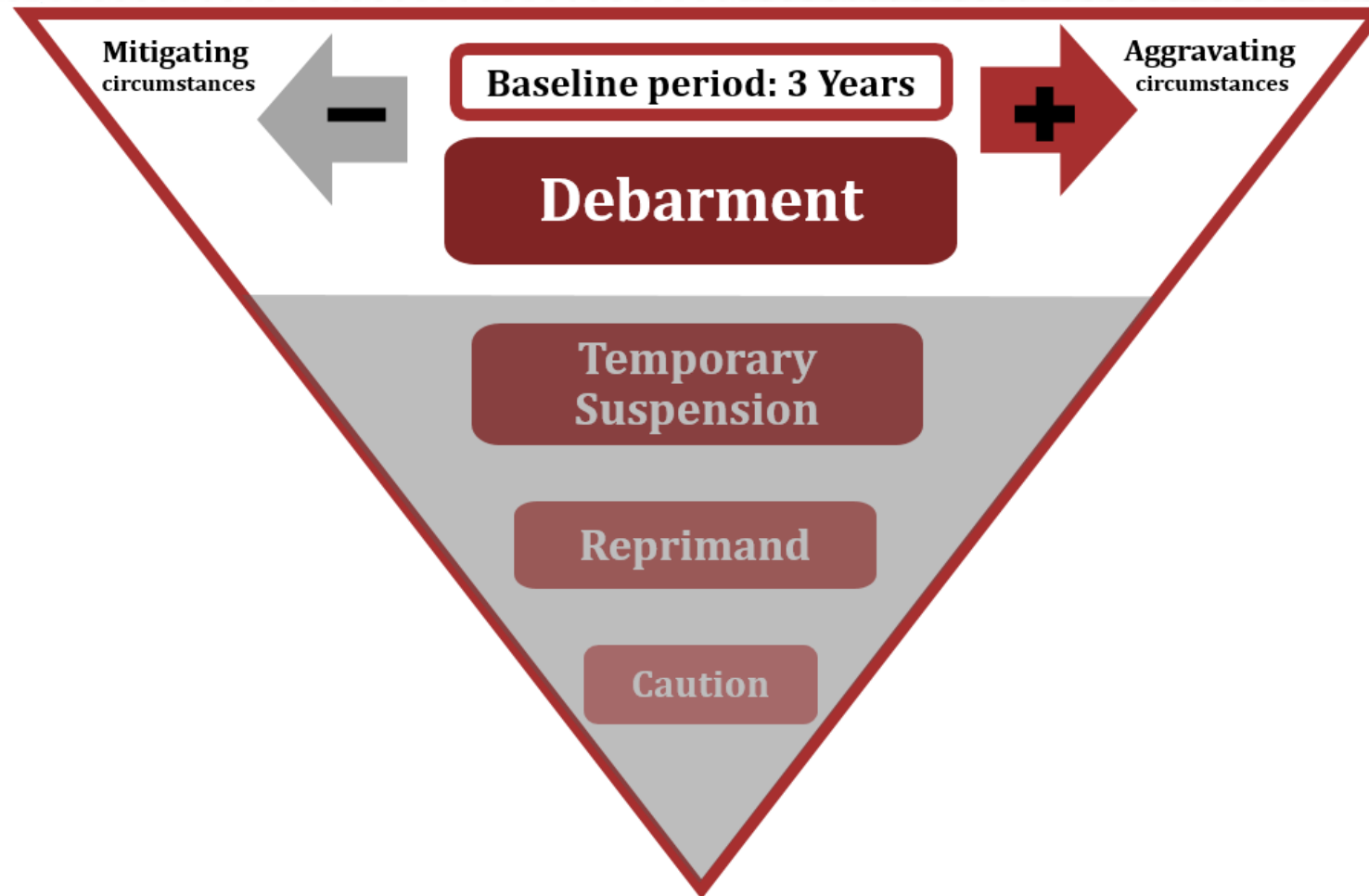
Cross Debarment

Appeal Process

# Integrity Violations



# 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

<p>Current contracts</p> 	<p>Contract variations</p> 	<p>Reinstatement</p> 	<p>Future tenders</p> 
<p><b>MAY CONTINUE</b></p>	<p><b>OAI APPROVAL</b></p>	<p><b>NOT AUTOMATIC</b></p>	<p><b>NOT PERMITTED</b></p>

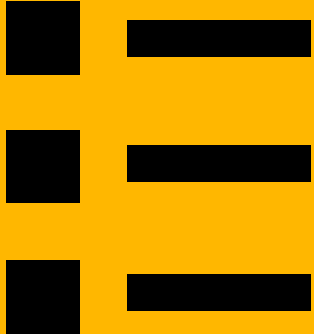
# ADB Debarments



- **Minimum** debarment period, except for indefinite debarments
- Debarred entity can **apply for reinstatement after the minimum debarment period**, unless there is a provision for early reinstatement
- **Remains debarred even after the minimum debarment period**, unless reinstatement requested and ADB has **granted**



## Reinstatement



# Reinstatement is not automatic



OAI assesses the merits of reinstating



OAI informs entity of decision

# Sanctions Violation

Participation in ADB-related activities while debarred, whether before or after the minimum debarment ends, may result in a **sanctions violation**.

Sanctions violation is an integrity violation and may result in the extension of debarment.



# Recap



Know your partner



Identify and mitigate risks,  
support your partner to mitigate  
risks



Report integrity  
violations to OAI



Leverage technology for  
due diligence



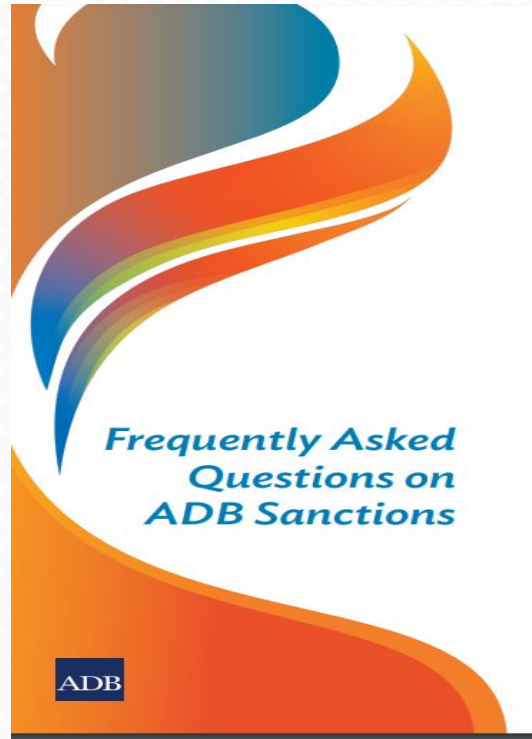
EAs/IAs to (i) sign up  
for access to ADB's complete  
Sanctions List and (ii) do the  
sanctions checks

**Integrity Risk Management is  
everyone's responsibility.**



**Do not assume that someone else is doing it.**

# Resources: For you and your EAs/IAs



# 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



Report integrity violations :

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

