ADB | **Office of Anticorruption and Integrity**

The Integrity Learning Series

Anticorruption and Integrity in ADB Projects

INDIA: Project Directors' Orientation Forum

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Integrity Officer

22 April 2025
Hybrid Session

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Reminders

The session is being recorded.

Reserve questions at the end of the presentation.
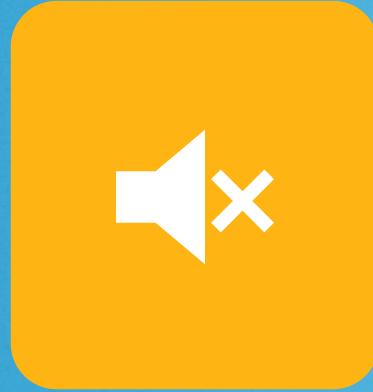
If online, please remain on mute if not speaking.

For Mentimeter, scan the QR Code or type menti.com.

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Case Study 1:

You find a wallet on the street. It has the owner's ID and $1,000. What would you do?

Would you:

1. Keep the money: "Finders keepers!"

2. Turn in the wallet intact to the Lost and Found counter.

3. Contact the owner using the ID to return the wallet.

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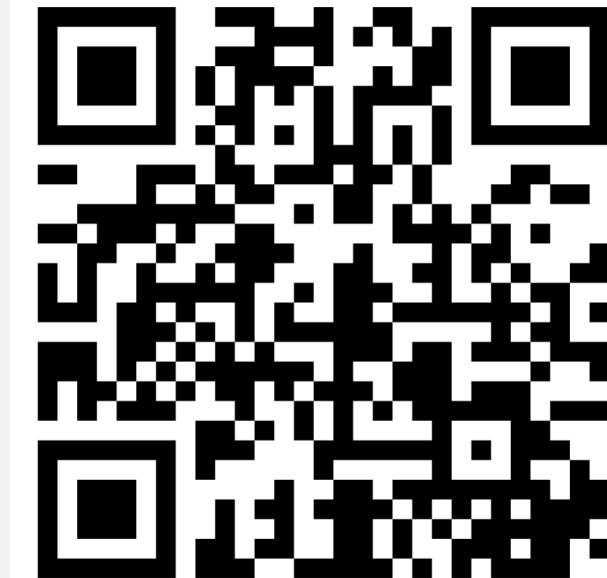
What to expect

I. ADB's Anticorruption and Integrity Framework

II. Integrity Violations

III. Enforcement Actions and Impact

IV. Recognizing and Reducing Risks

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I. ADB's Anticorruption and Integrity Framework

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ADB's Anticorruption and Integrity Framework

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

https://www.adb.org/documents/anticorruption-policy

https://www.adb.org/documents/investigation-enforcement-framework

ZERO TOLERANCE

HIGHEST ETHICAL STANDARDS

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II. Integrity Violations

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Quiz

Or go to **menti.com**
and enter code
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Scan to participate

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Obstruction

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Integrity Violations

MDB-Harmonized Definitions

Fraud

Corruption

Collusion

Coercion

Failure to disclose and manage a conflict of interest

Abuse

Obstruction

Retaliation Against Whistleblowers or Witnesses

Violation of Debarment

Failure to Adhere to the Highest Ethical Standards

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III. Enforcement Actions and Impact

- o Investigation and Enforcement Process

- o Enforcement and Disclosure Actions

- o Consequences of Integrity Violations in ADB-supported Projects

- o Impact While Under Debarment

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Investigation and Enforcement Process

Integrity Violations

OAI Assesses and Investigates

If no enforcement action required:
(i)   declination;
(ii)   caution; and / or
(iii)   recommended improvements

Suspension

Proposed Resolution Agreement (PRA)

Referral to the Integrity Enforcement Committee (IEC)

Notice of Enforcement Decision

Enforcement Appeals Committee (EAC) → Decision of the EAC

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Enforcement and Disclosure Actions

Debarment

Debarment
with conditional reinstatement

Conditional Non-Debarment

Reprimand

Restitution and / other
financial remedies

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ADB Debarment and Suspension Register

http://sanctions.adb.org

PUBLISHED LIST
Accessible to the public

COMPLETE LIST

Password-protected, accessible to:
- ADB staff
- BoD
- Parties with a "need to know": international organizations, bilateral and government partners
- EAs and IAs

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Consequences of Integrity Violations in ADB-financed Projects

Debarment of firms and individuals

Suspension of the loan or grant allocations

Termination of loan or grant allocations

Return of misused loan or grant resources back to ADB
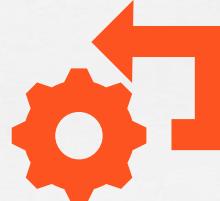
Changes of **administrative arrangements**

Request to **investigate or change** government staff

Cross debarment

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Impact While Under Debarment

ADB
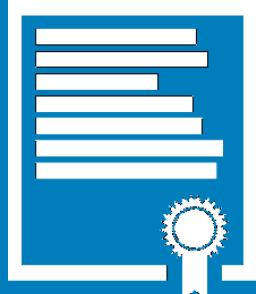
Current contacts	Contract variations	Future tenders	Reinstatement
MAY CONTINUE	**OAI ENDORSEMENT**	**NOT PERMITTED**	**NOT AUTOMATIC**

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IV. Recognizing and Reducing Integrity Risk

○ **Red Flags**

○ Due Diligence

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What is Integrity Risk?

Integrity Risk

is the risk that a person or entity involved in ADB activities is implicated in financial or other ethical misconduct, resulting in potential adverse impacts on ADB.

Such misconduct includes any act which violates ADB's Anticorruption Policy, namely corrupt, fraudulent, coercive, or collusive practice, and other integrity violations as defined.

Such misconduct also encompasses other improper activity, including money laundering, terrorist financing, tax evasion, and predicate offences as defined by international standards in relation to financial crime risks.

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How is Integrity Risk related to Reputational Risk?

ADB, executing and implementing agencies, and its personnel depend on its reputation to achieve its mandate.

Reputational risk may be considered as the risk that our stakeholders and/or the communities where we operate, lose confidence in, and respect for, us and our ability to achieve our development mission.

Our association with persons who may have engaged in financial or ethical misconduct (integrity incidents), even misconduct unrelated to ADB activities, can damage our reputation.

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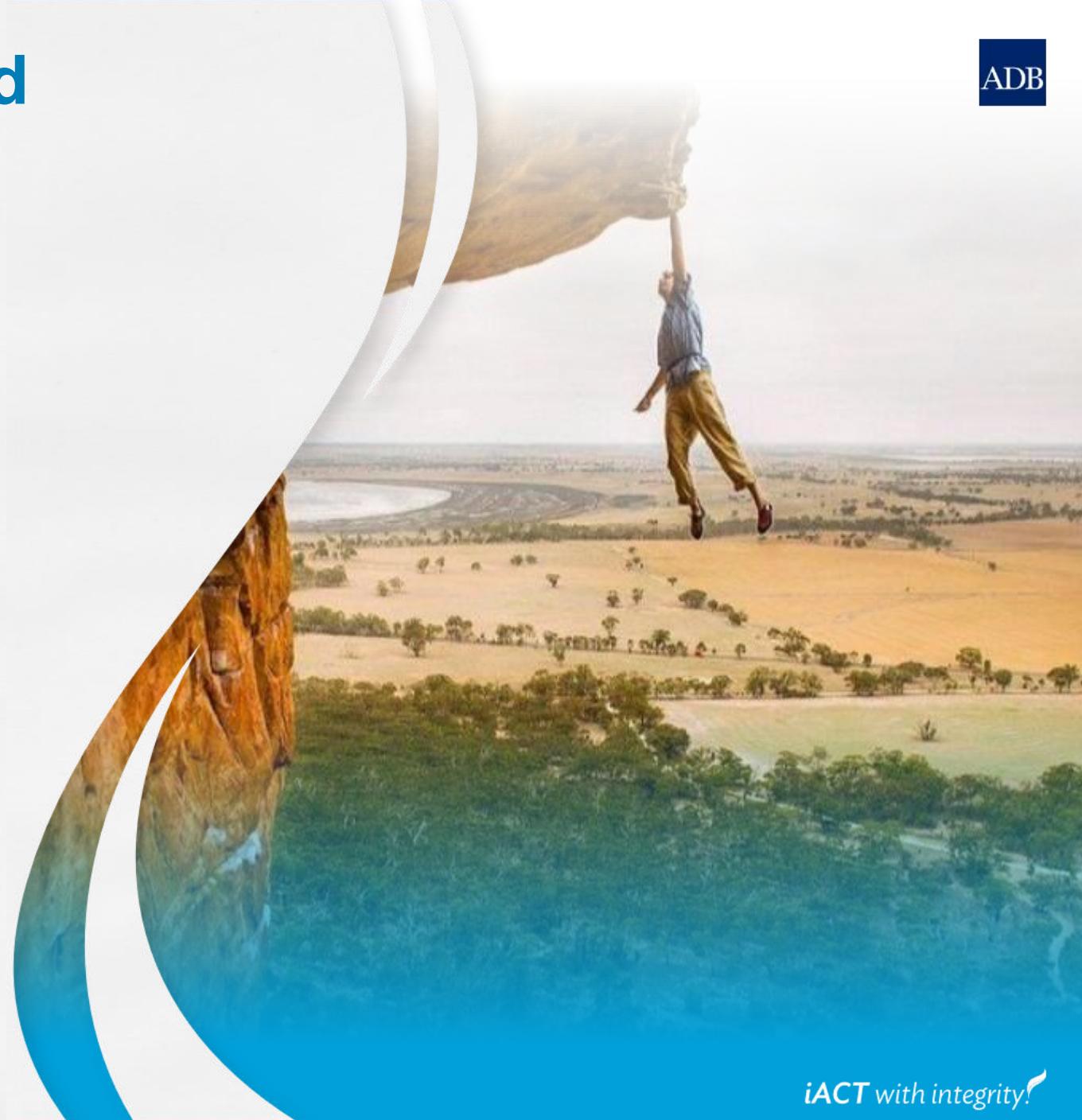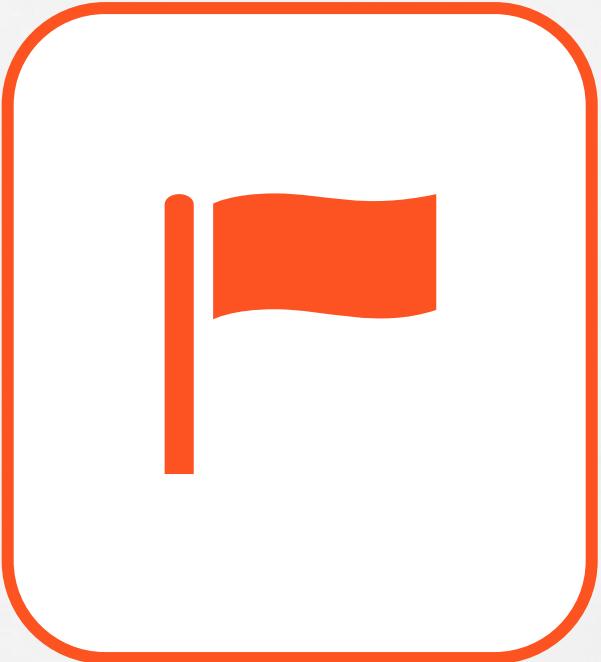
Be alert to the red flags of integrity risks.

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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.

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Case Study 2

- You are a member of the bid evaluation committee for an ADB-financed project. The bid security submitted by one of the bidders for a civil works package had spelling errors, the bank's logo was distorted, and while there was a stamp, there was no signature of a bank official. You identified these as red flags.

- You then inquired with the supposed issuing bank whether the bid security submitted is real. The bank's response confirmed your suspicion.

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Case Study 2 *(Continuation)*

Which integrity violation do you think was committed in this case?

1. Fraudulent Practice
2. Collusive Practice
3. Corrupt Practice

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Case Study 3

- A government agency recently advertised an invitation to bid for an ADB-financed construction of a hydroelectric dam.

- The head of the bid evaluation committee accompanied one of the potential bidders to visit the site where the dam will be constructed.

- This site visit was not announced beforehand. In addition, the site visit and the discussions were not recorded, nor were they shared with other potential bidders.

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Case Study 3 *(Continuation)*

Which of these are red flags of Collusive Practice? Select the best answer.

1. A site visit was conducted without prior announcement by the bid evaluation committee.

2. The site visit and discussions made during the site visit were not recorded.

3. The site visit and discussions made during the site visit were not shared with other potential bidders.

4. All of the above.

5. None of the above.

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- Shortly after the unannounced and unrecorded site visit, you noticed the head of the bid evaluation committee has started coming to the office in a new luxury vehicle.

- This surprised you and your other colleagues as he has been driving an old mid-level sedan for years. For you, this is a red flag for potential integrity violation. Putting two and two together, you suspect he received the luxury vehicle from the potential bidder he had met recently.

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Case Study 4 *(Continuation)*

If your suspicion is established to be true, which integrity violation do you think the head of your bid evaluation committee and the potential bidder may have committed in this case?

1. Conflict of Interest
2. Fraudulent Practice
3. Corrupt Practice
4. Abuse

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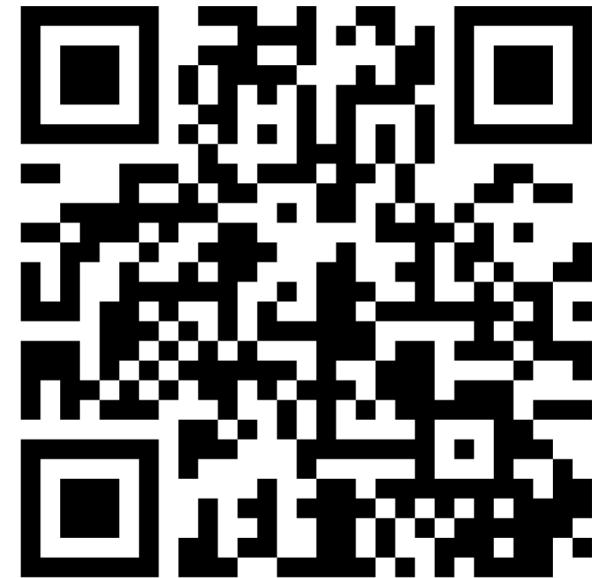
Case Study 5

- An executive of the largest supply company in your country is the daughter of the minister whose agency oversees several ADB-financed projects. One of your staff is a member of the procurement committee for one of the projects.

- Your staff received a bid for a project contract from the company of the minister's daughter. In its bid, the company did not disclose the connection between its executive and the minister. Also, shortly after, you received a call from the minister who ordered you to direct your staff to award the contract to his daughter's company, otherwise he will ensure that you are removed from your position. For you this is an obvious and glaring red flag.

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Recognizing the red flag, what integrity violation(s) do you think was/were committed in this case? Select the best answer.

1. Conflict of Interest

2. Coercive Practice

3. Conflict of Interest and Coercive Practice

4. Conflict of Interest and Corrupt Practice

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Fake CVs or credentials

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II. Recognizing and Reducing Risk

○ Red Flags

○ **Due Diligence**

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WHY?

WHO?

WHEN?

WHAT?

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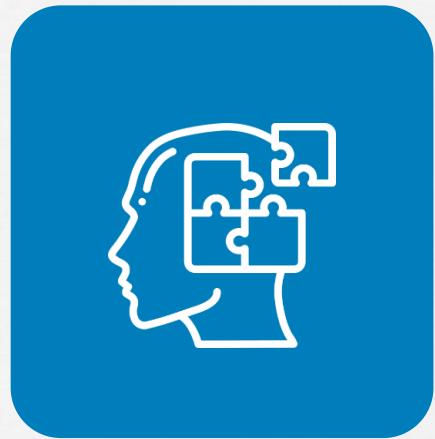
Factors in Conducting Due Diligence

Beneficial ownership

Financial background
and payment of contract

Competency of third party

Public records resources:
History of corruption
and adverse news

Reputation:
Commercial references

Approach to ethics
and compliance

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Conduct Due Diligence

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Self populating sites

News outlets

Registries

Closed subscriptions

UN/MDBs sanctions lists

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Conduct Due Diligence

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Contact references

Verify employment history

Check educational credentials

Verify professional certifications

Interview

Check reputation and reviews

Verify technical skills

Conduct background checks

Check online presence

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Conduct Integrity Due Diligence

Potential Risk Flags

Bribery, corruption

Fraud, embezzlement

Money laundering, terrorist financing

Criminal convictions

Illegal or disreputable activities

Conducting Due Diligence: Debarment Checks

http://sanctions.adb.org

ADB ASIAN DEVELOPMENT BANK

Home   ADB Debarment and Suspension Register ⌄   Resources ⌄   Other Sanctions Lists ⌄   Contact Us
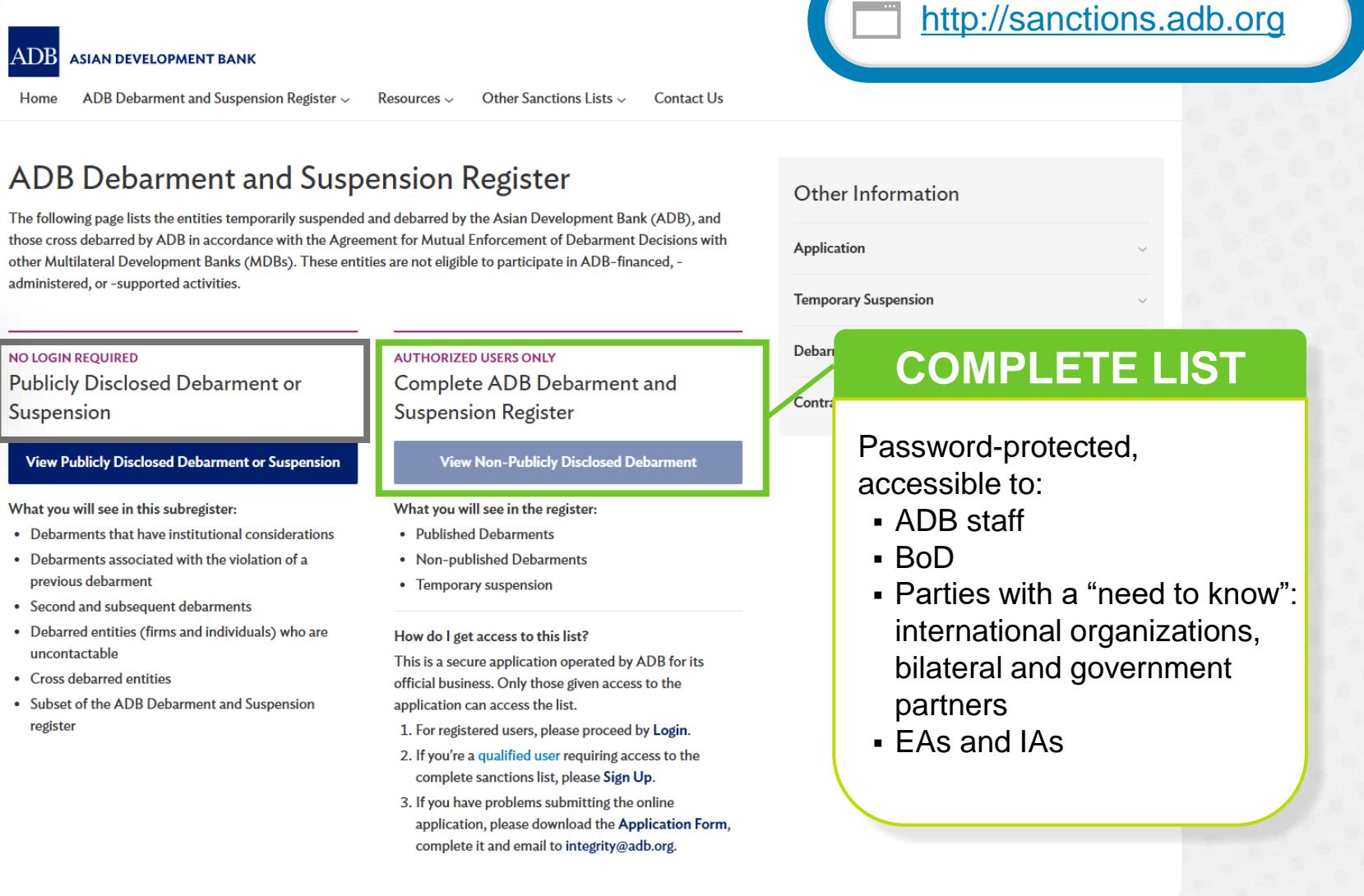
ADB Debarment and Suspension Register

The following page lists the entities temporarily suspended and debarred by the Asian Development Bank (ADB), and those cross debarred by ADB in accordance with the Agreement for Mutual Enforcement of Debarment Decisions with other Multilateral Development Banks (MDBs). These entities are not eligible to participate in ADB-financed, -administered, or –supported activities.

NO LOGIN REQUIRED
Publicly Disclosed Debarment or Suspension

[View Publicly Disclosed Debarment or Suspension]

AUTHORIZED USERS ONLY
Complete ADB Debarment and Suspension Register

[View Non-Publicly Disclosed Debarment]

What you will see in this subregister:
- Debarments that have institutional considerations
- Debarments associated with the violation of a previous debarment
- Second and subsequent debarments
- Debarred entities (firms and individuals) who are uncontactable
- Cross debarred entities
- Subset of the ADB Debarment and Suspension register

What you will see in the register:
- Published Debarments
- Non-published Debarments
- Temporary suspension

How do I get access to this list?

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

1. For registered users, please proceed by Login.
2. If you're a qualified user requiring access to the complete sanctions list, please Sign Up.
3. If you have problems submitting the online application, please download the Application Form, complete it and email to integrity@adb.org.

Other Information

Application

Temporary Suspension

Debar

Contra

PUBLISHED LIST
Accessible to the public

COMPLETE LIST

Password-protected, accessible to:
- ADB staff
- BoD
- Parties with a "need to know": international organizations, bilateral and government partners
- EAs and IAs

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Conducting Due Diligence: Debarment Checks

http://sanctions.adb.org

Sign-up here

Manual form available

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United Nations Security Council Sanctions: Obligations

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United Nations Security Council Sanctions

Search options

Link to United Nations Security Council List

https://www.un.org/securitycouncil/content/un-sc-consolidated-list

Case Study 6

- Doubting the authenticity of the work experience certificate that a bidder submitted, the bid evaluation committee obtained confirmation from the previous employer who issued the work.

- The previous employer confirmed that it did not issue the work experience certificate. The work experience certificate from the bidder is a fake document.

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Case Study 6 *(Continuation)*

Which integrity violation did your due diligence help identify?

1. Fraudulent Practice

2. Conflict of Interest

3. Abuse

4. No, the bidder did not commit an integrity violation in this case.

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Other Resources

Integrity Risks and Red Flags Series

Scan the QR code or visit
bit.ly/ADBintegritylessons

ADB eLEARN

Detecting and Preventing Integrity Violations in ADB Projects

Take the course now!

Scan the QR code or visit: bit.ly/ADB-DPIV

INVESTIGATION AND ENFORCEMENT FRAMEWORK

OCTOBER 2024

ASIAN DEVELOPMENT BANK

Scan the QR code or visit
bit.ly/ief-adb

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Remember

Know the integrity violations.

Sign up to access the Complete List.

Identify and manage integrity risks.

Report suspected integrity violations to OAI.

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Evaluation

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.

Scan

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Thank you!

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Report integrity violations :
https://www.adb.org/integrity/report-violations

If you registered your email address, you will receive a copy of this presentation and related resources from OAI.

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