

An abstract graphic on the left side of the slide. It features a blue hand at the bottom, from which a thick, multi-colored stream of light flows upwards and to the right. The stream is composed of overlapping, wavy bands of blue, yellow, and orange, creating a sense of movement and energy.

## The Integrity Learning Series

# Anticorruption and Integrity Training Pakistan: Sindh Secondary Education Improvement Project

**Donabel Atienza**  
*Integrity Officer*

23 July 2024

# Objectives



**Understanding** the cost of corruption and the roles and responsibilities of different stakeholders



**Enhance your awareness** of potential integrity risks and remedial actions



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

Join at [menti.com](https://menti.com) | use code: 6291 7654



Scan



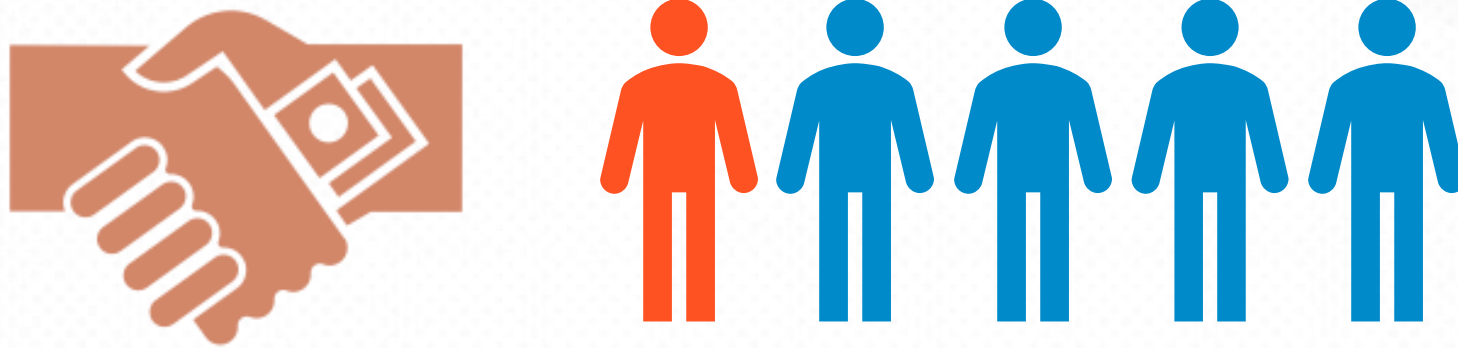
Corruption is the **single greatest obstacle** to economic and social development around the world.

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

# Global Corruption Barometer (2020) - Asia



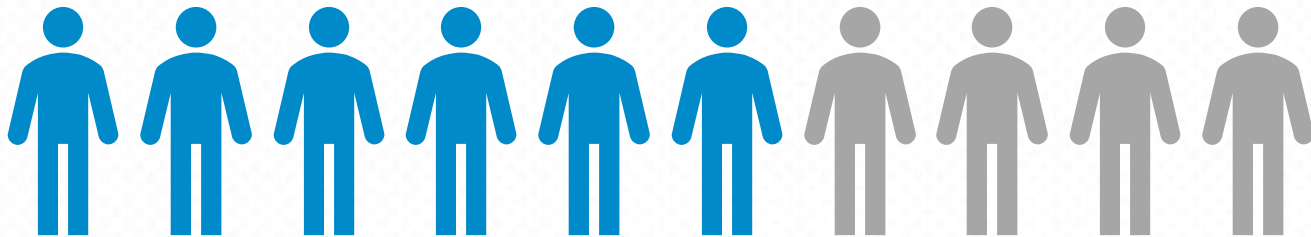
“**1 out of 5** people who used public services in the previous 12 months paid a bribe.”



# Global Corruption Barometer (2020) - Asia



**62%** of ordinary people think they **can** make a difference in the fight against corruption



# Pakistan's Rank on the Global Stage

## CORRUPTION PERCEPTIONS INDEX 2023

**Score**

**29/100**

**Rank**

**133/180**





# Roles and Responsibilities of different stakeholders



Enacting **laws**, fostering **transparency**,  
enforcing **regulations**



**Raising awareness, monitoring,  
advocating for reform**



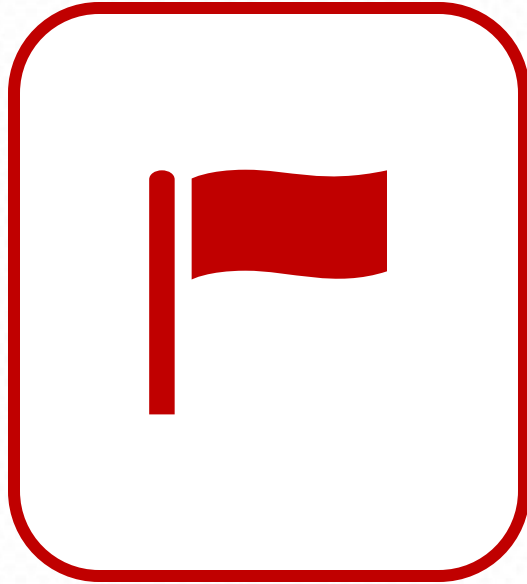
## Reporting corruption



Conducting **ethical** business practices,  
**implementing** integrity measures



# Understanding Integrity Risks



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





WHY?

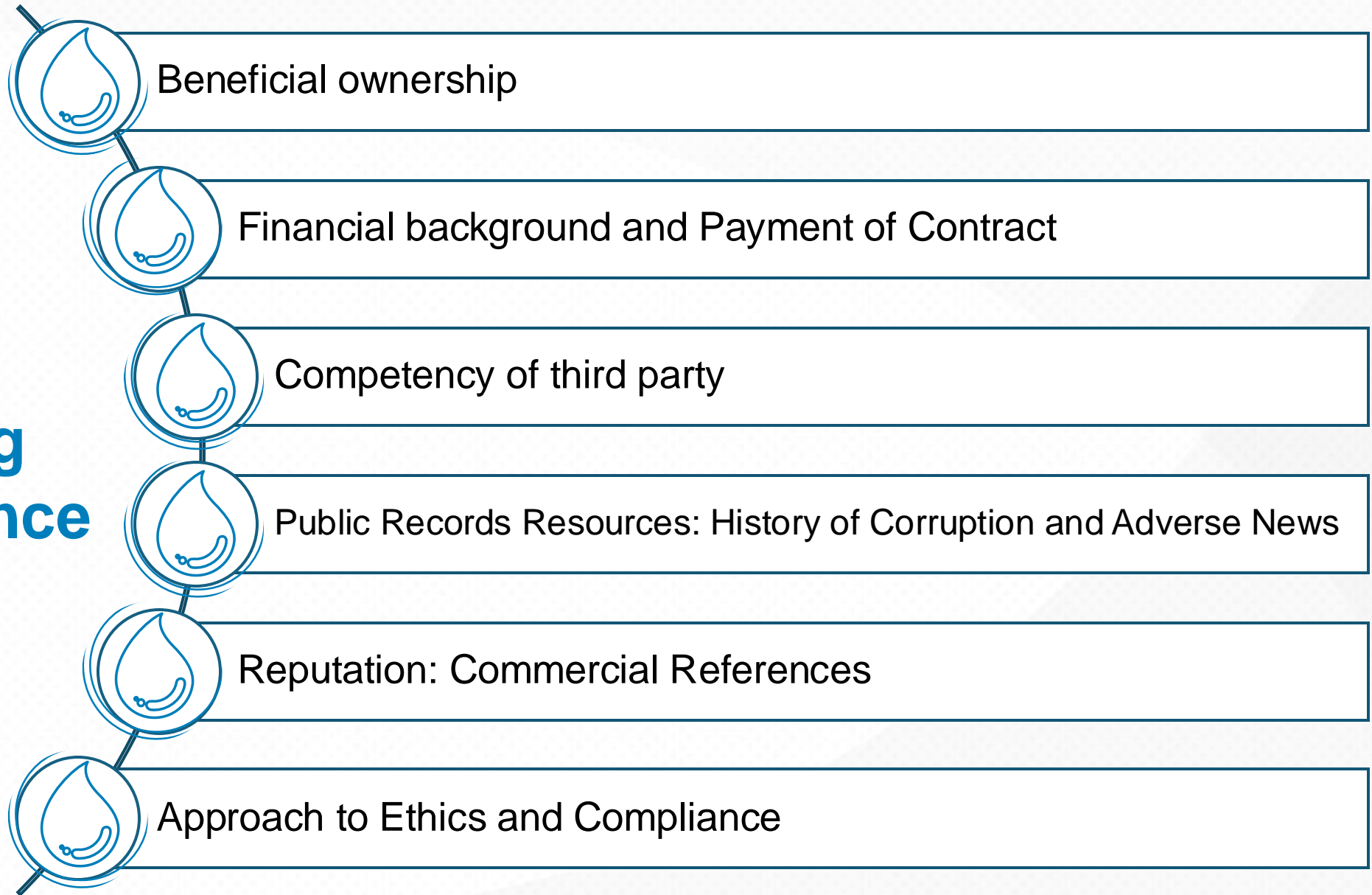


WHO?



WHEN?

# Factors in Conducting Due Diligence





# Conduct Integrity Due Diligence



## 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)*

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[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>

# Executing agencies (EAs) are responsible for sanction screening

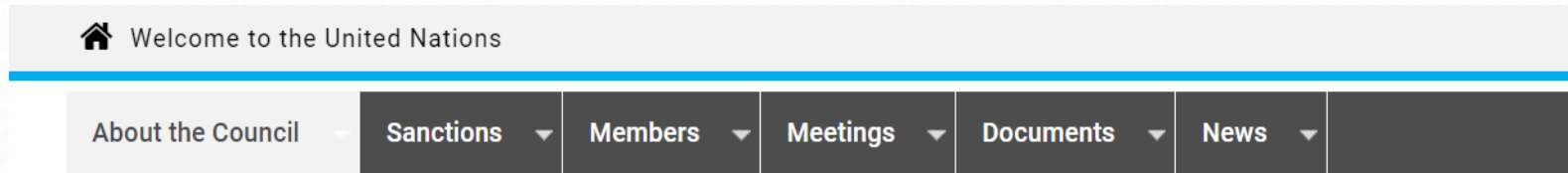
## Procurement of Goods and Works - Stages



## Procurement of Consulting Services



# United Nations Security Council Sanctions: Obligations



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](#)

Search function



## United Nations Security Council Consolidated List



# Invitation For Bids

**Contract No. and Title:  
ICB No-XA/EA/1A/C2**

## Bidding Announcement



We hope you all had a nice holiday season and a big congrats to all our people that returned to work. Thank you all for your support. We are excited to have you all back to work. We are excited to have you all back to work. We are excited to have you all back to work.

**New Detailed Features**  
We have some exciting updates that we wanted to share with you. The first one is that we will be adding some new features to our system. The second one is that we will be adding some new features to our system.

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# Common Red Flags

# 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.



# Procurement Management

## Bidding

- Issues in the authenticity of BOQs, List of Goods/Related Services, Bid Documents

## Bid Evaluation

- Issues in the info on company records, owners, shareholders, and country of incorporation
- Work Experience unreasonably large
- Additional digit to the contracted price
- No OR, work completion certificate, only invoices.
- Identical BOQs

## Contract Award

- Deviation from design/TOR
- Irregular IPC of FPC
- Irregular convar



## Other red flags

- Insufficient monitoring & supervision of contracts on-site
- Poor quality of works, services, goods
- Weak enforcement of professional standards
- Lack of required equipment/qualified personnel
- Contracts exceed the original amount

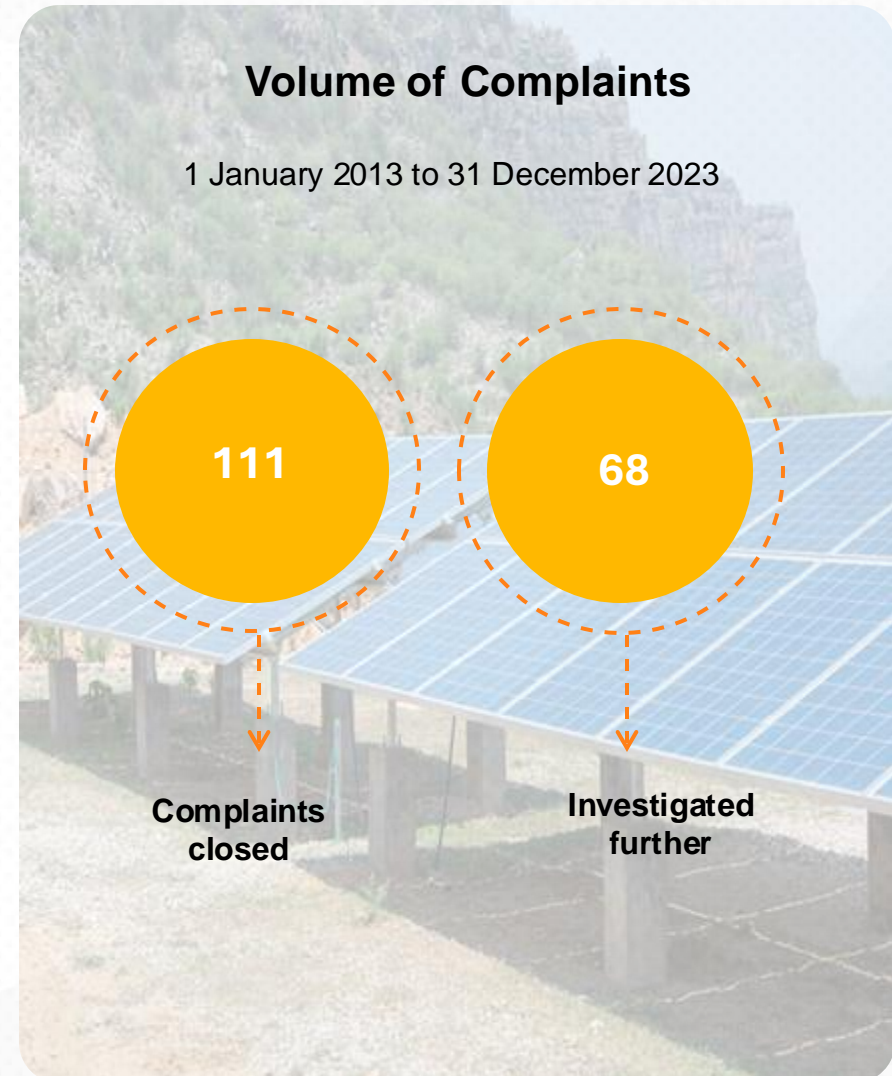
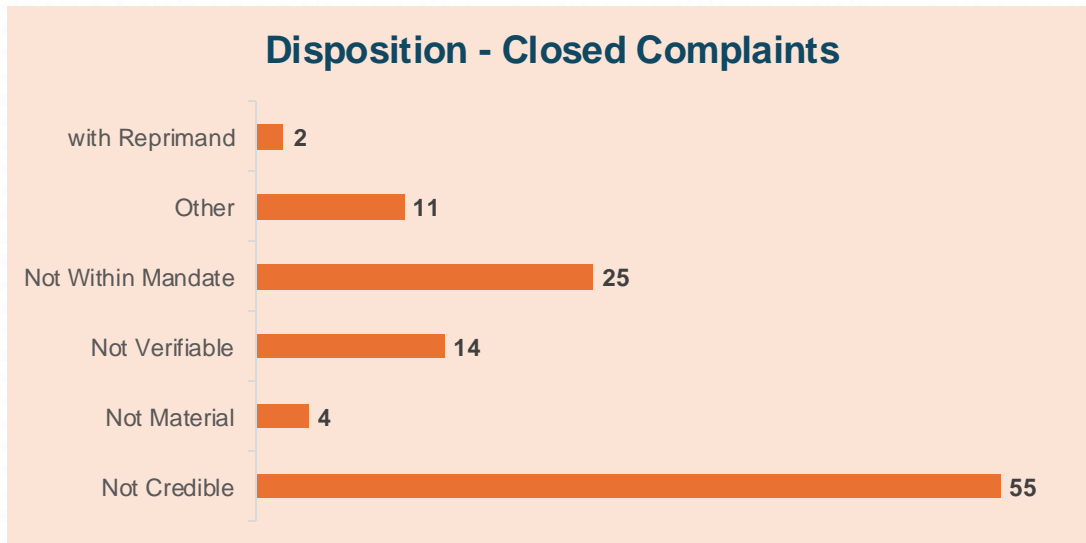
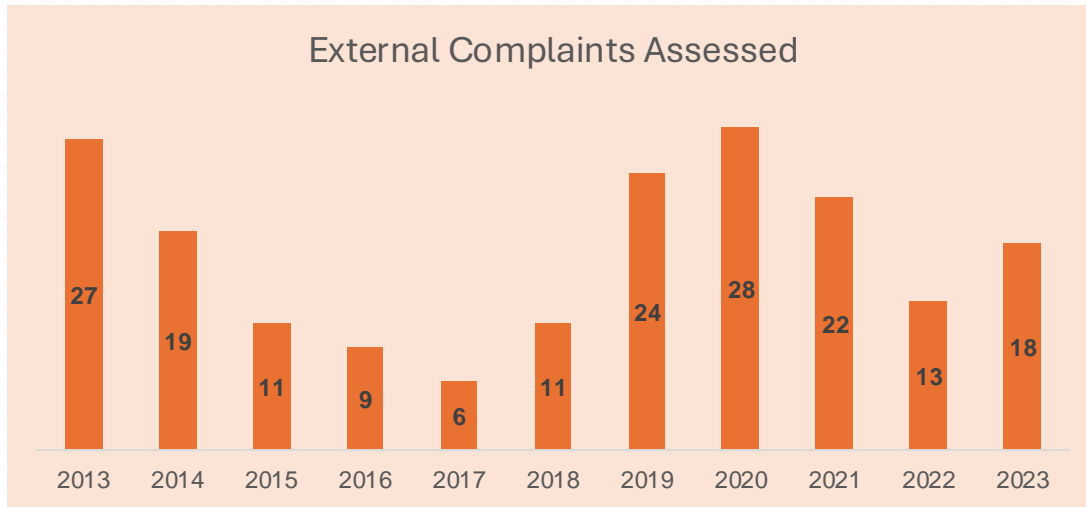
ADB Irrigation and  
Water Project

**BIDDING IS  
NOW OPEN**

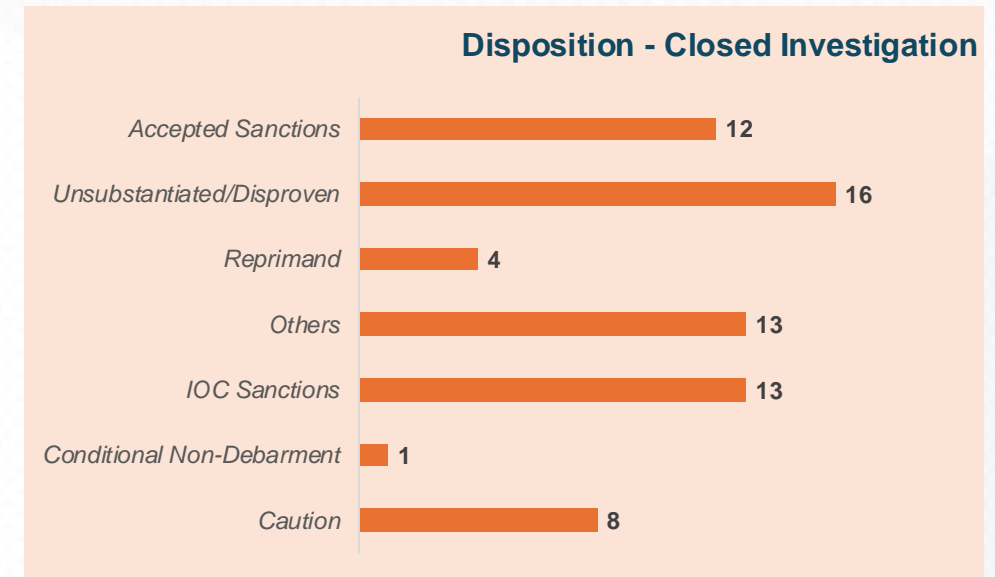
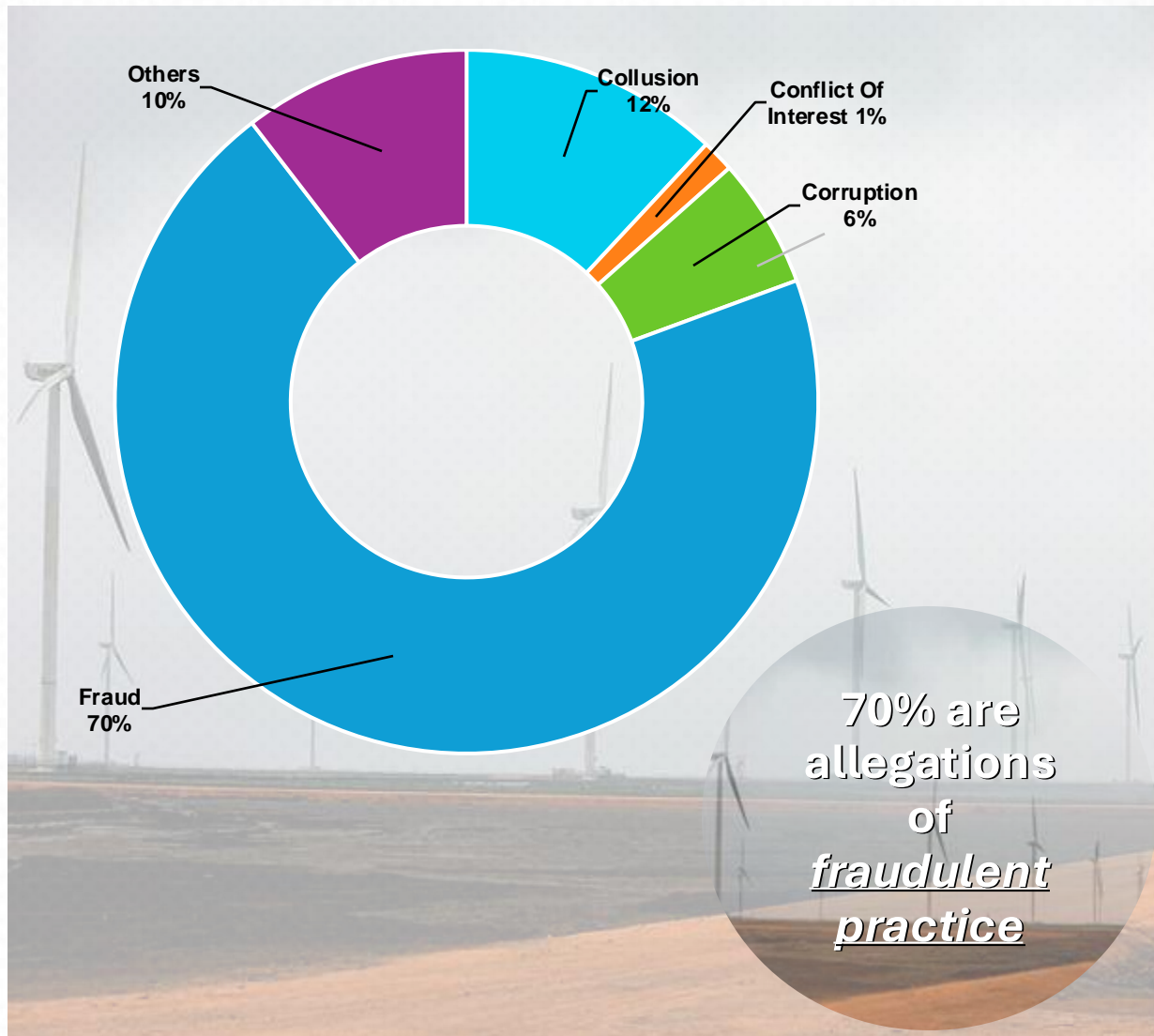


# Identifying and Mitigating Risks

# Overview of Cases in Pakistan Projects – External Complaints



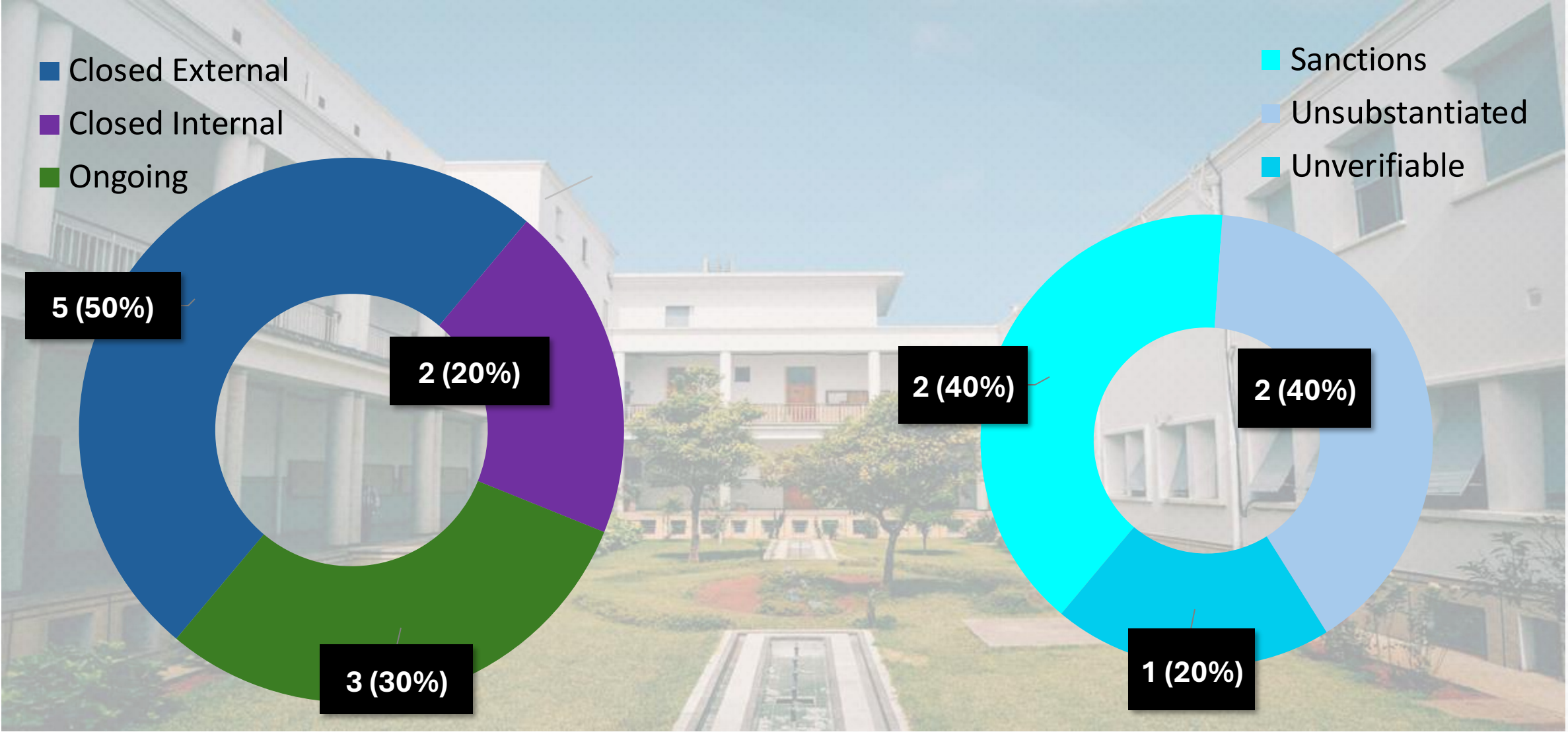
# Overview of Cases in Pakistan Projects – Investigations



There are 44 ongoing cases related to projects in Pakistan



# Overview of Cases in Pakistan Projects - Education Sector



# Case Studies



- Two bidders submitted the same bid price.
- Overpricing of learning software package.\*
- Project director's use of project assets in other government activities.
- Unethical business practices by an employee of the project consulting firm.\*
- Substandard school buildings



# Integrity Risks - SEIP



Inadequate due diligence during bid evaluation and payment processing may result in a failure to identify irregularities, inconsistencies, and potential misrepresentations in the bids and/or proposals and claims, ultimately resulting in loss of project funds.

An inadequate audit trail of project activities makes integrity violations, noncompliance, and other irregularities harder to detect.



- Recruit additional qualified finance and procurement staff with ADB project experience.
- ADB's TA consultants to provide support to ensure full compliance with all financial management, procurement, and disbursement requirements.
- To establish a grievance redress mechanism to resolve project intervention concerns.
- To conduct job-specific training on procurement, FM, and disbursement.
- To conduct regular awareness and training sessions for the relevant staff and adequate due diligence during bid evaluation and payment processing.

# Other Emergency Assistance Project



## Major Findings:

- Inaccurate evaluation of the bidders' financial capacity
- Unclear justification for contract variations
- Construction work design, quality, and safety issues
- Contractual delays
- Contract management issues

## Recommendations: PIU: instructions to address weaknesses noted in the PPRR:

- Strict sequence of bid evaluation steps, evaluation criteria- financial capacity, bid opening records
- IDD in reviewing BD; contractor resources, mobilization advance and claims, variations-sufficient basis; management of procurement records
- Assess observed work quality/safety issues; Require rectification
- Documentation, site visits, instructions & follow-up actions, integration of reports
- Measures – effective processes across proc., fin. mgt., & project sup.; Transfer of knowledge

# Integrity Violations and Consequences





**Zero Tolerance**  $\neq$  **Zero Occurrence**

# Integrity Violations





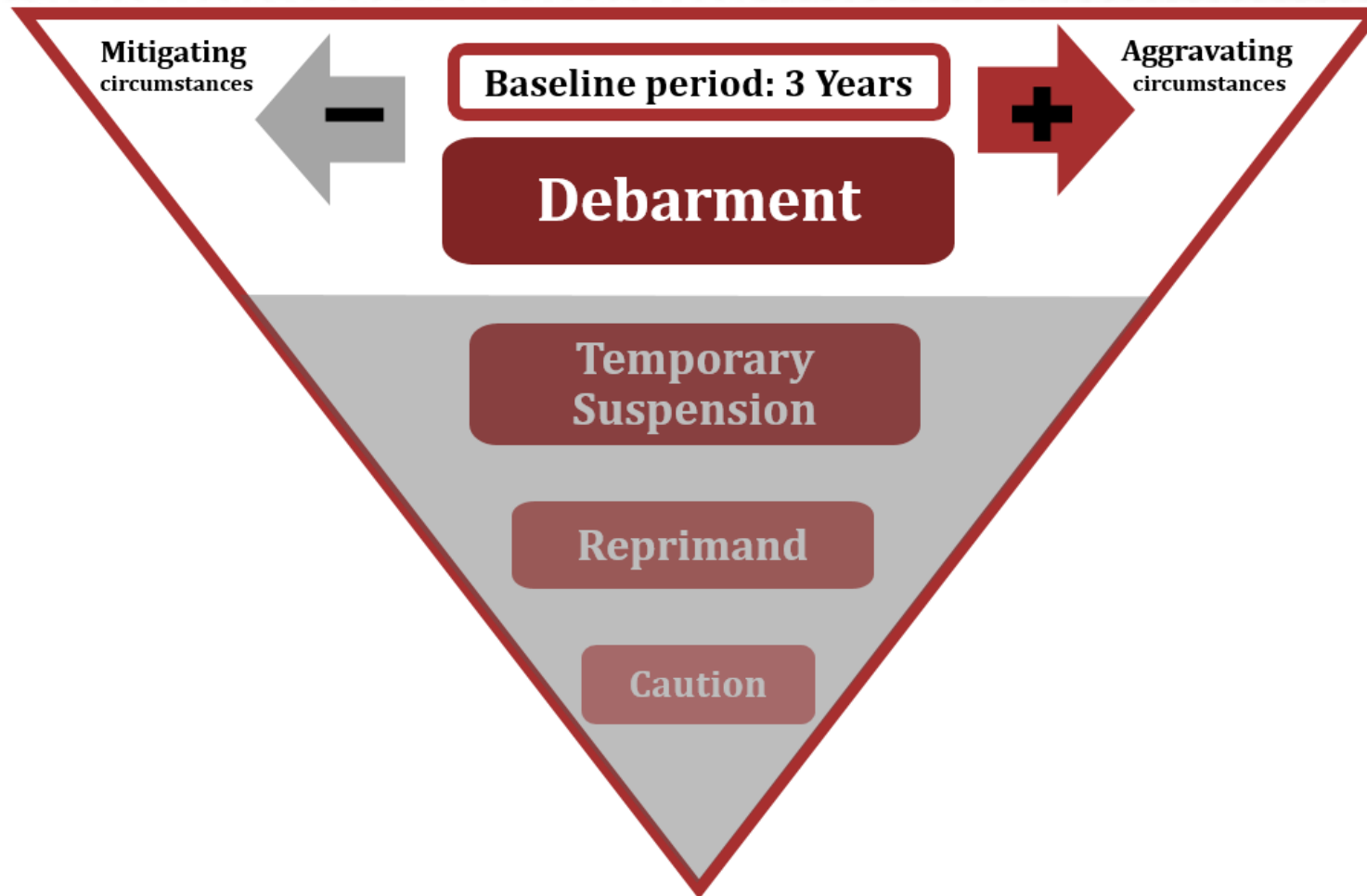
# Remedial Actions



What are the **remedial actions** that ADB may impose on a party subject to an investigation?



# Remedial Actions



# Consequences of Integrity Violations in ADB 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



# Building a Culture of Integrity



## Integrity Risk Management is Everyone's Responsibility



# Champion Anticorruption and Integrity



- Ensure counterparties are not **sanctioned**
- Verify at every step
- Raise integrity concerns where found

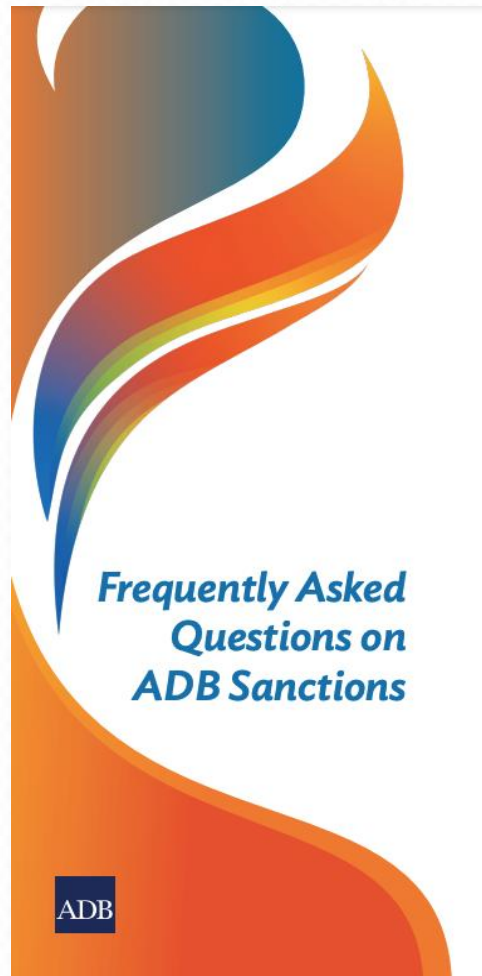
# ADB's Anticorruption Framework



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



# Resources: For you and your EAs/IAs



**Integrity Risks and Red Flags Series**  
*For ADB project teams and executing and implementing agencies*

Scan the QR code or visit [bit.ly/ADBintegritylessons](https://bit.ly/ADBintegritylessons)

**ADB eLEARN**

**Detecting and Preventing Integrity Violations in ADB Projects**

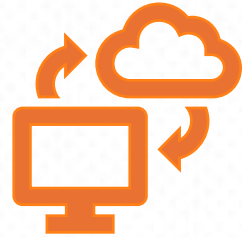
Take the course now!

Visit [bit.ly/ADB-DPIV](https://bit.ly/ADB-DPIV)

# Recap



Know your partner



Leverage technology for due diligence



Identify and mitigate risks, support your partner to mitigate risks



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



Report integrity violations to OAI



# Evaluation



**Scan**

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



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Report integrity violations :

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



# Thank you!



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