

# Anti-Corruption & Integrity Requirements in ADB Financing

Seminar on Government Incentives for Corporate  
Anti-Corruption Compliance

**Chiawen Kiew**

Advisor, Office of Anticorruption and Integrity

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# ADB is exposed to integrity risk through these activities:

## ADB Non-Sovereign Operations

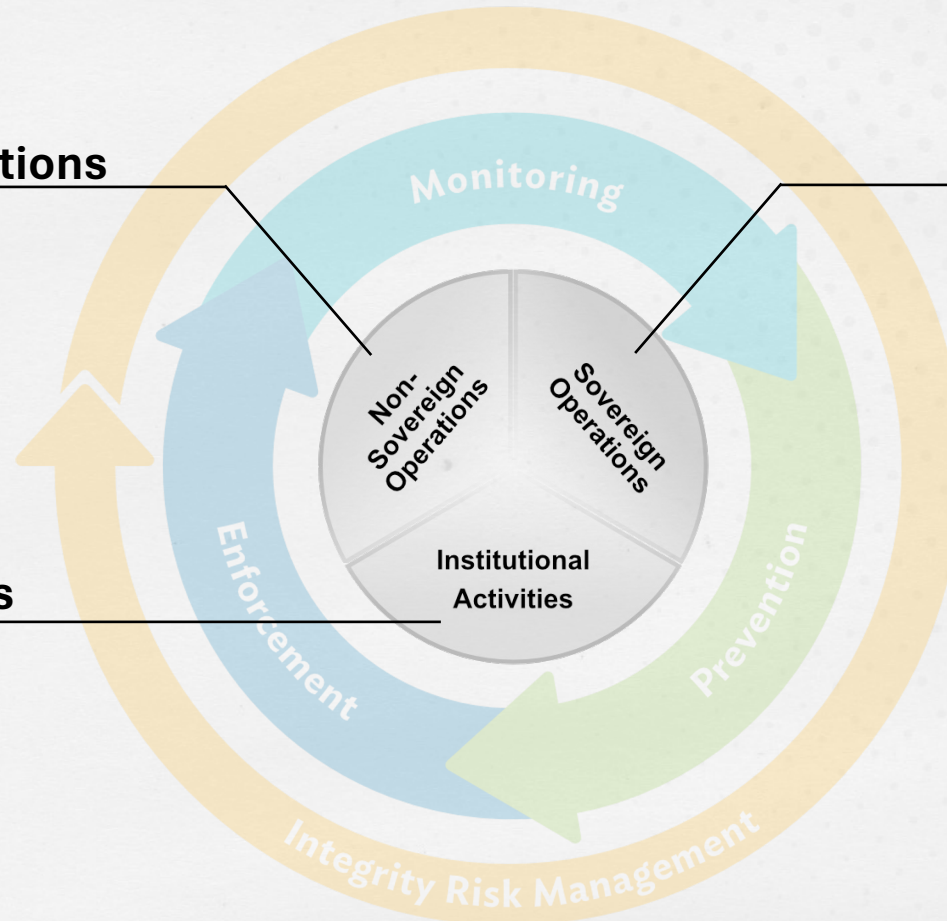
Ethical or financial misconduct of ADB counterparties

## ADB Institutional Activities

Hiring practices; employee conduct; actions of contractors, consultants and vendors; raising and managing funds; managing bank accounts and payments; conducting outreach activities; etc.

## ADB Sovereign Operations

PEPs, conflicts of interest, limited integrity risk management capacity, poor internal control environment, weak tendering processes, poor personnel integrity of EAs/IAs



# We all play a role to protect integrity.

1

## Each department and office

Primary responsibility for identifying and actively managing operational risk inherent in the products, services, activities, processes, and systems

2

## Office of Risk Management, Office of Anticorruption and Integrity

Maintain the ORM Framework and assist in its implementation, by reviewing and, when needed, challenging the operational risk management activities of the first line of defense.

3

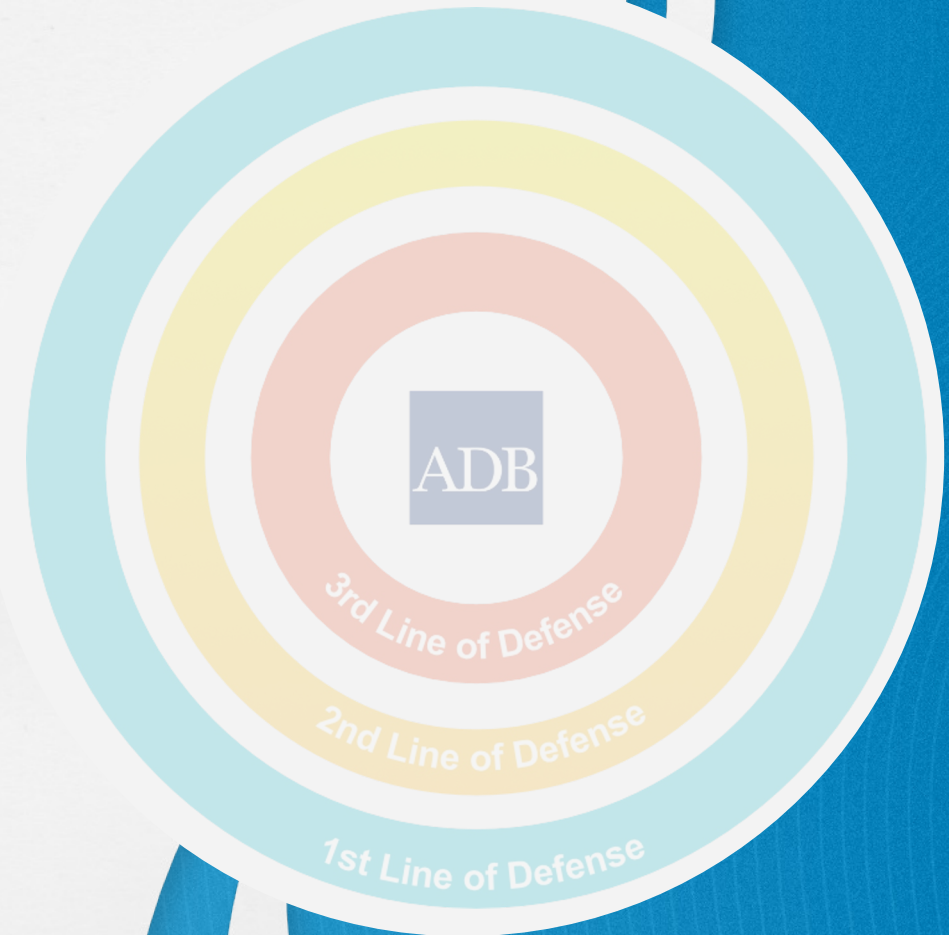
## Office of the Auditor General

Provide independent assurance on risk management to Management and the Board.



# We all play a role to protect integrity.

- 1 Conduct due diligence**
- 2 Investigate allegations of integrity violations**
- 3 Build capacity and knowledge**



# 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

# Investigations and Sanctions



 Report integrity violations to OAI



# Consequences of Integrity Violations in ADB-financed Projects

Sanctions of firms or individuals

Changes of administrative arrangements

**Suspension** of the loan or grant allocations

Request to **investigate or change** government staff

Termination of loan or grant allocations

Cross debarment

**Return** of misused loan or grant resources back to ADB





# MDB Harmonized Principles on Business Integrity Programs



Scan



# Capacity Building and Knowledge Products

**Frequently Asked Questions on ADB Sanctions**

**Frequently Asked Questions on ADB Sanctions**

Scan the QR code to read

**Integrity Risks and Red Flags Series**

Scan the QR code or visit [bit.ly/ADBintegritylessons](http://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](http://bit.ly/ADB-DPIV)

# Office of Anticorruption and Integrity



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



@adb\_oai



+63-2-8632 5004



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Report integrity violations :  
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