ADB

Office of Anticorruption and Integrity

The Integrity Learning Series

Nepal: Anticorruption and Integrity Training for Executing and Implementing Agencies

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Kathmandu, Nepal

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Reminders

Interact – the more you put in, the more you take away.

Safe and confidential environment for learning and sharing.

No penalties for asking questions or for incorrect answers.

Mentimeter

Scenario 1: You find a wallet on the street containing a large sum of money and the owner's ID.

Would you:
1. Keep the money, justifying it as *"finders' keepers"*?
2. Report the wallet to the lost and found, hoping the owner claims it?
3. Contact the owner directly using the ID, prioritizing returning the money?

Scan the QR Code or go to menti.com and enter code **15732428**

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Mentimeter - RESULTS

Scenario 1: You find a wallet on the street containing a large sum of money and the owner's ID.

Scan the QR Code or go to menti.com and enter code **15732428**

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"

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

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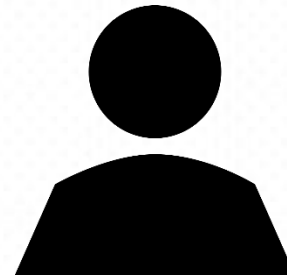
Government

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

Mentimeter Scenario 2: What is the most relevant responsibility of government in promoting integrity?

A. Develop and enforce clear laws and regulations against corruption.

B. Foster transparency and accountability in public institutions.

C. Provide adequate resources and training for ethical conduct in government.

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Mentimeter Scenario 2: RESULTS
What is the most relevant responsibility of government in promoting integrity?

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C. Provide adequate resources and training for ethical conduct in government.

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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.

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What To Expect

I. Recognizing and Reducing Risk

Red flags

Due Diligence

II. ADB Debarments and Temporary Suspensions

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I. Recognizing and Reducing Risk

► Red flags

► Due Diligence

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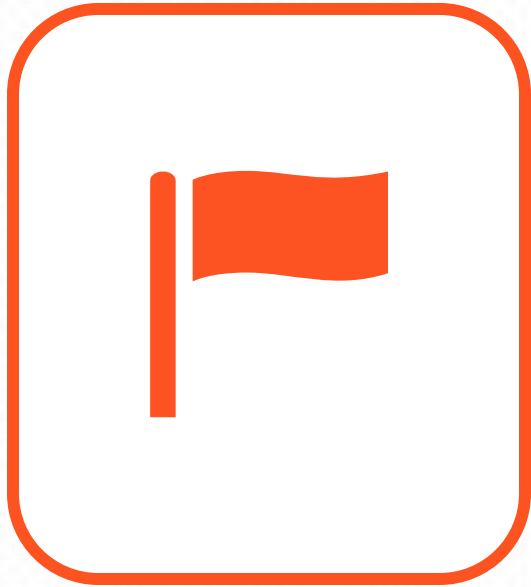
Be alert to the red flags of integrity risks.

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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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Conflict of Interest

Letter of Bid

NOTE

The bidder mus...

Bid Submission Sheet

NOTES

1. The bidder must accomplish the Bid Subm... and address.
2. To be used for Single-St...

...er's complete name

To: ..... [insert...

We, the unders...

(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]

Review bid/proposals to identify potential or actual COI. BEC/CSC members should also ensure that they have no conflict with participating firms.

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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	
Bi	
constitution	

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

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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 Joi
Partner's name

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 a
of the amounts billed to
of exchange at the end

In case of a Joint Ventu
Partner's name below:

Form FIN – 1: Historical Financial Performance

Each Bidder must fill out this form.

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

Joint Venture

ust fill out this form separately and provide the Joint Venture

rm 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

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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 an[d] [identify the quan]tity of each of the Goods and Related Services that the Purchaser requires the Bidder[s to price in its Bi]d. As a part of the Schedule of Supply, the LGRS constitutes a Contract document a[nd must be include]s 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 Purc]haser must state whether Bidders are permitted to submit Bids for individual lots or not. [...]

[*Alternative 1. Insert:* "T[he Goods and Re]lated Services are grouped in lots. Bids on individual lots are not permitted. Only Bids f[or ... sh]all be accepted."]

[*Alternative 2. Insert:* "The Goods and Related Services are grouped in lots. Bidders shall have the option of submitting [Bid]s 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

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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 EXPERTS

_____

1. I understand that any willful miss[...] [...]erein may lead to my disqualification or dismissal, if engaged.

2.

_____ Date: _____

[...] of expert or authorized representative of the firm][9]   *Day/Month/Year*

Full name of authorized representative

_____

Proposed personnel/experts should be aware and available

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I. Recognizing and Reducing Risk

► Red flags

► Due Diligence

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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

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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

- Self populating sites
- Registries
- UN/MDBs sanctions lists
- Closed subscriptions
- News outlets

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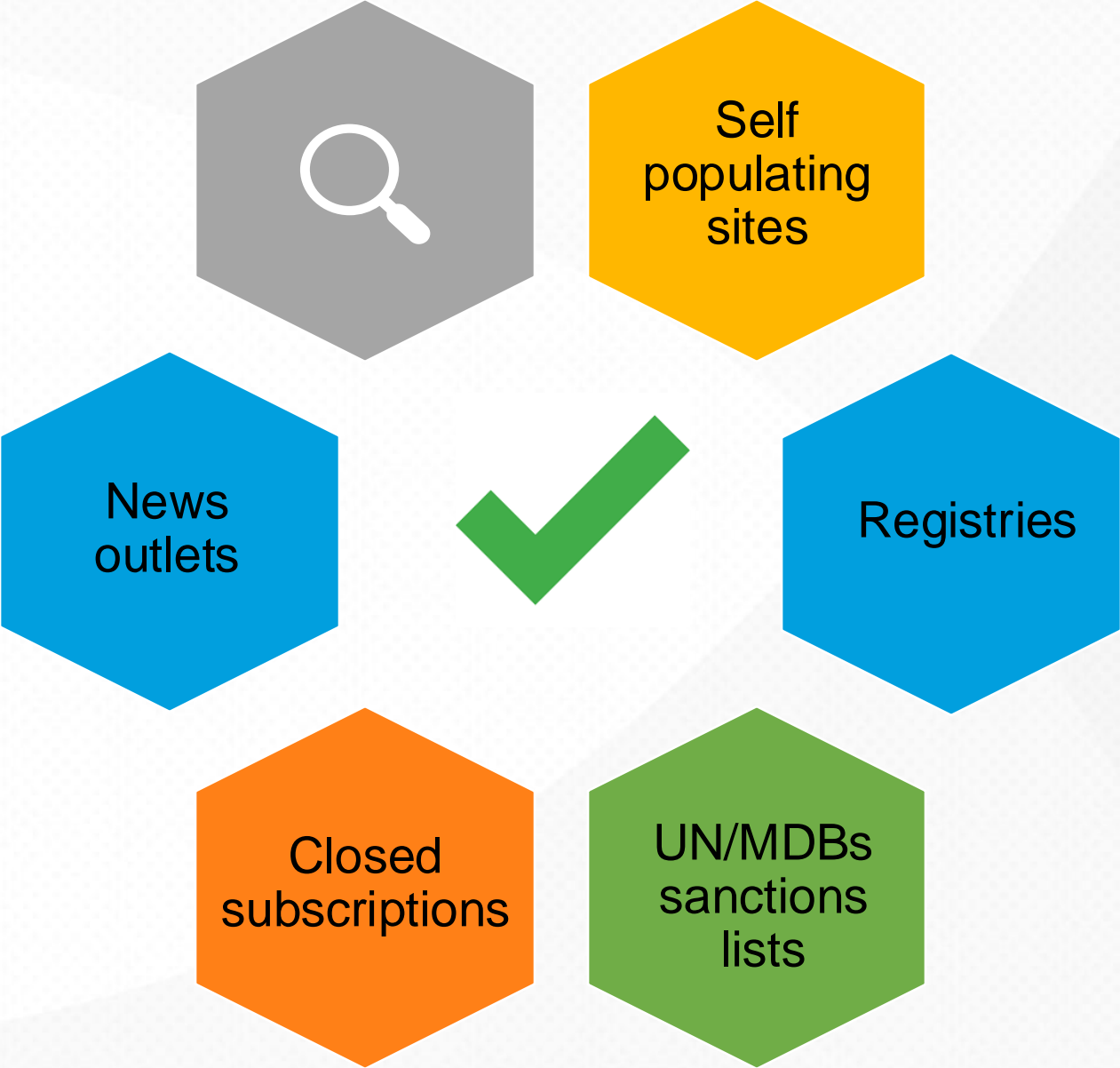
Conduct Due Diligence – Fake CVs, credentials

- 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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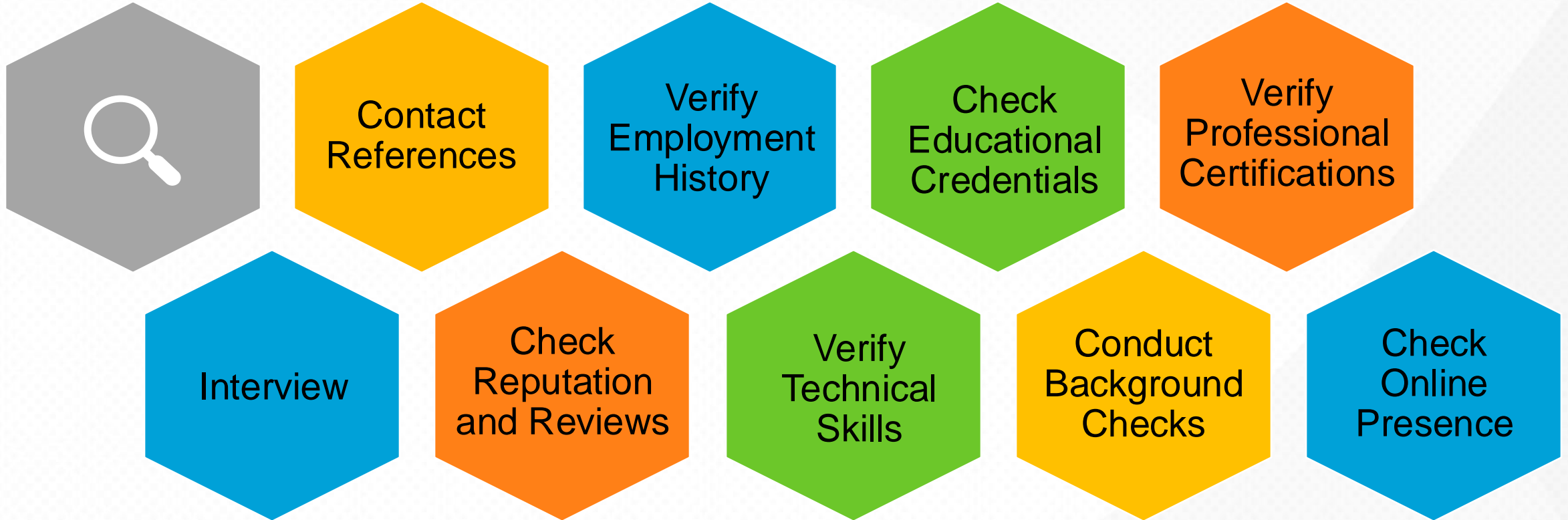
Conduct Due Diligence: Searching Techniques

Use:

Specific Keywords

🔍 Jonathan vs Jonathan **Nepal engineer**

Quotation Marks

🔍 "Nepal road project"

Minus Operator (-)

🔍 "bridge construction projects" − "toll bridges"

And

🔍 "road construction" AND "environmental impact"

Or

🔍 education OR training

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Conduct Due Diligence: Searching Techniques

Others:
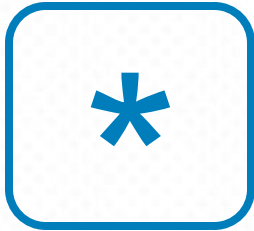
Asterisk (*) as a Wildcard

Site-Specific Searches

Advanced Search Options

Related Searches
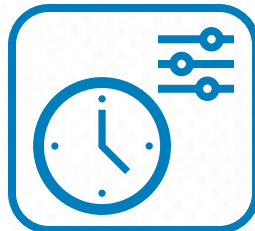
Time Filters
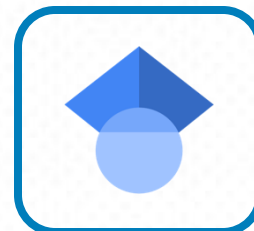
Google Scholar

Reverse Image Search

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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

Executing agencies (EAs) are responsible for Sanctions Screening

Goods and Works

Prequalification → Technical BER → Financial BER → Contract Award → Withdrawal Applications → Contract Variations/ Modifications

Consulting Services

Shortlisting → Technical Proposals → Financial Proposals → Contract Award → Withdrawal Applications → Contract Variations/ Modifications

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Conducting Due Diligence: Sanctions Checks

http://sanctions.adb.org

Sanctions List

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

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

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 offic[...] given access to the application can access the list.

VIEW COMPLETE LIST

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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

Sign up here

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

Manual form available

http://sanctions.adb.org

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Requesting Access

Apply for access to Asian Development Bank full sanctions list:

* - required fields

Your Name *

First Name	Middle Name	Last Name

User Name / Password *

User Name	Password	Confirm Password

Designation *
(i.e. Deputy Secretary / Proj Officer)

Organization / Agency *
(i.e. name of Organization, Ministry, Employer, etc)

Address *

Country *

Telephone Number *

Fax Number

Email Address *

In connection with this application, I confirm that:
I am involved in an ADB-financed, administered or supported activity in my capacity as:

Designation *
(i.e. Project Director etc)

Project(s) *

ADB Loan number(s) *

Project is being executed/implemented by:

Organization / Agency *

ADB Project Officer's contact information:

Project Officer *

Officer's ADB Email *   @adb.org

Information on why access is required

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

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

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Search Functionality

Complete Sanctions List

Search: A2Z   GO

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

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 names using the search bar

Avoid including common terms when searching

"Ltd", "Company", "LLC"

Example: Use "A2Z" when searching for A2Z Waste Management
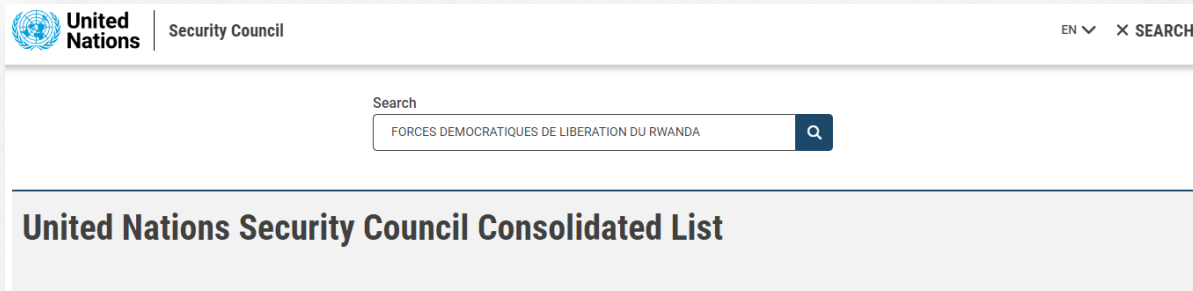
Remove leading terms such as "M/S, or M/S." from company names

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United Nations Security Council Sanctions: Obligations
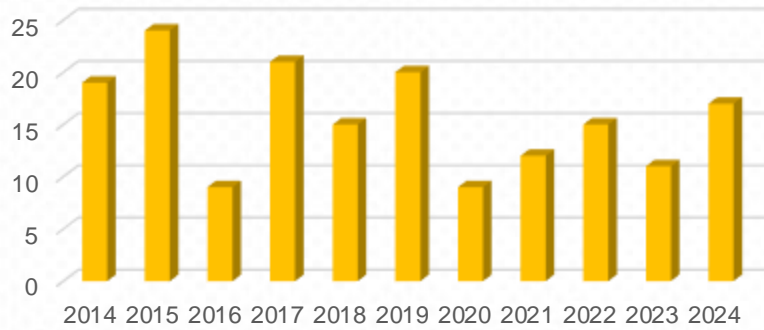
United Nations Security Council Sanctions

Search options

Link to United Nations Security Council List

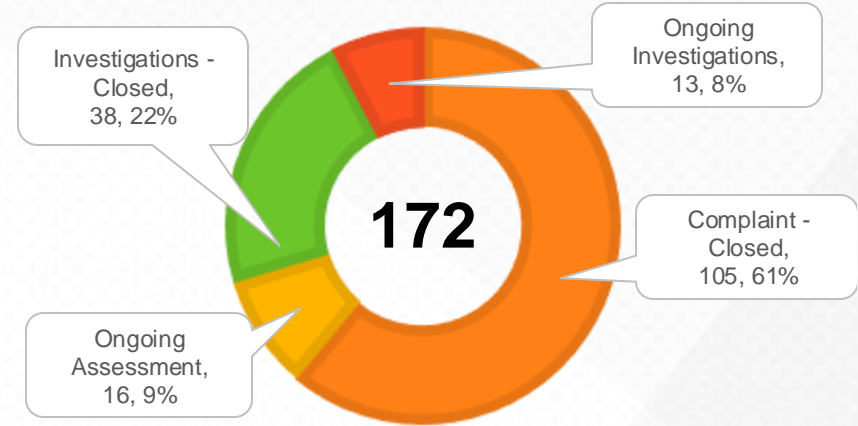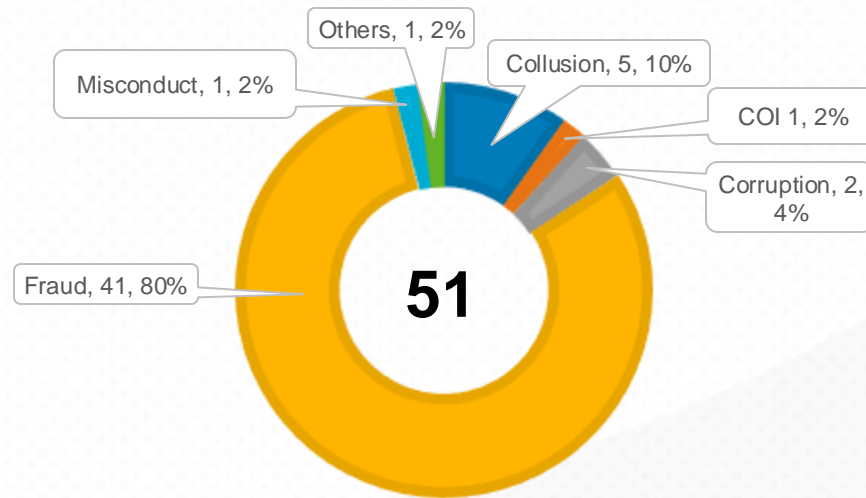https://www.un.org/securitycouncil/content/un-sc-consolidated-list

Check-in

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OAI cases in Nepal since 2014

Complaints Received by OAI

Composition of 172 cases

- Investigations - Closed, 38, 22%
- Ongoing Investigations, 13, 8%
- Complaint - Closed, 105, 61%
- Ongoing Assessment, 16, 9%

172

Complaints Converted by Integrity Violation

- Others, 1, 2%
- Misconduct, 1, 2%
- Collusion, 5, 10%
- COI 1, 2%
- Corruption, 2, 4%
- Fraud, 41, 80%

51

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Integrity Violations and Debarments

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Integrity Violations

MDB-harmonized Definitions

Fraud · Corruption · Collusion · Coercion

Conflict of Interest · Abuse · Obstruction · Retaliation · Sanction Violation · Failure to Adhere to the Highest Ethical Standards

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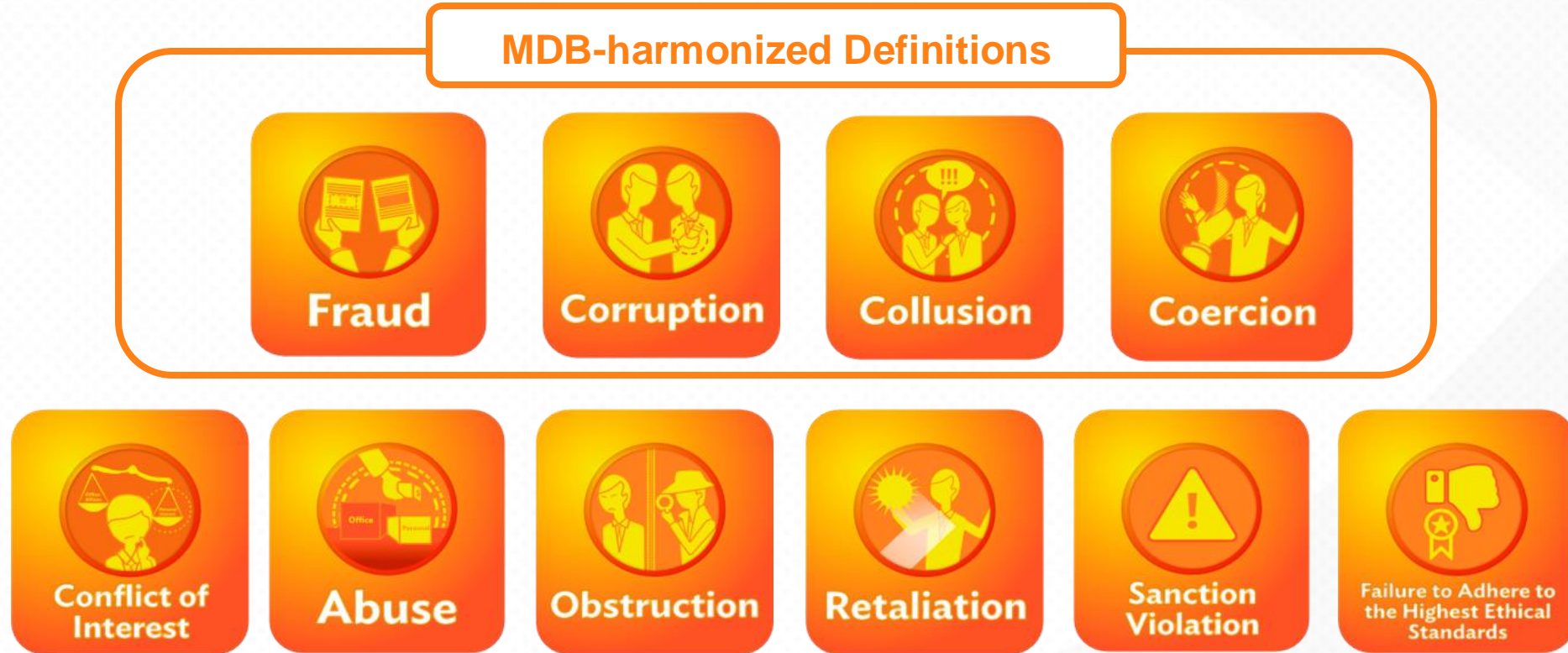
Complaint of Integrity Violations

Assess and Investigate

Remedial Actions

Appeal Process

Cross Debarment

Remedial Actions

Mitigating circumstances

Baseline period: 3 years

Aggravating circumstances

Debarment

Temporary Suspension

Reprimand

Caution

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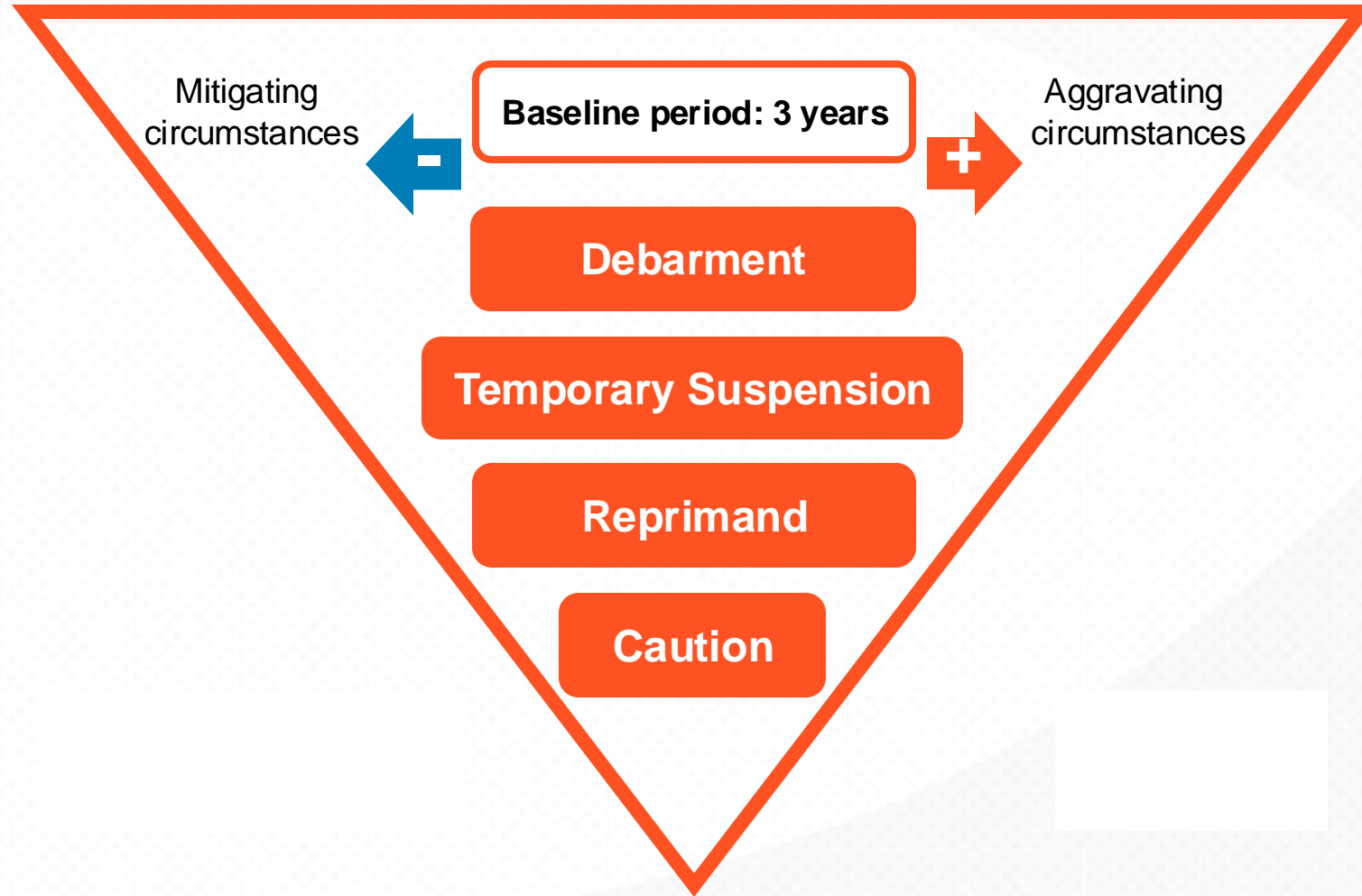
Impact While Under Sanction

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

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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

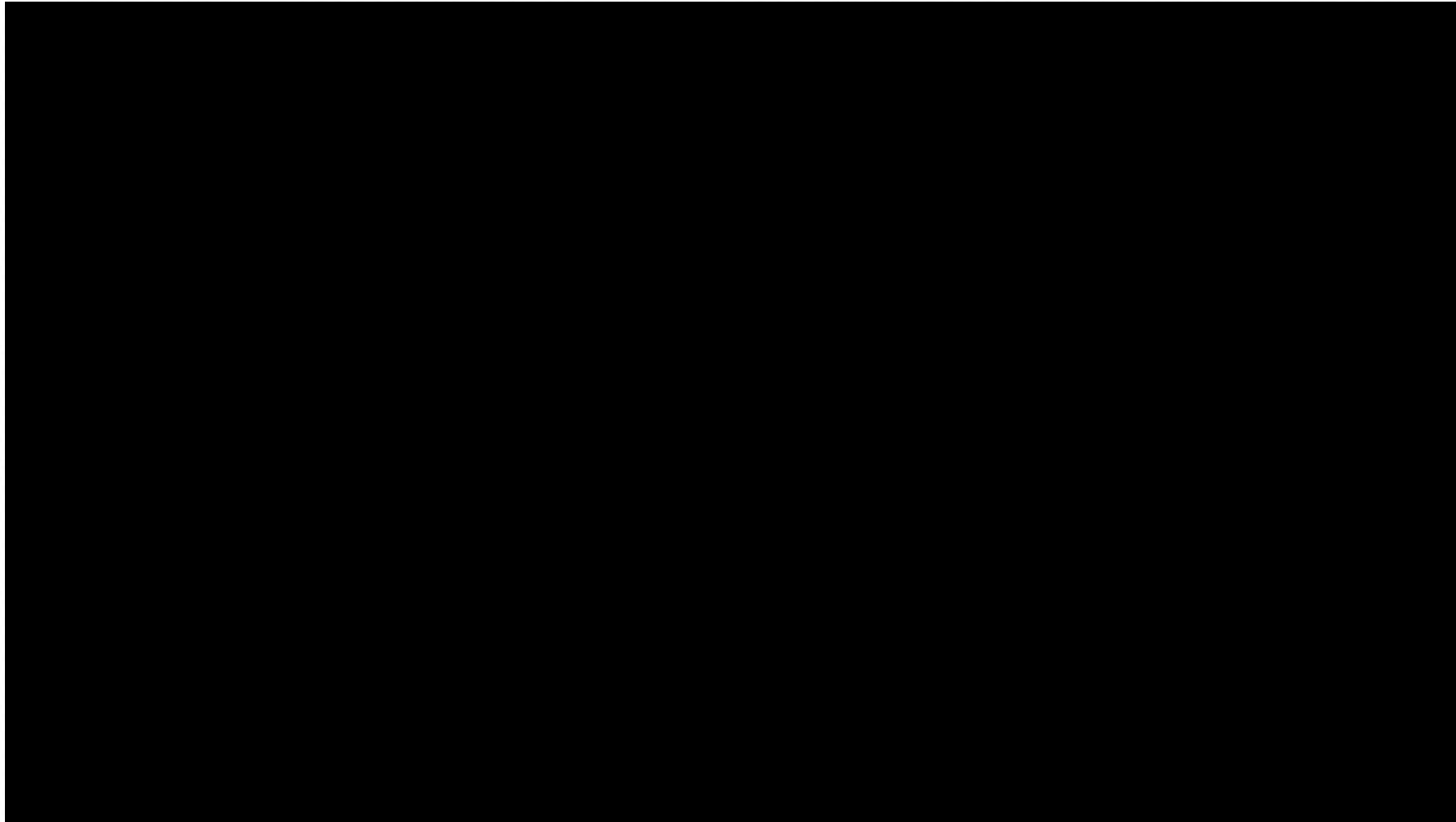**Return** of misused loan or grant resources back to ADB

Changes of administrative arrangements

Request to **investigate or change** government staff

Cross debarment

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Integrity is Everybody's Business

Integrity Risk Management is everyone's responsibility.

Do not assume that someone else is doing it.

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Recap

Know your partner

Leverage technology for due diligence

Identify and mitigate risks, support your partner in mitigating 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**

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Other Resources

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

ADB eLEARN

Detecting and Preventing Integrity Violations in ADB Projects

Take the course now!

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

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.

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Office of Anticorruption and Integrity

🌐 www.adb.org/integrity

✉️ integrity@adb.org
anticorruption@adb.org

📞 +63-2-8632 5004

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

[f] @anticorruptionandintegrity

[X] @adb_oai

[in] ADB Anticorruption and Integrity

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Thank you!

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

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