

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

## The Integrity Learning Series

# Anticorruption and Integrity Training DREAMS Inception Mission & Pakistan based EAs/IAs and PIUs

**Marc Ayres**  
*Senior Integrity Officer*

**Lovlyn Teoh**  
*Integrity Consultant*

24 September 2024

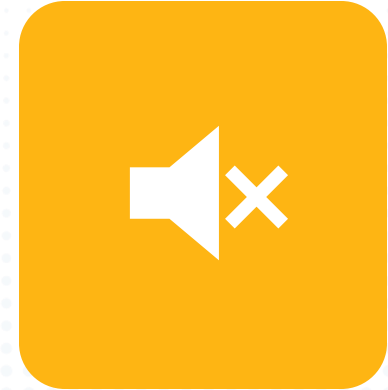
# Reminders



The session is  
being recorded



Jot down any questions  
and reserve for the end of  
the session



Please remain on  
mute if not speaking

# Objectives



**Refresh your knowledge** of ADB's Integrity framework and Integrity Principles and Guidelines



**Identifying and mitigating** potential integrity risks



**Understand your role** and **Building** a culture of Integrity

“

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

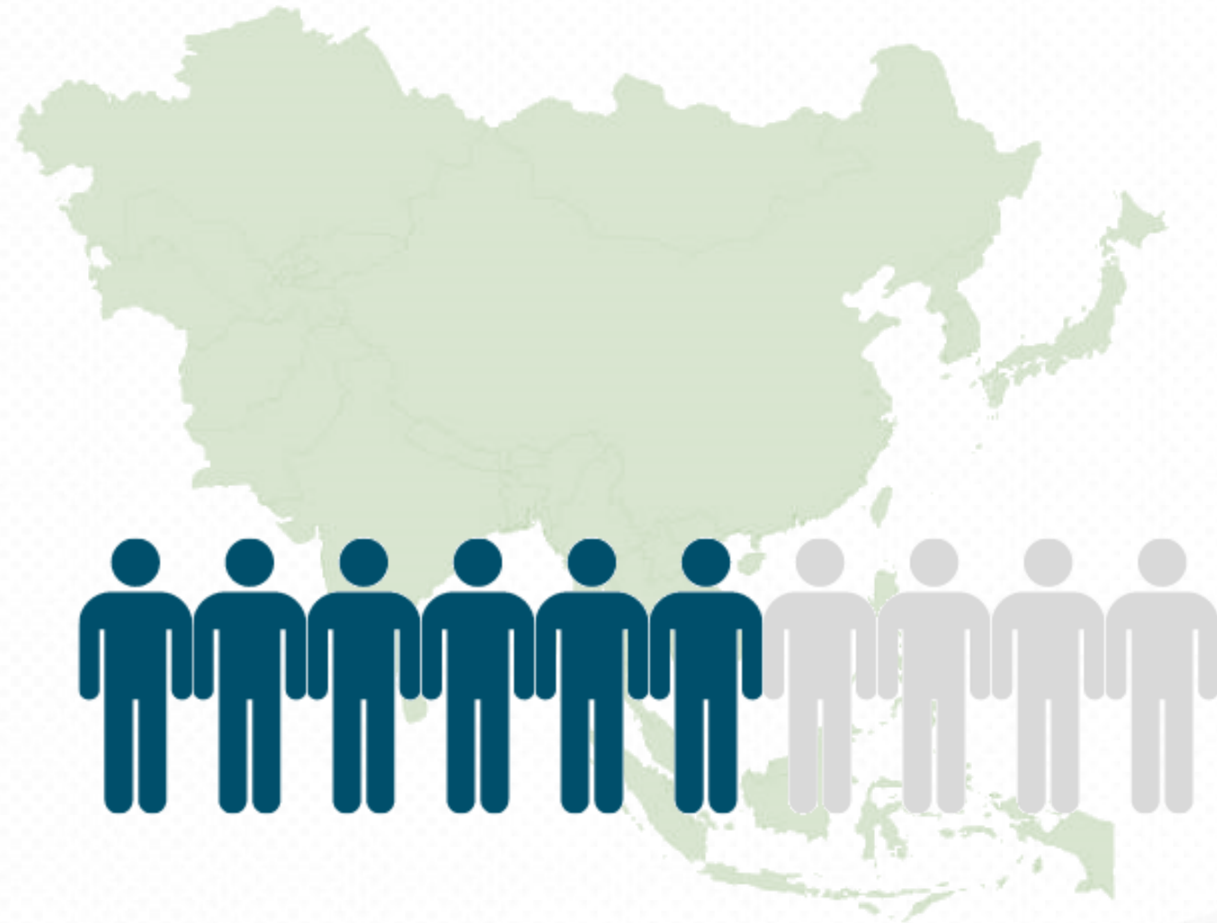


# Global Corruption Barometer (2020) - Asia

“**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

# ADB's Anticorruption and Integrity Framework

# 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**





**Who do you invite to your house?**

# What To Expect



**Examine**

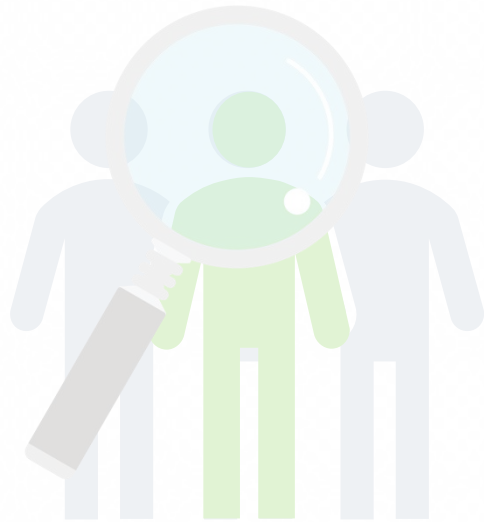


**Assess**

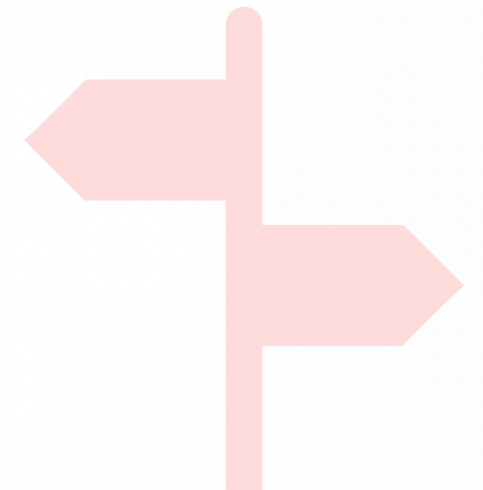


**Decide**

# What To Expect



Examine



Decide



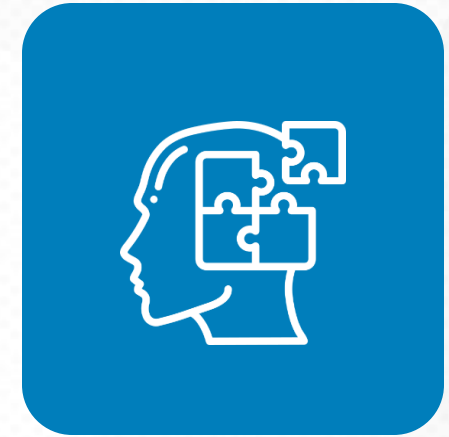
**WHO?**



**WHAT?**



**WHEN?**



**WHY?**

# Factors in Conducting Due Diligence





# What are Integrity Risk?



# Research Sources



**Federal Public Procurement  
Regulatory Authority**  
Government of Pakistan

وفاقی پبلک پروکیورمنٹ ریگولیٹری  
اتھارٹی حکومت پاکستان

# Identifying and Mitigating Risks

# Identifying and Mitigating Integrity Risks

## Goods and Works



## Consulting Services



# Identifying and Mitigating Integrity Risks

## Goods and Works

Prequalification

Technical  
BER

Withdrawal  
Applications

Contract Variations/  
Modifications

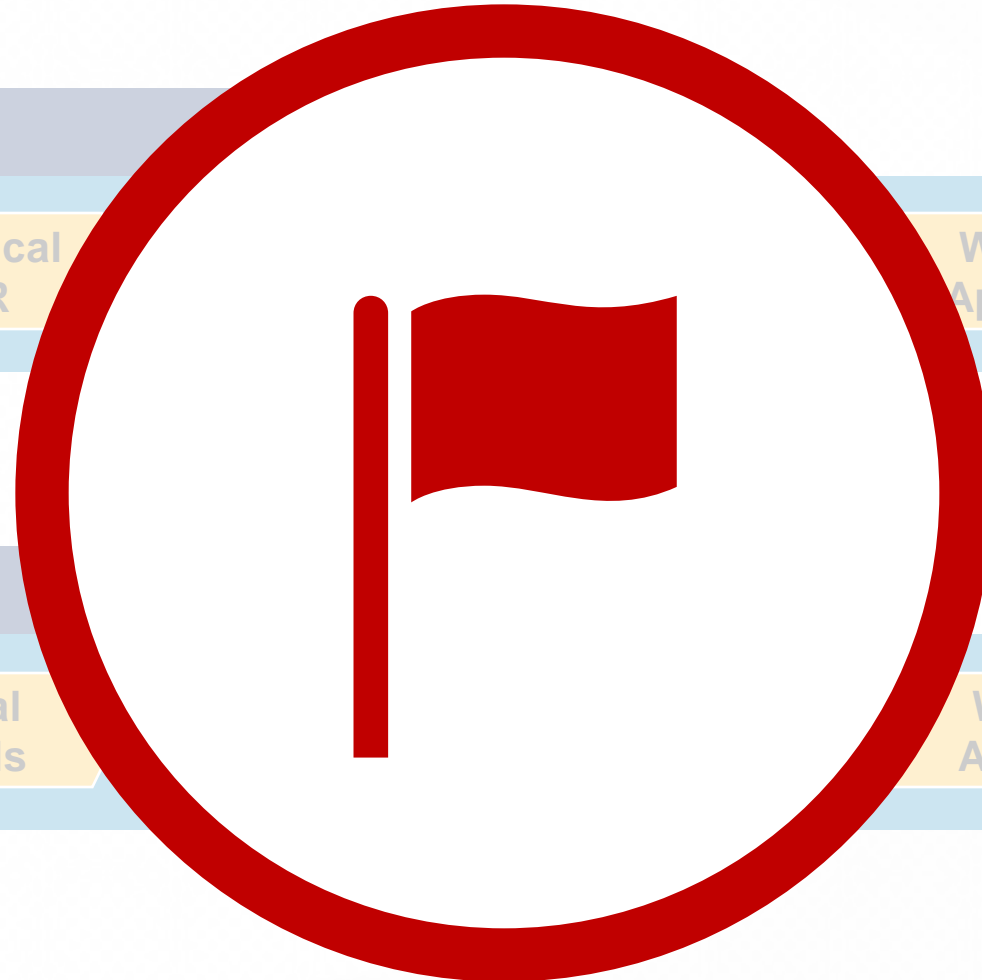
## Consulting Services

Shortlisting

Technical  
Proposals

Withdrawal  
Applications

Contract Variations/  
Modifications





# Identifying and Mitigating Integrity Risks

## Goods and Works

Prequalification

Technical  
BER

Financial  
BER

Contract  
Award

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Contract Variations/  
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Shortlisting

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# Identifying and Mitigating Integrity Risks

## Goods and Works

Technical  
BER

Financial  
BER



## Consulting Services

Technical  
Proposals

Financial  
Proposals



Bidding

Bid Evaluation

### Bid Submission Sheet

#### NOTES

1. The bidder must accomplish the Bid and address.
2. To be used for Single-Stage: One-En

### Letter of Bid

#### NOTE

The bidder must accomplish the Letter of Bid on its letterhead clearly showing the bidder's complete name and address.

Date: .....

ICB No.: .....

Invitation for Bid No.: .....

To: .... [insert complete name of the employer] .....

We, the undersigned, declare that:

(\*) We have examined and have no reservations to the Bidding Documents, including Addenda issued in

# Identifying and Mitigating Integrity Risks

## Goods and Works

Technical  
BER

Financial  
BER



## Consulting Services

Technical  
Proposals

Financial  
Proposals



Bidding

Bid Evaluation

**BEC members should also ensure that they have no conflict with participating firms.**

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

# Recognizing and Reducing Risk

## Goods and Works

Technical  
BER

Financial  
BER



## Consulting Services

Technical  
Proposals

Financial  
Proposals



### Bid Evaluation

- ❏ 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.

# Identifying and Mitigating Integrity Risks

## Goods and Works

Technical  
BER

Financial  
BER



## Consulting Services

Technical  
Proposals

Financial  
Proposals



### Bid Evaluation

- ❏ 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.
- ❏ 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



# Identifying and Mitigating Integrity Risks

## Goods and Works

Contract Award

Withdrawal Applications



## Consulting Services

Contract Award

Withdrawal Applications



### Contract Award

**Insufficient on-site monitoring and supervision of contracts, poor quality of works, services and goods**

- Ⓜ Deviation from construction design or Terms of Reference
- Ⓜ Submission of irregular interim and final performance certificates
- Ⓜ Submission of irregular contract variations (exaggerated contract amount, scope of contract)
- Ⓜ Manipulation of Bill of Quantities

# Identifying and Mitigating Integrity Risks

## Goods and Works

Contract Variations/  
Modifications



## Consulting Services

Contract Variations/  
Modifications



Contract Variations

Firms debarred by ADB seeking contract variations or modifications must seek clearance from OAI

# Integrity Risks and Remedial Actions



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



# Integrity Violations



**Misconduct, as stated in AO 2.02, may be qualified as:**

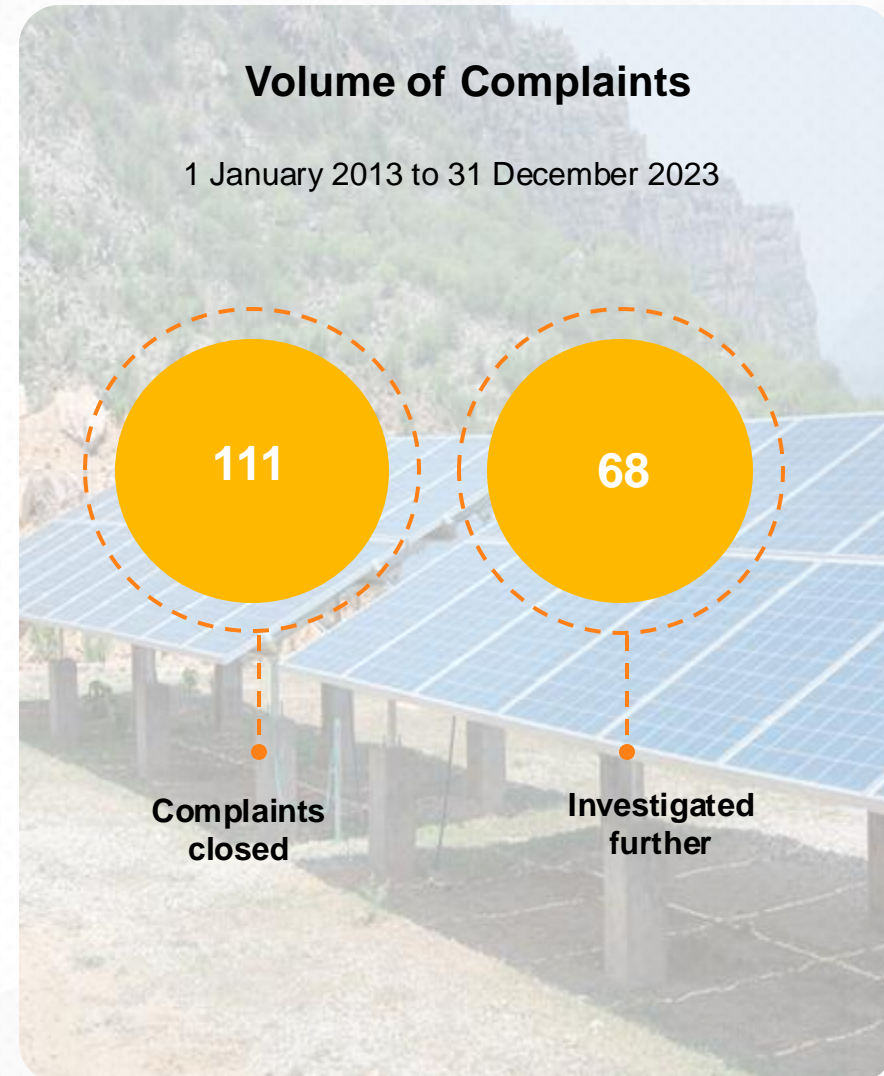
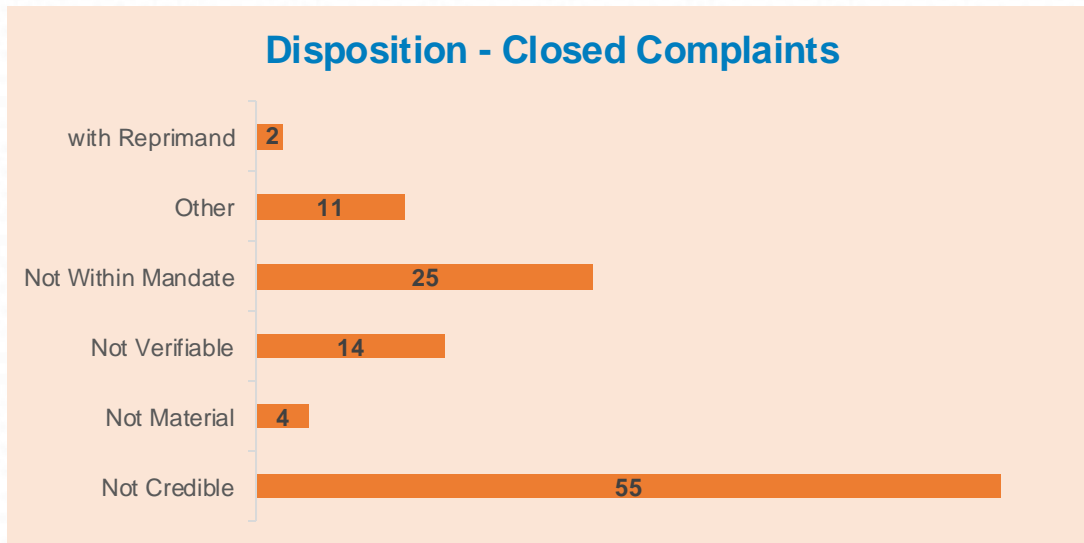
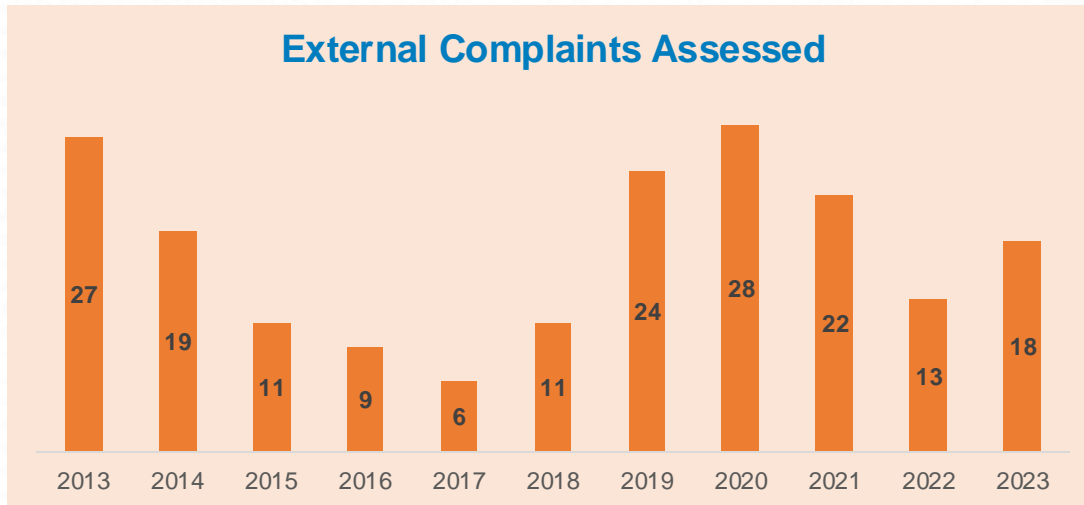
**Integrity Violation**

or

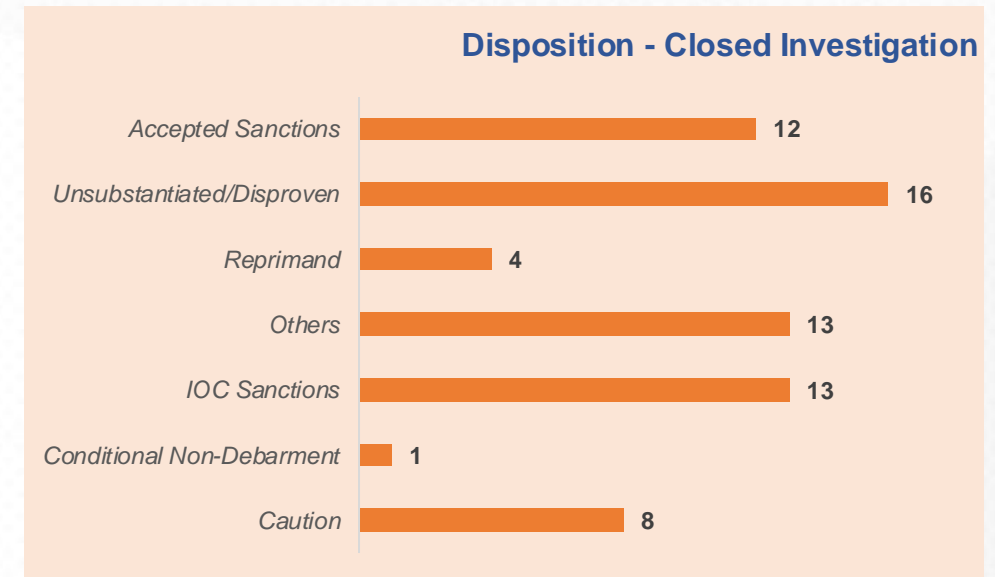
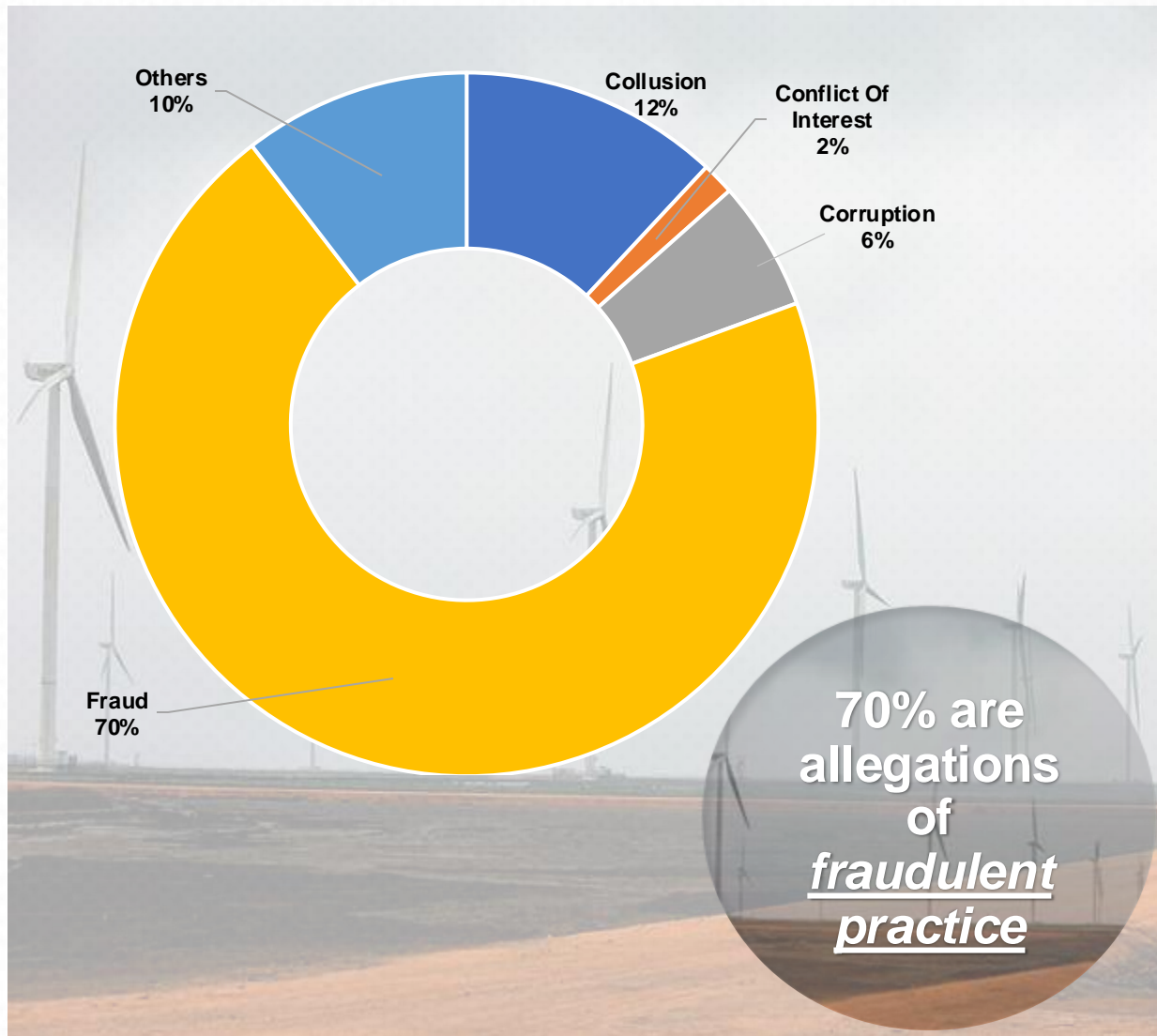
**Other misconduct**



# Overview of Cases in Pakistan Projects – External Complaints



# Overview of Cases in Pakistan Projects – Investigations



Investigated Further

There are 22 ongoing cases related to projects in Pakistan

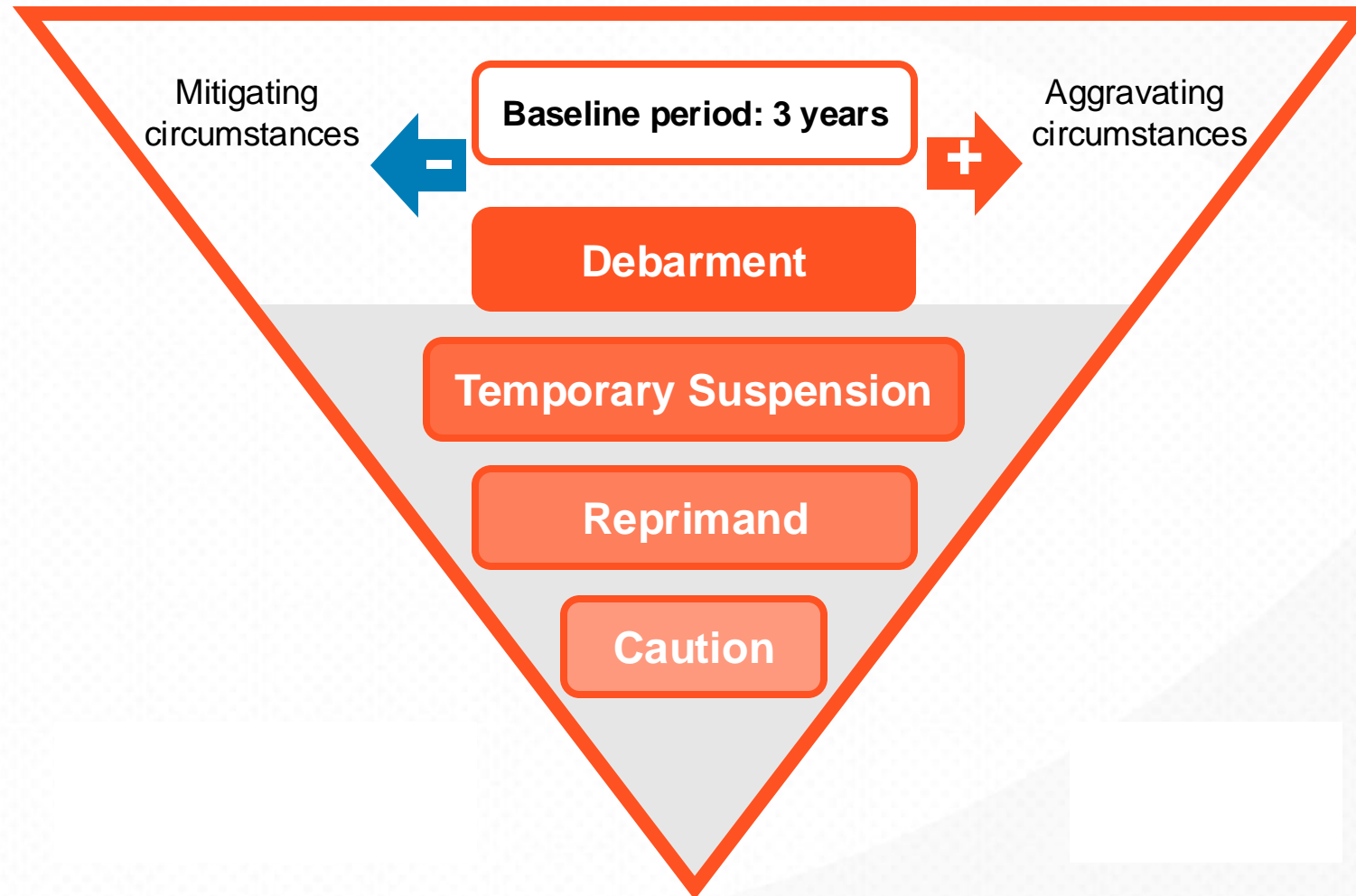
# Remedial Actions



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



# Remedial Actions





# Case Study: Fraudulent practice by a bidder in 2 ADB projects



- Submitted falsified equipment documentation in bid for two ADB-financed contracts
- Purported issuer of certification: reports were falsified
- Bidder acknowledged the fraud.
- Bidder stated that the original reports were amended by its staff.
- Bidder acted against some of its personnel.

*Resolution: Accepted proposed debarment of 2 years, covering all subsidiaries and branches*



# Case Study: Misrepresentation of JV partner experience



- Bidder submitted fake credentials purportedly pertaining to its JV partner.
- During EA's clarifications, Bidder provided a falsified letter from the purported employer in the fake credentials.
- Bidder was disqualified.

*Resolution: Accepted proposed 4-year debarment*

# Impact While Under Debarment

Current contracts



**MAY  
CONTINUE**

Contract variations



**OAI  
APPROVAL**

Reinstatement



**NOT AUTOMATIC**

Future tenders



**NOT PERMITTED**

# Our Shared Roles and Responsibilities

# How can WE combat corruption?

- ✓ **Promote Zero Tolerance**
- ✓ **Be alert to the red flags of integrity risks.**
- ✓ **Report suspicious activity**



# How can WE combat corruption?



## EA/IA must conduct sanctions screening

### 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



# Conducting Due Diligence: Sanctions checks



[www.sanctions.adb.org](http://www.sanctions.adb.org)

## Sanctions List

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.

### Published Sanctions List

*(No Login Required)*

*What you will see in the list:*

- Sanctions violation while ineligible
- Second and subsequent violations
- Debarred entities (firms and individuals) who are uncontactable
- Cross debarred entities
- Subset of the complete list

[VIEW PUBLISHED SANCTIONS LIST](#)

### Complete Sanctions List

*(For authorized users only\*)*

*What you will see in the list:*

- Published Sanctions List
- First violations
- Temporary suspension

*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 SANCTIONS LIST](#)

# 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](#)

# 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 * <i>(i.e. Deputy Secretary / Proj Officer)</i>	<input type="text"/>		
Organization / Agency * <i>(i.e. name of Organization, Ministry, Employer, etc)</i>	<input type="text"/>		
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 * <i>(i.e. Project Director etc)</i>	<input type="text"/>
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"/>

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

# Search Functionality

## 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:**  **GO**

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

 Search names using the search bar

 Avoid including common terms when searching

 Remove leading terms such as "M/S, or M/S." from company names

"Ltd", "Company", "LLC"  
Example: Use "A2Z" when searching for A2Z Waste Management



# Research Sources



**Federal Public Procurement  
Regulatory Authority**  
Government of Pakistan

وفاقی پبلک پروکیورمنٹ ریگولیٹری  
اتھارٹی حکومت پاکستان



# 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**

# Integrity Risk Management is Everyone's Responsibility



# Resources for EAs/IAs



**Frequently Asked Questions on ADB Sanctions**

**Frequently Asked Questions on ADB Sanctions**

Scan the QR code to read

Office of Anticorruption and Integrity  
Asian Development Bank, 6 ADB Avenue, Mandaluyong City  
1550 Manila, Metro Philippines  
Tel: +632 8868 1000 | Fax: +632 8868 1001  
www.adb.org/anti-integrity



**Integrity Risks and Red Flags Series**

For ADB project teams and executing and implementing agencies

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!

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

# Office of Anticorruption and Integrity



[www.adb.org/integrity](http://www.adb.org/integrity)



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[integrityrisk@adb.org](mailto:integrityrisk@adb.org)



@adb\_oai



+63-2-8632 5004



ADB Anticorruption and Integrity



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.