ADB Office of Anticorruption and Integrity

The Integrity Learning Series

Anticorruption and Integrity Training

Papua New Guinea

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29 October 2025
Online Session

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Reminders

The session is being recorded.

Reserve questions at the end of the presentation.

Please remain on mute if not speaking.

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What to expect

I. PNG Country Context
II. ADB's Anticorruption and Integrity Framework
III. Recognizing and Reducing Risks
    I. Red Flags
    II. Due Diligence
IV. ADB Debarments and Suspensions
V. Strengthening a Culture of Integrity

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Objectives

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

Identifying and mitigating integrity risks

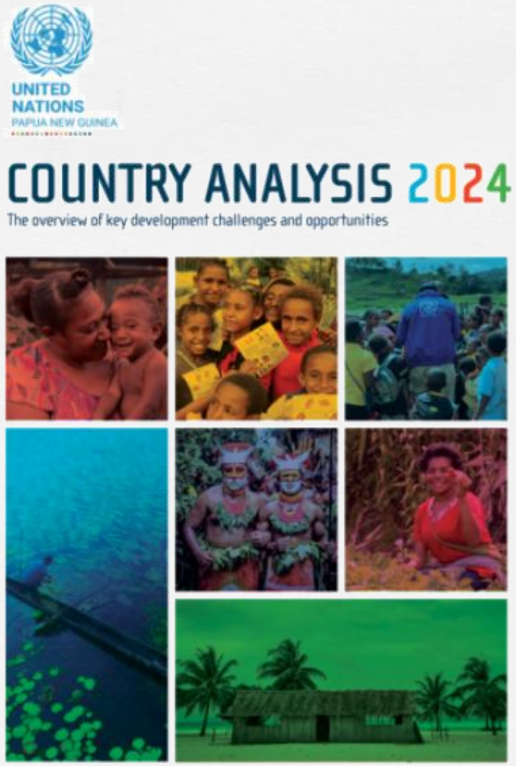
Strengthen a culture of Integrity

I. PNG Country Context

ADB aims to improve infrastructure and connectivity, facilitate an enabling environment for the private sector, strengthen public sector management, and promote inclusivity while building resilience in Papua New Guinea.

Common Country Analysis 2024 Update

03 December 2024



Papua New Guinea (PNG) stands at a crucial crossroads in its development journey, grappling with a range of challenges that impede sustainable progress. This **Common Country Analysis (CCA)** provides an in-depth examination of the key issues facing PNG, including governance, economic stability, social equity, environmental sustainability, and the humanitarian-development-peace nexus.

Key Highlights:

- **Governance and Corruption**: Deeply entrenched corruption poses a significant barrier to effective governance, eroding public trust and institutional integrity. The National Anti-Corruption Strategy (NACS) for 2010-2030 aims to address these critical issues, yet implementation is hindered by political consent and insufficient resource allocation. The formation of the Independent Commission Against Corruption (ICAC) marks a pivotal step toward enhancing accountability, though ongoing challenges remain.

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Corruption Perceptions Index (2024)

ADB

PAPUA NEW GUINEA

Score

31/100

Rank

127/180

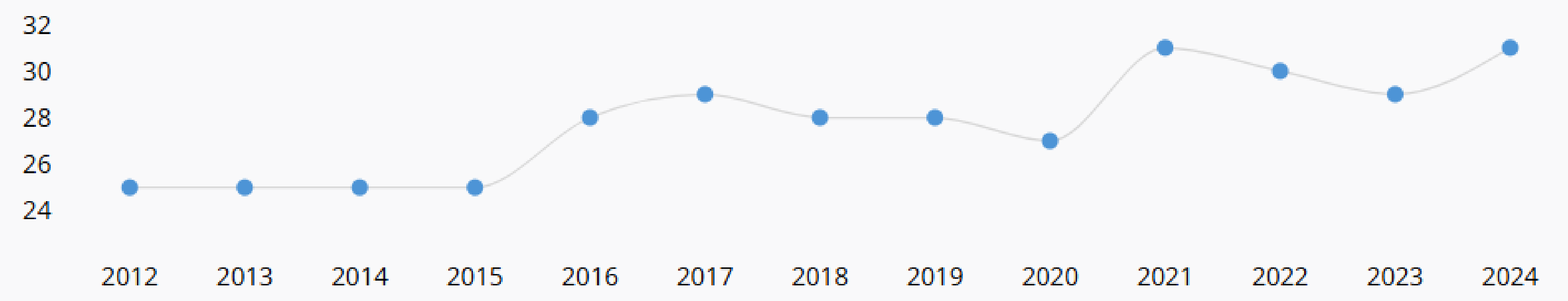
Score change

+2 Since 2023

Papua New Guinea may be losing up to **PGK 4 billion (about USD 950 million)** to corruption every year.

PNG's GDP was worth **USD 32.54 billion in 2024**, according to official data from the World Bank.

Score changes 2012 - 2024



Corruption Sentiments (2024)

ADB

96%

Corruption in government is a problem

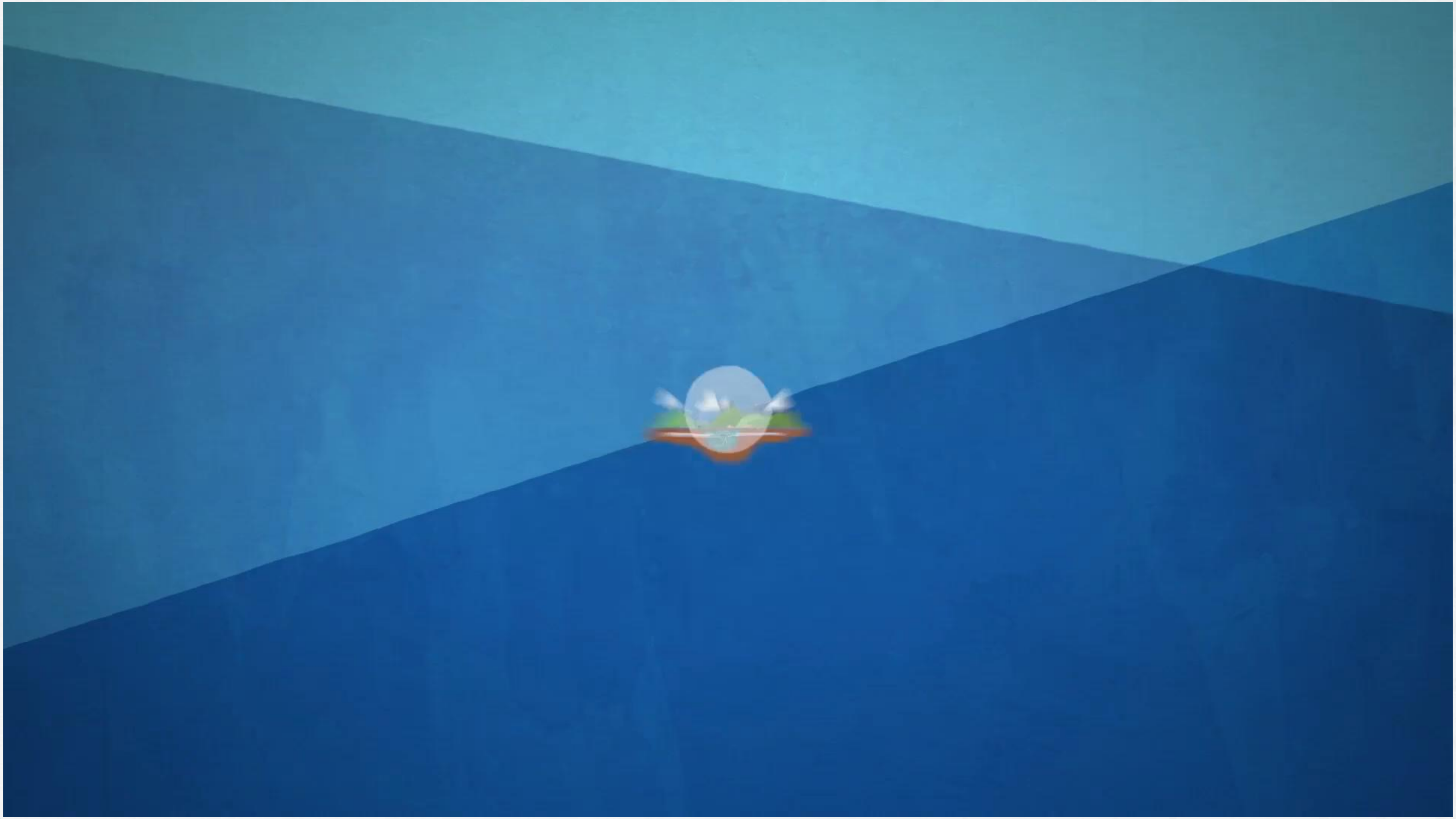
54%

Paid a bribe in the last year

64%

Regular people can make a difference in fighting corruption

II. ADB’s Anticorruption and Integrity Framework



ADB's Anticorruption Framework

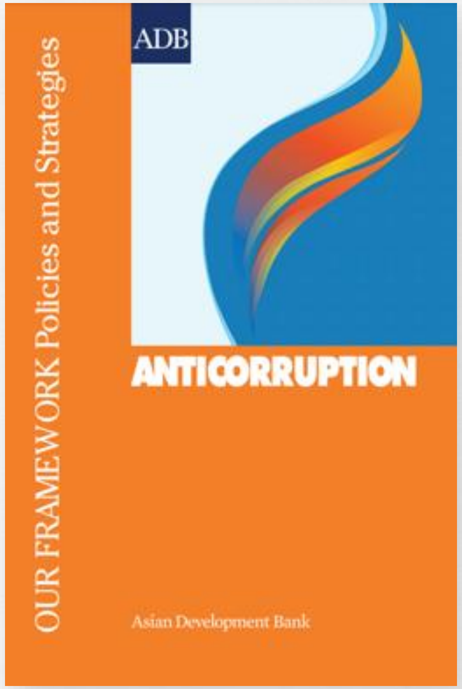
Promoting efficient, effective, accountable, and transparent public administration including good governance and capacity building

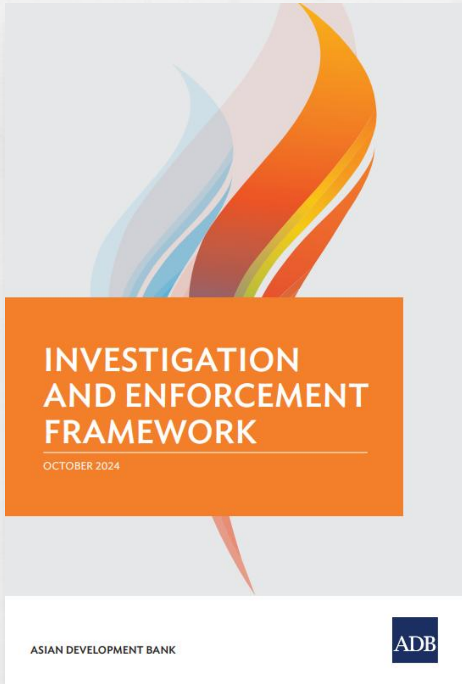
Supporting anticorruption efforts in the region through quality dialogue with the DMCs

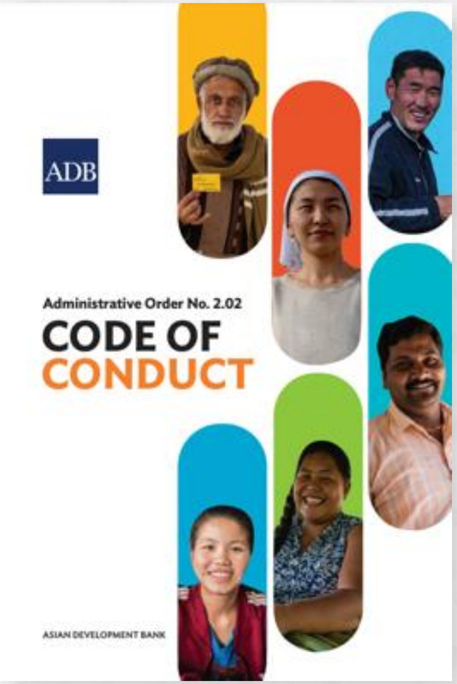
Ensuring that ADB projects and staff adhere to the highest ethical standards

ADB defines **corruption** as the **abuse of public or private office for personal gain**

ADB Integrity Policy Framework







Highest Ethical Standards

Zero Tolerance

What are Integrity Risks?

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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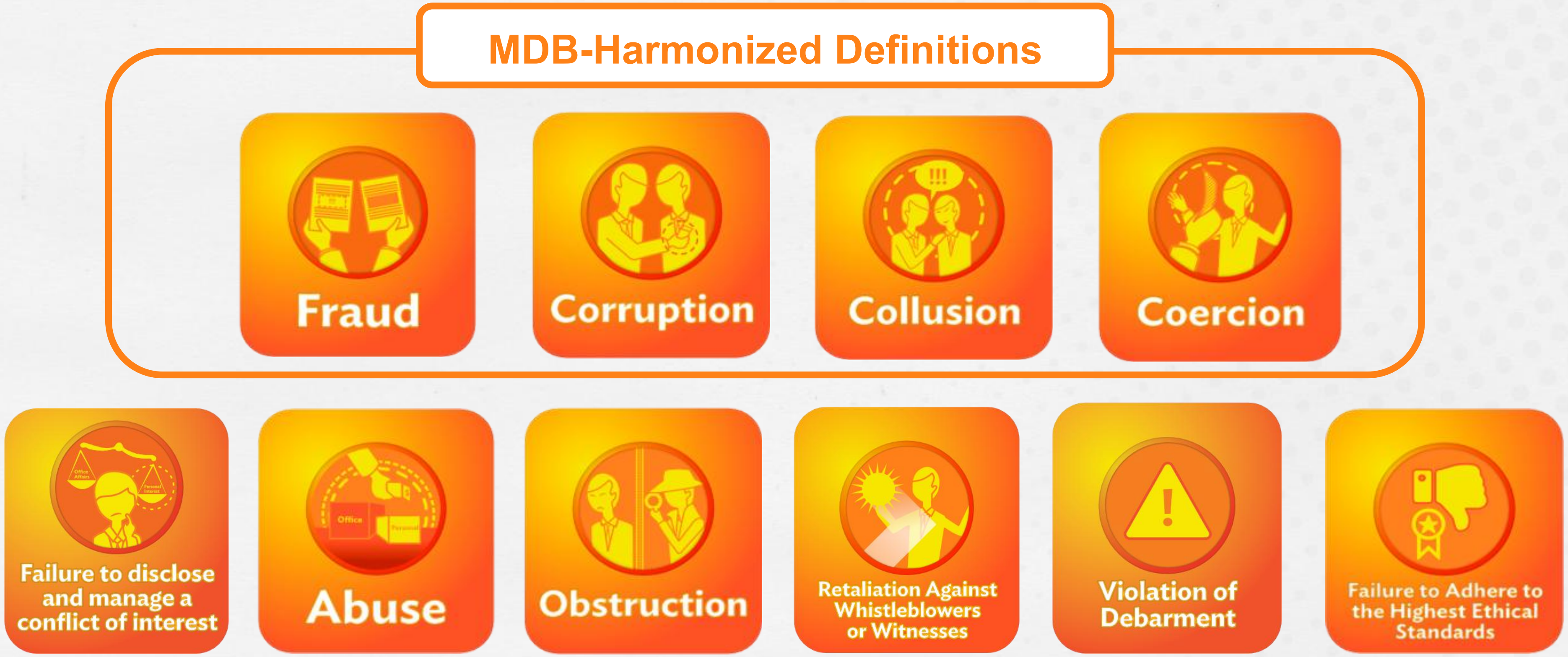
What are Integrity Risks?



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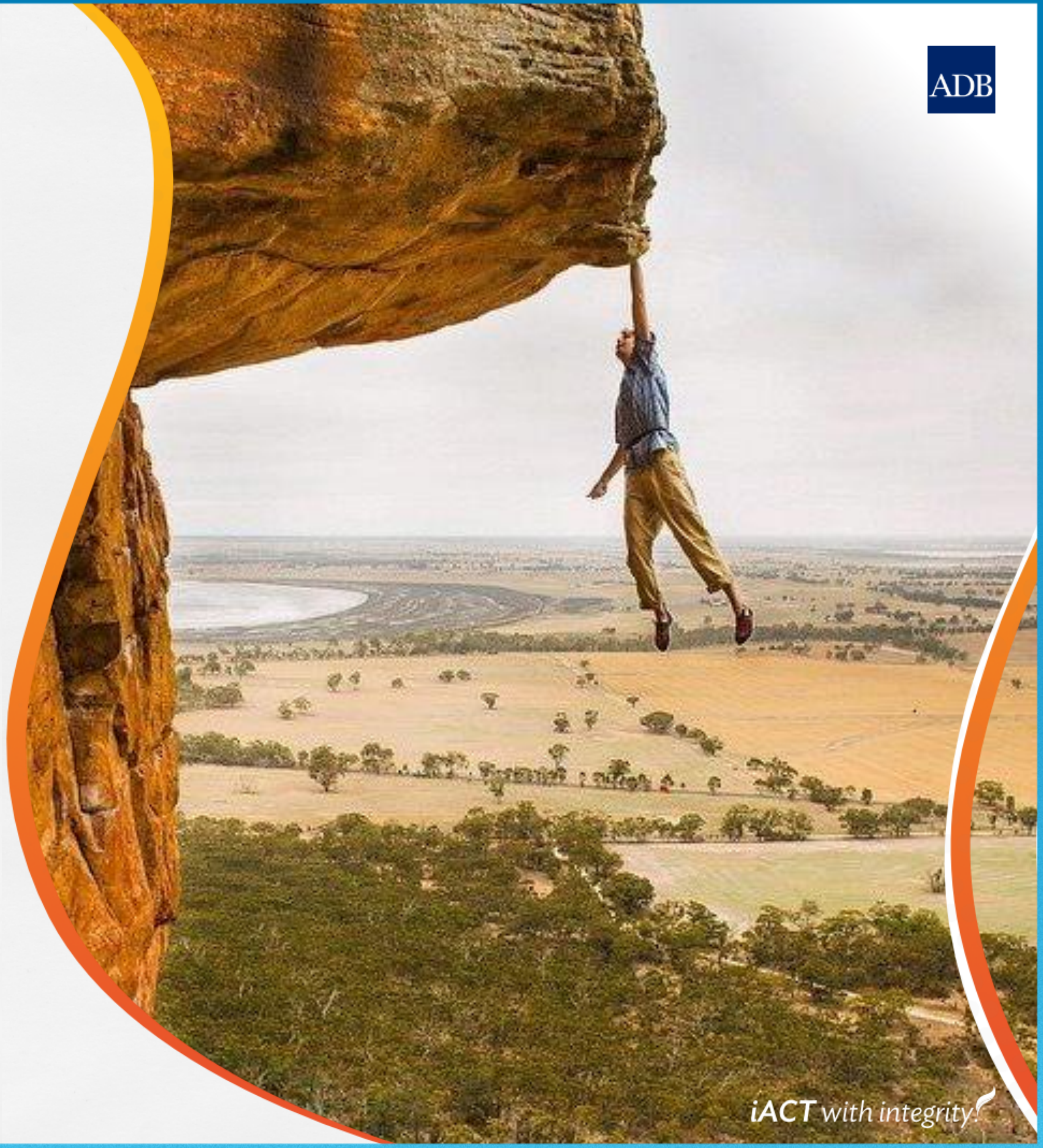
Reputational Risk and Integrity Risk

ADB depends on its reputation to achieve its mandate.

Reputational risk may be considered as the risk that ADB's stakeholders and/or the communities where ADB operates, lose confidence in, and respect for, ADB and its ability to achieve its development mission.

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



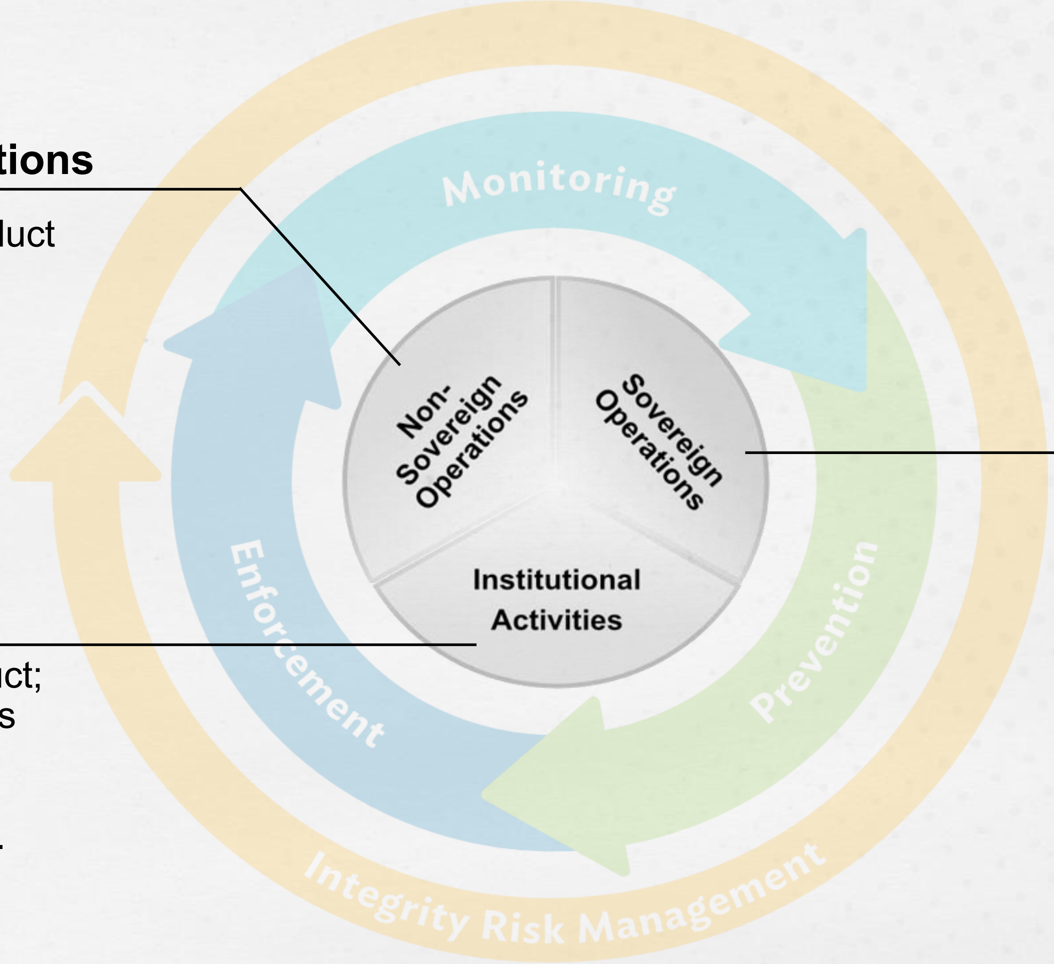
ADB's Exposure to Integrity Risk

ADB's Exposure to Integrity Risk

ADB

ADB Non-Sovereign Operations

Financial or other ethical misconduct of ADB counterparties or their significant contracting entities



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

ADB Institutional Activities

Hiring practices; employee conduct; actions of contractors, consultants and vendors; conduct of treasury banks and local banking service providers; outreach activities; etc.

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Three Lines of Defense and Integrity Risk Management

1

Each department and office

Primary responsibility for identifying and actively managing integrity risk inherent in the specific ADB operations and institutional activities they are engaged in.

2

Office of Anticorruption and Integrity

Develop policies, procedures and tools for the first line of defense. Assist and advise the first line of defense by reviewing and, when needed, challenging their integrity risk management activities.

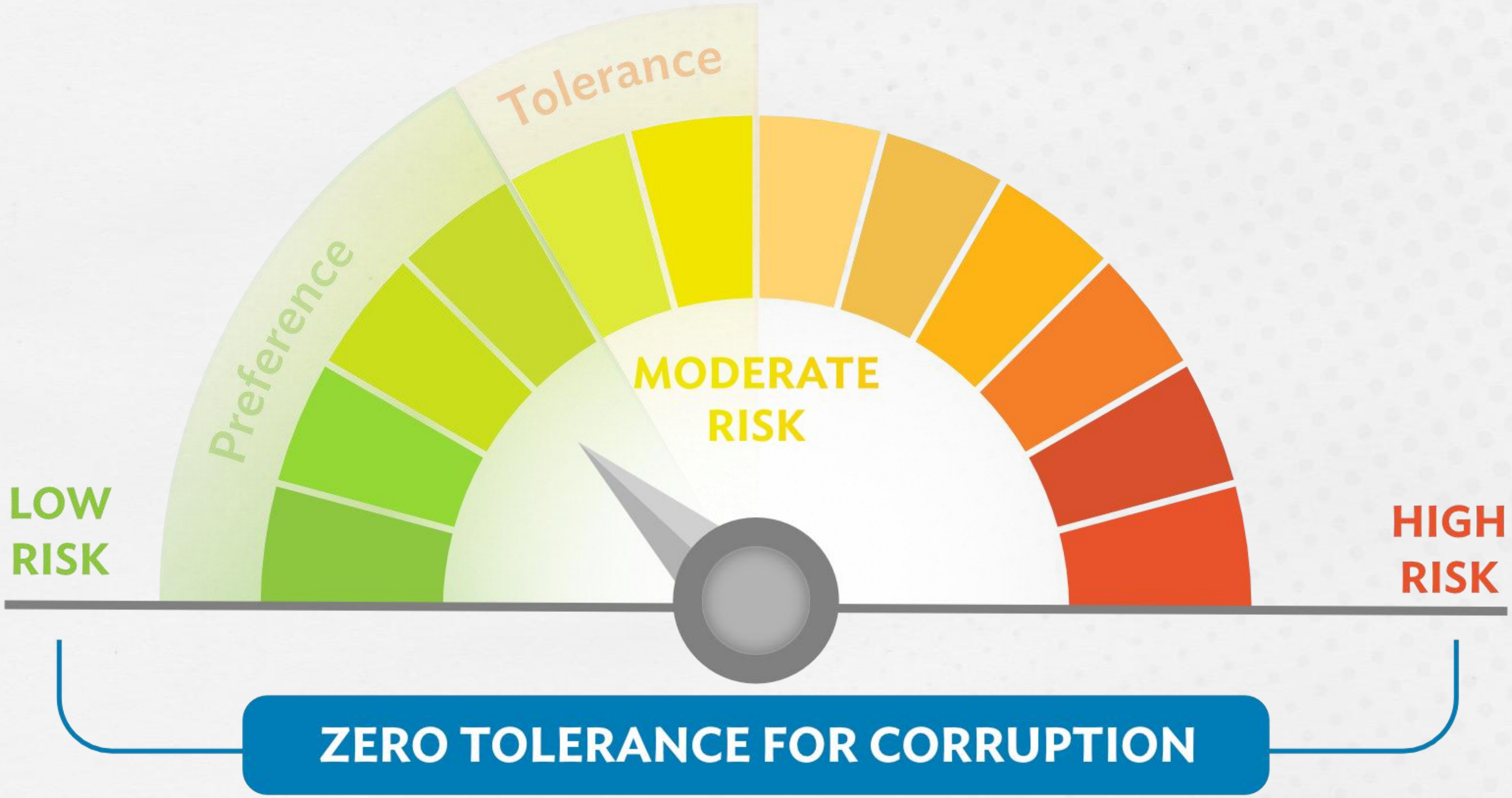
3

Office of the Auditor General

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

Reference: ADB Operational Risk Management Framework, updated February 2023

Zero Tolerance Does Not Mean Zero Occurrence



III. 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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Fraud


ADB
Corruption

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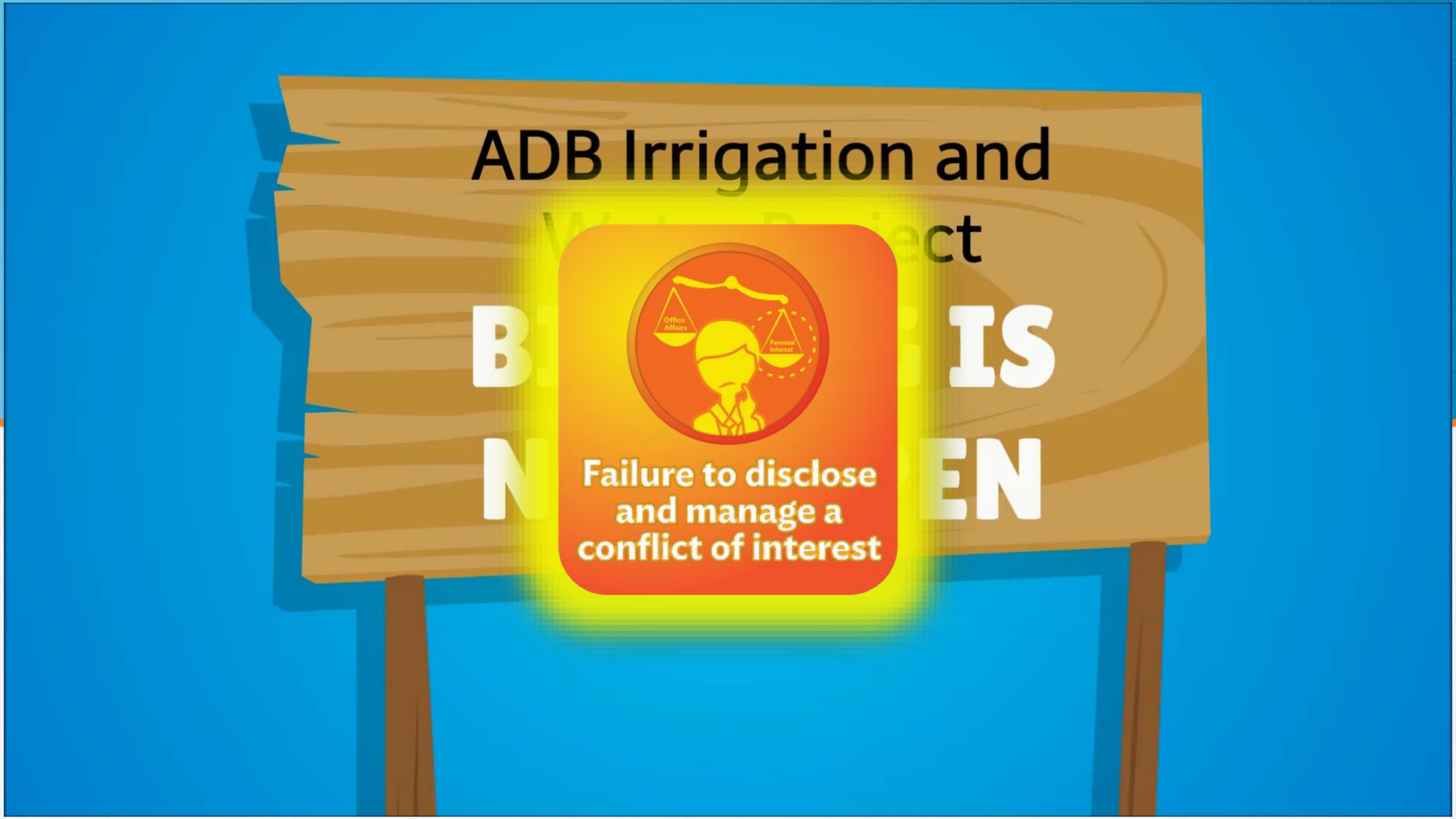

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Rural Roads Rehabilitation Project
Office
Personal
Abuse
Project Director


Restaurant
Coercion


Obstruction

Project Implementation Processes

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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.

III. Recognizing and Reducing Risk

- Red Flags
- **Due Diligence**

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WHY?

WHO?

WHEN?

WHAT?

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

Conduct Due Diligence: Sources

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- Corporate registries
- News outlets
- UN/MDBs sanctions lists
- Primary/field data
- Closed subscriptions
- Profile-based platforms
- Submitted documents

Conduct Due Diligence: Verification

- 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

Steps in Performing a Risk Assessment

Conduct Integrity Due Diligence

Identify the Risk

Can You Mitigate the Risk?

Due Diligence → Risk Assessment → Mitigation

Steps in Performing a Risk Assessment

Conduct Integrity Due Diligence

Identify the Risk

Can You Mitigate the Risk?

Identify potential threats that could impact project objectives, resources, or timelines.

Steps in Performing a Risk Assessment

ADB

Conduct Integrity Due Diligence

Identify the Risk

Can You Mitigate the Risk?

Reduce the likelihood or impact of identified risks by developing and implementing controls that minimize or eliminate these.

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Risk Identified → Risk Mitigation

1. ADB-debarred or UNSC-sanctioned entities/individuals are trying to bid for a project.

   → They are not eligible for contract, and bid will be rejected. OAI should be notified that an ADB-debarred entity tried to bid for a project.

2. You notice an unusually low bid (but still technically responsive) from a contractor.

   → Project evaluators should compare the bid price against the engineer's estimate, other substantially responsive bids, and prices from similar recent contracts to identify inconsistencies. Request clarification, evaluate the explanation, and decide on action.

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IV. ADB Debarments and Suspensions

Consequences of Integrity Violations in ADB-financed Projects

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Debarment 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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Impact While Under Debarment

ADB

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

Conducting Due Diligence: Debarment Checks

ADB

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.

PUBLISHED LIST
Accessible to the public

NO LOGIN REQUIRED

Publicly Disclosed Debarment or Suspension

View Publicly Disclosed Debarment or Suspension

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

AUTHORIZED USERS ONLY

Complete ADB Debarment and Suspension Register

View Non-Publicly Disclosed Debarment

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...
- Contr...

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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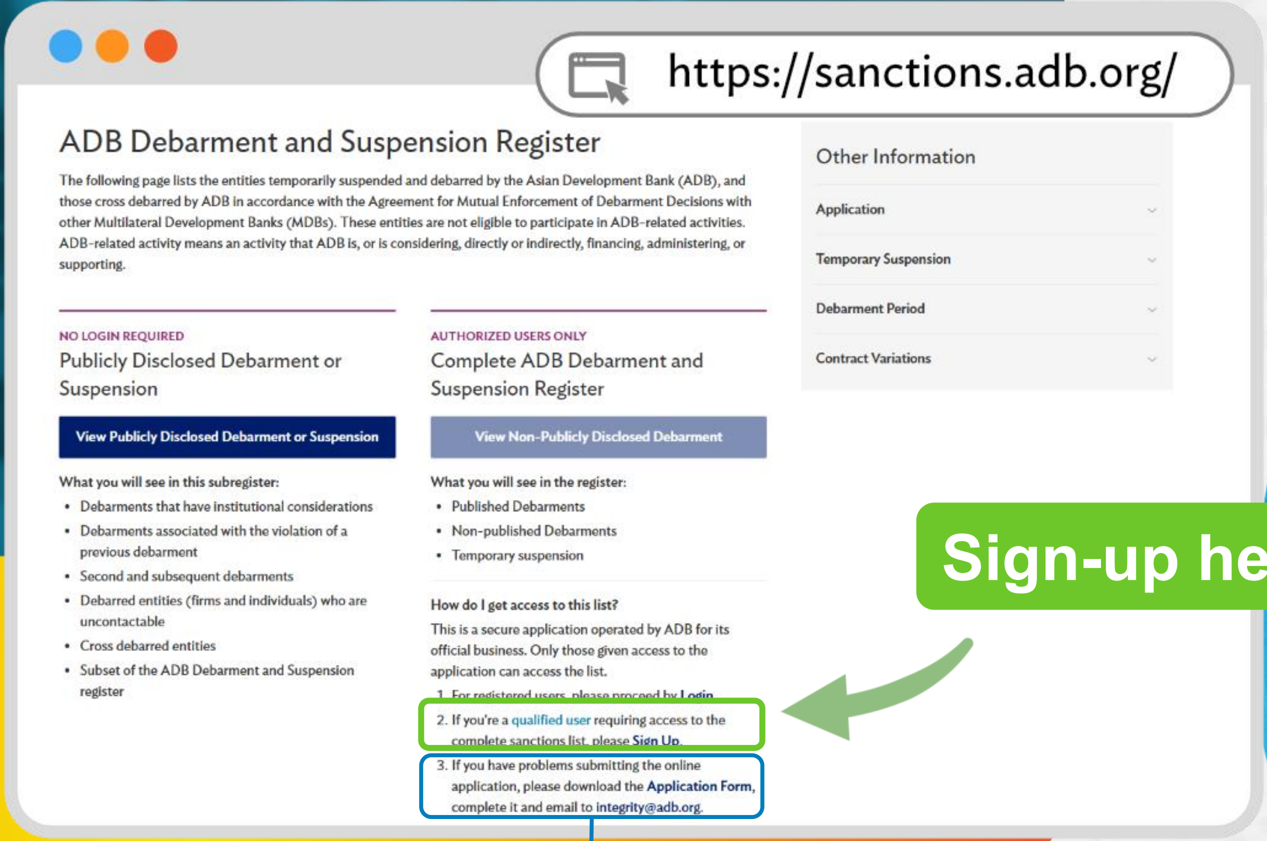
Conducting Due Diligence: Debarment Checks

ADB

Remind your EAs/IAs to sign-up!

Sign up by visiting the site or scanning the QR code.

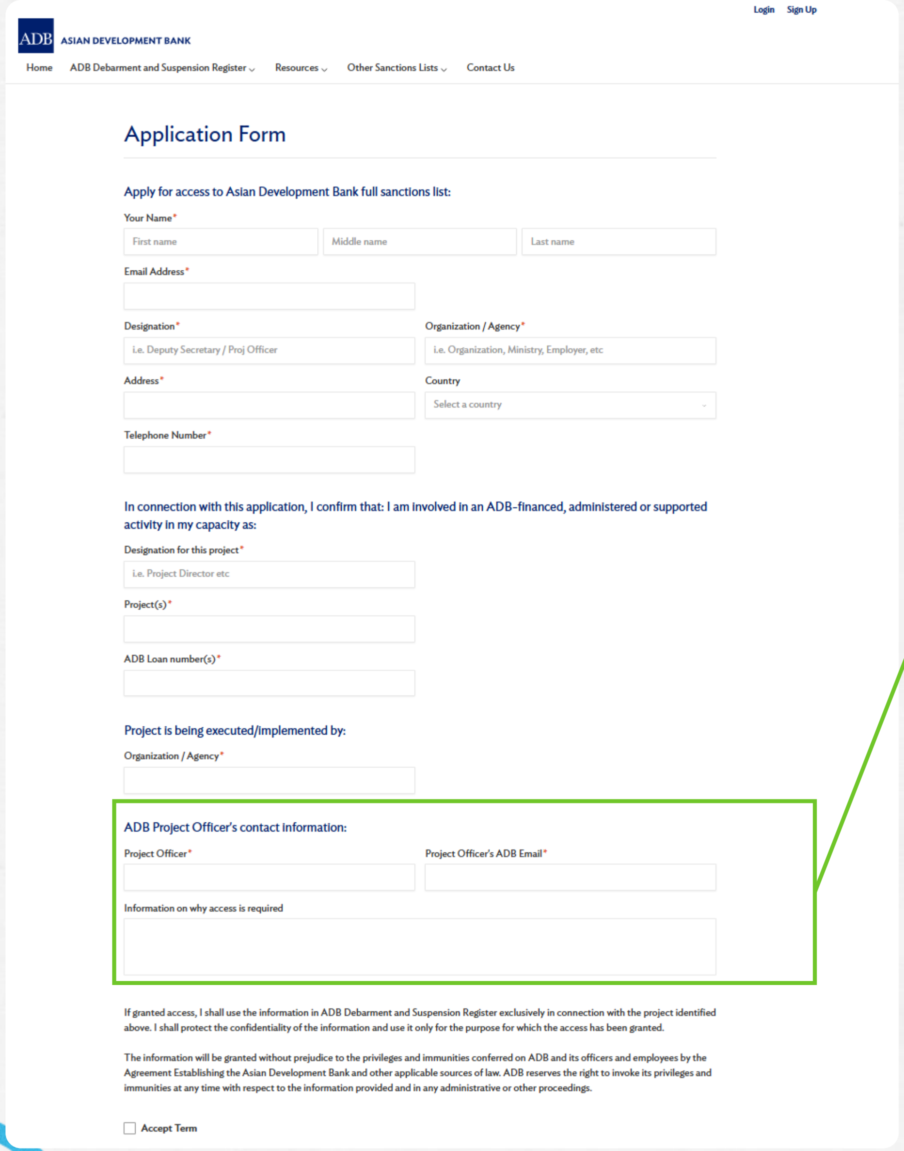


Sign-up here

Manual form available

Conducting Due Diligence: Debarment Checks

ADB



Login Sign Up

ADB ASIAN DEVELOPMENT BANK

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

Application Form

Apply for access to Asian Development Bank full sanctions list:

Your Name*

First name | Middle name | Last name

Email Address*

Designation*

i.e. Deputy Secretary / Proj Officer

Organization / Agency*

i.e. Organization, Ministry, Employer, etc

Address*

Country

Select a country

Telephone Number*

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

Designation for this project*

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*

Project Officer's ADB Email*

Information on why access is required

If granted access, I shall use the information in ADB Debarment and Suspension Register 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 employees by the Agreement Establishing the Asian Development Bank and other applicable sources of law. ADB reserves the right to invoke its privileges and immunities at any time with respect to the information provided and in any administrative or other proceedings.

Accept Term

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

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V. Strengthening a Culture of Integrity

Champion Anticorruption and Integrity

Ensure counterparties are not **debarred**

Verify at every step

Raise integrity concerns where found

Integrity Risk Management is everyone's responsibility.

Do not assume that someone else is doing it.

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 Debarment and Suspension Register

ii. Do the debarment checks

Report integrity violations to OAI

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Other Resources

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Evaluation

ADB

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!

www.adb.org/integrity

integrity@adb.org

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@anticorruptionandintegrity

@adb_oai

ADB Anticorruption and Integrity

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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