OFFICE OF ANTICORRUPTION AND INTEGRITY

iACT with integrity!

THE INTEGRITY LEARNING SERIES

Upholding Integrity:
Managing Integrity Risks in ADB Projects

29 April 2026
ADB Headquarters, Manila

ADB

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WELCOME

Opening and Welcome Remarks

Andrew Jeffries
Country Director
Philippines

John Versantvoort
Head
Office of Anticorruption and Integrity

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WELCOME

Meet your facilitators

Nusserwan Talati
Principal Integrity Specialist

Mark Rees
Principal Integrity Specialist

Steven Wong
Senior Integrity Specialist

Jung Min Han
Senior Integrity Specialist

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WELCOME

Some Housekeeping Rules

- Be on time
- Build relationships
- Be optimistic we can make a better world
- Share the stage
- Use the tools
- Raise confidential queries during breaks
- Be present and focused
- Be ready to be challenged and defer judgment

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Agenda

9:00	Welcome and Opening
9:45	1: Integrity Foundations
10:30	Break
10:45	2: Prevention and Integrity Due Diligence in Practice
	3: Debarment and Sanctions
12:00	Lunch
1:30	4: Spotting Red Flags
2:00	Case Studies
3:15	Break
3:30	5: Reporting, Investigations, and Enforcement
4:00	Reflections and Evaluation

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Corruption Perception Index

ASIA PACIFIC

PHILIPPINES

Score
32/100

Rank
120/182

Score Change
-1 since 2024

ADB

WELCOME

Reflect on the anonymous survey results

10 minutes

- Integrity risks are seen as common, not exceptional
- Greatest risk exposure is during bid evaluation & contract award
- Existing controls are present, but confidence is uneven
- Many staff report only moderate confidence in spotting red flags
- Delivery pressure and role clarity are major challenges
- Reporting concerns is hindered mainly by fear and uncertainty

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Governance & Accountability

Barriers, Insights, and Enablers

- People often recognize integrity risks early but stay silent.
- Awareness alone does not drive action.
- Silence = personal risk versus perceived impact.
- Action is most likely when a personal threshold is crossed.
- Organizations lower this threshold by providing trusted reporting channels, confidentiality and protection, visible follow-up, leadership support for challenge, and simple escalation pathways.

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Today's Overview

This session will cover:

How integrity risks arise in ADB financed projects and the actions you can take when they occur.

1. Prevent common integrity risks in development projects
2. Recognize red flags early, before they become serious problems
3. Re-familiarize yourself with the tools and processes to check, manage, and escalate risks
4. Know when and how to raise concerns with confidence

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What do we think about Integrity?

Issues of integrity can cover a broad range of events—from the very clear, to the very complex.

Throughout this session, we will be focusing on how to build your capabilities in understanding, identifying, and mitigating integrity risks in ADB-financed projects.

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Introductory Cases / Knowledge Checks

15 MIN

- **Handouts**

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Case Study 1

Form PER - 1: Proposed Personnel

Bidders should provide the names of suitably qualified personnel to meet the spec
each of the positions listed in Section 3 (Evaluation and Qualification Criteri
experience should be supplied using the Form below for each candidate.

1.	Title of position	TEAM LEADER (ELECTRICAL ENGINEER)
	Name	ASHOK KAR
2.	Title of position	ELECTRICAL ENGINEER
	Name	SANNASAN

THANGAL KUNJU MUSALIAR

COLLEGE OF ENGINEERING

KOLLAM - 691 005, KERALA, INDIA

185

Sl No. | Ad. No. 9850 | Date 23-09-1997

CERTIFICATE

Certified that

Sri/Sm ASHOK KAR *a student of*

the Thangal Kunju College of Engineering, Kollam gas attended all the courses

prescribed by the University of Kerala for the B. Tech./ B. Arch./ M. Tech./ M. C. C./ M. B. A. degree

in Civil Engineering

Branch during the year 1993 to 1997

His/Her conduct and character were found to be

Good

PRINCIPAL

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WELCOME

Case Study 2

A

Nations TrustBank

FOR NATIONS TRUST BANK PLC.

944

2559

AUTHORISED SIGNATORIES

B

Nations TrustBank

Yours faithfully,

For Nations Trust Bank Ltd

Authorised Signatory - Borella Branch.

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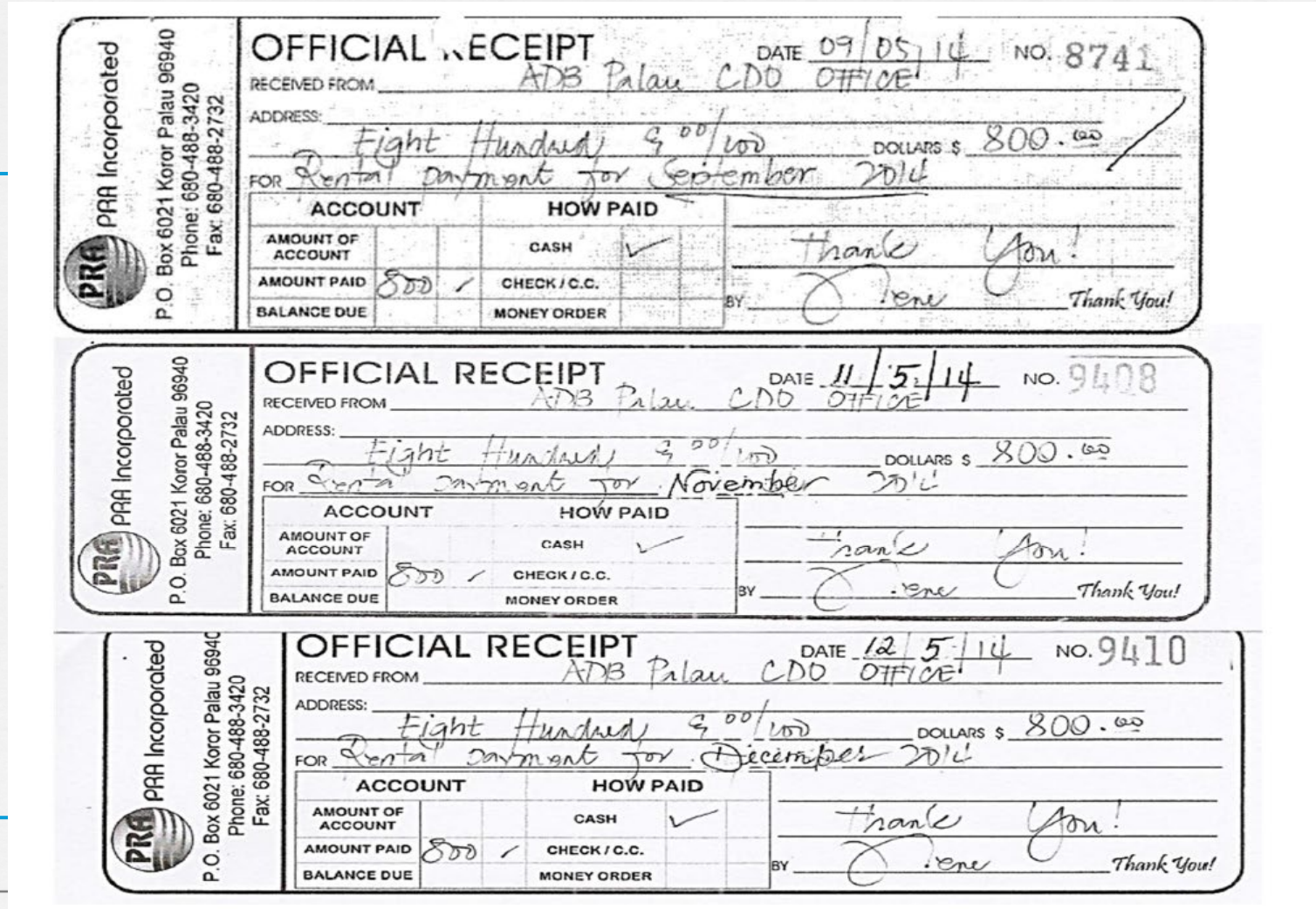
Case Study 3



PRA Incorporated
P.O. Box 6021 Koror Palau 96940
Phone: 680-488-3420
Fax: 680-488-2732

OFFICIAL RECEIPT
DATE 09/05/14 NO. 8741
RECEIVED FROM ADB Palau CDO OFFICE
ADDRESS:
Eight Hundred & 00/100 DOLLARS $ 800.00
FOR Rental payment for September 2014

ACCOUNT			HOW PAID	
AMOUNT OF ACCOUNT			CASH	✓
AMOUNT PAID	800	✓	CHECK / C.C.	
BALANCE DUE			MONEY ORDER	

Thank You!
BY Irene
Thank You!

PRA Incorporated
P.O. Box 6021 Koror Palau 96940
Phone: 680-488-3420
Fax: 680-488-2732

OFFICIAL RECEIPT
DATE 11/5/14 NO. 9408
RECEIVED FROM ADB Palau CDO OFFICE
ADDRESS:
Eight Hundred & 00/100 DOLLARS $ 800.00
FOR Rental payment for November 2014

ACCOUNT			HOW PAID	
AMOUNT OF ACCOUNT			CASH	✓
AMOUNT PAID	800	✓	CHECK / C.C.	
BALANCE DUE			MONEY ORDER	

Thank You!
BY Irene
Thank You!

PRA Incorporated
P.O. Box 6021 Koror Palau 96940
Phone: 680-488-3420
Fax: 680-488-2732

OFFICIAL RECEIPT
DATE 12/5/14 NO. 9410
RECEIVED FROM ADB Palau CDO OFFICE
ADDRESS:
Eight Hundred & 00/100 DOLLARS $ 800.00
FOR Rental payment for December 2014

ACCOUNT			HOW PAID	
AMOUNT OF ACCOUNT			CASH	✓
AMOUNT PAID	800	✓	CHECK / C.C.	
BALANCE DUE			MONEY ORDER	

Thank You!
BY Irene
Thank You!

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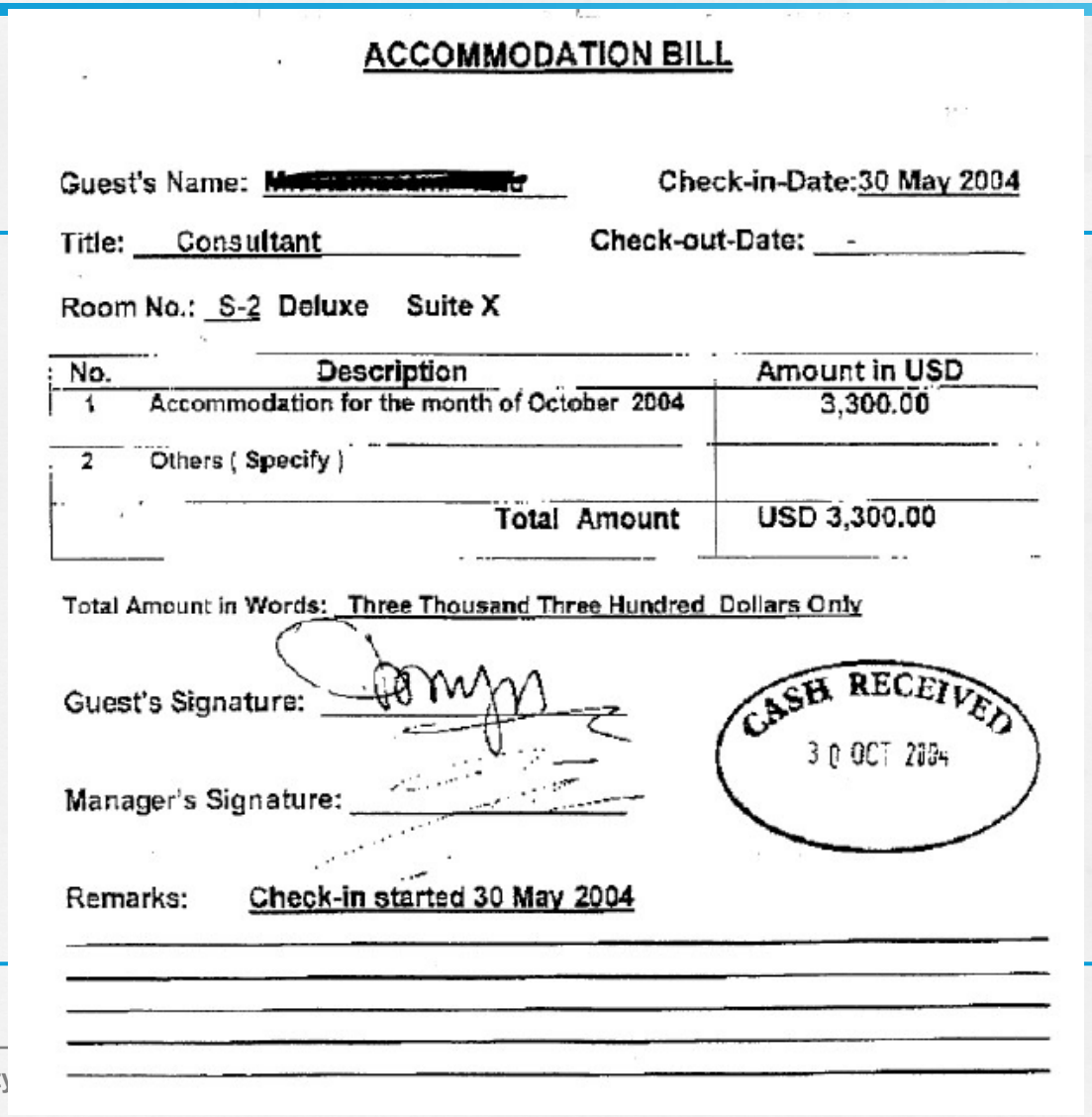
Case Study 4



ACCOMMODATION BILL

Guest's Name: [redacted] Check-in-Date: 30 May 2004

Title: Consultant Check-out-Date: -

Room No.: S-2 Deluxe Suite X

No.	Description	Amount in USD
1	Accommodation for the month of October 2004	3,300.00
2	Others (Specify)	
	Total Amount	USD 3,300.00

Total Amount in Words: Three Thousand Three Hundred Dollars Only

Guest's Signature:

Manager's Signature:

CASH RECEIVED
30 OCT 2004

Remarks: Check-in started 30 May 2004

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01

Integrity Foundations

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SECTION 01

Which factors most hinder EAs and IAs from meeting these integrity expectations? (Select up to two)

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enter code **7401 1497**

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SECTION 1.1

Foundations: Integrity, ADB, and Your Role

This session will cover:

Why integrity matters in development projects and what ADB expects from you.

1. Why integrity risks matter in ADB-financed projects
2. How integrity fits into ADB's way of working
3. What is your role in preventing and managing integrity risks

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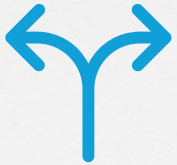
SECTION 1.1

Why do the highest standards of integrity matter on ADB projects?

It protects development impact



It supports better decision making

It strengthens trust

It protects you and the institution

It saves time and effort

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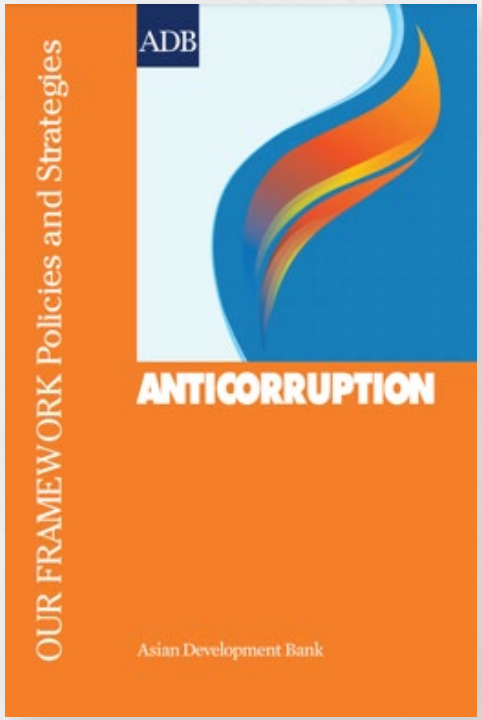
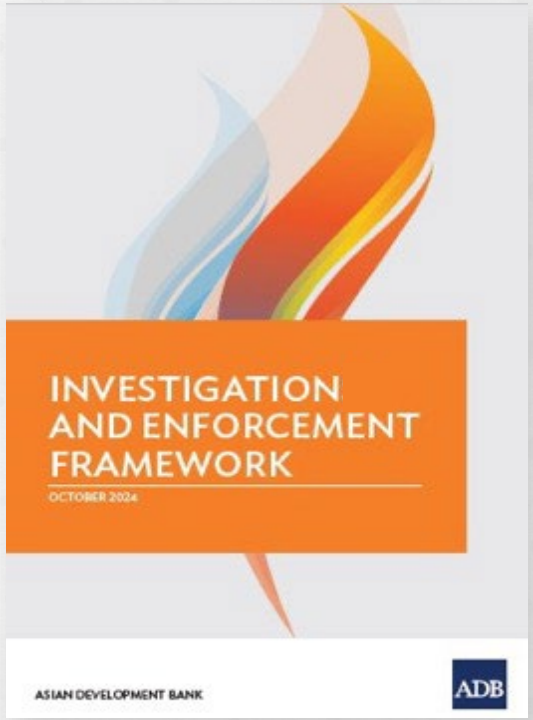
SECTION 1.1

ADB's Anticorruption and Integrity Framework

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

Find your copy on www.adb.org/integrity





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SECTION 1.1

ADB's Anticorruption and Integrity Framework

Promoting **effective and transparent** public administration including good governance and capacity building.

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

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

Corruption is essentially about giving or receiving something of value to influence a decision in an improper way.

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SECTION 1.1

How does this relate to your role?

Auditor General *Independent audit & assurance*

OAI *Specialist advice & investigation*

ADB Project Team *First line of support*

EAs / IAs *Identify and mitigate risks; escalate concerns*

ADB Integrity System

EAs/IAs involved in ADB-supported activities

Conduct integrity due diligence, spot red flags, manage integrity risk, and escalate to OAI where necessary

ADB Project Team

Your first point of support for identifying and managing integrity issues on the ground

Office of Anticorruption and Integrity (OAI)

Conducts investigations, provides specialist support, and builds integrity capability

Auditor General

Independent audit & assurance of ADB's integrity risk management

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SECTION 1.1

Your Role as Executing and Implementing Agencies

Your primary role is to protect project outcomes and public value by implementing the project fairly and with integrity.

To achieve this, you need to **conduct integrity due diligence, spot integrity red flags, manage integrity risk, and report integrity violations** to OAI for assessment and investigation as warranted.

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SECTION 1.1

Your Role as Executing and Implementing Agencies

This includes:

Report suspected violations to OAI when found in ADB projects.

Trust, but verify - especially in areas prone to abuse (finance and administration, tax privileges, personal use of ADB resources)

Promote a strong integrity due diligence practices at your team level

Support OAI as frontline partners to manage elevated integrity risks

Cooperate with OAI investigations

Encourage and participate in conversations about integrity red flags and violations in your team

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SECTION 1.2

Foundations: Integrity Risk, Prevention, Due Diligence, and Definitions

This session will cover:

What does a systemic view of an integrity risk management look like.

1. What does a strong system of integrity risk management look like?
2. Reflection on your own integrity risk management approach
3. Importance of culture in maintaining an effective integrity risk management system

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SECTION 1.2

Integrity Violations

The following are integrity violations as defined by ADB:

MDB-Harmonized Definitions

Harmonized definitions enable mutual enforcement of debarment decisions across multilateral development banks.

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SECTION 1.2

We need a strong system of integrity risk management

Strong integrity due diligence process

A systematic, repeatable integrity due diligence process that:

- Uses good data;
- Maintains clear documentation and
- Enables defensible decisions.

Spotting red flags early

Continuous processes to monitor and identify red flags.

Escalating a red flag is good risk management, not an accusation.

Assessing and managing risk

Once a red flag is identified, it is important to:

- Understand what it may mean for the process or project
- Assess potential integrity risks
- Take proportionate risk-mitigation or preventive actions

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SECTION 1.2

We need a strong system of integrity risk management

Escalation and reporting

Where there are allegations, suspected violations, or grounds for suspension, matters must be escalated and reported in line with organizational requirements (regardless of other risk management actions taken).

For ADB-supported projects, relevant cases should be escalated to OAI.

Investigations and enforcement action

There is a trusted capability to conduct investigations, document findings, and apply appropriate actions where violations are confirmed.

Consequences may include contractual remedies, corrective actions, or strengthened controls that reinforce accountability and deter future misconduct.

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SECTION 1.3

Building a culture of integrity

This session will cover:

How leadership behavior at all levels and systems influence integrity outcomes.

1. Small actions that support integrity in your team
2. Reflection on how systems and processes shape integrity risk management

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SECTION 1.3

Which aspects of organizational culture most contribute to maintaining integrity in EAs and IAs? (Choose up to 2 responses)

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SECTION 01

Summary: Integrity risk management applied in practice

1. There is a systematic, repeatable process
2. The tools to conduct integrity due diligence are accessible
3. Documentation is consistent, clear & decisions are defensible
4. Identified integrity risks are actively mitigated
5. There is a clear red flag escalation process
6. Monitoring continues after approval or award, and throughout implementation

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02

Prevention and Integrity Due Diligence in Practice

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SECTION 02

Foundations: Prevention and Integrity Due Diligence in Practice

This session will cover:

How to prevent and identify integrity risks, carry out basic due diligence, and use available tools and registers.

1. Why prevention and integrity due diligence is important?
2. What is a clear process for identifying and managing integrity risk?
3. How to carry out integrity due diligence searches and analysis?
4. Reflection on how prepared you are to manage integrity risks in your role

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SECTION 02

Defining integrity due diligence

The 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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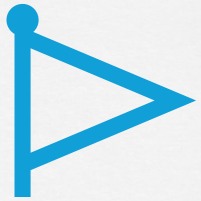
SECTION 02

Stages of integrity due diligence



Systems and processes in place to spot red flags

Conduct integrity due diligence

Identify the integrity risk

Mitigate or manage the risk

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SECTION 02

What information do you need to assess

Sanctions and debarment status

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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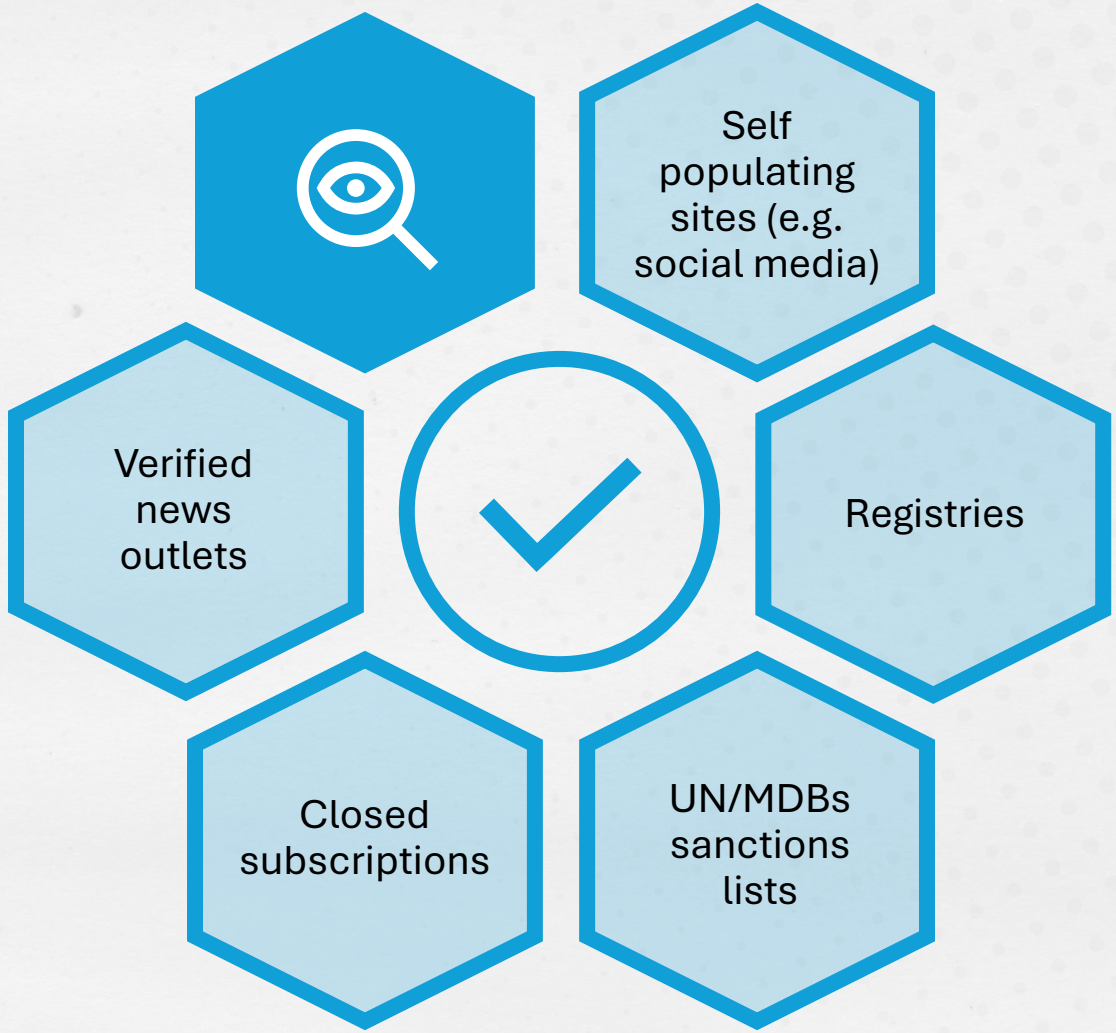
SECTION 02

Sources of integrity due diligence information



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SECTION 02

What is one strategy or tactic you and your team have employed to conduct integrity due diligence?

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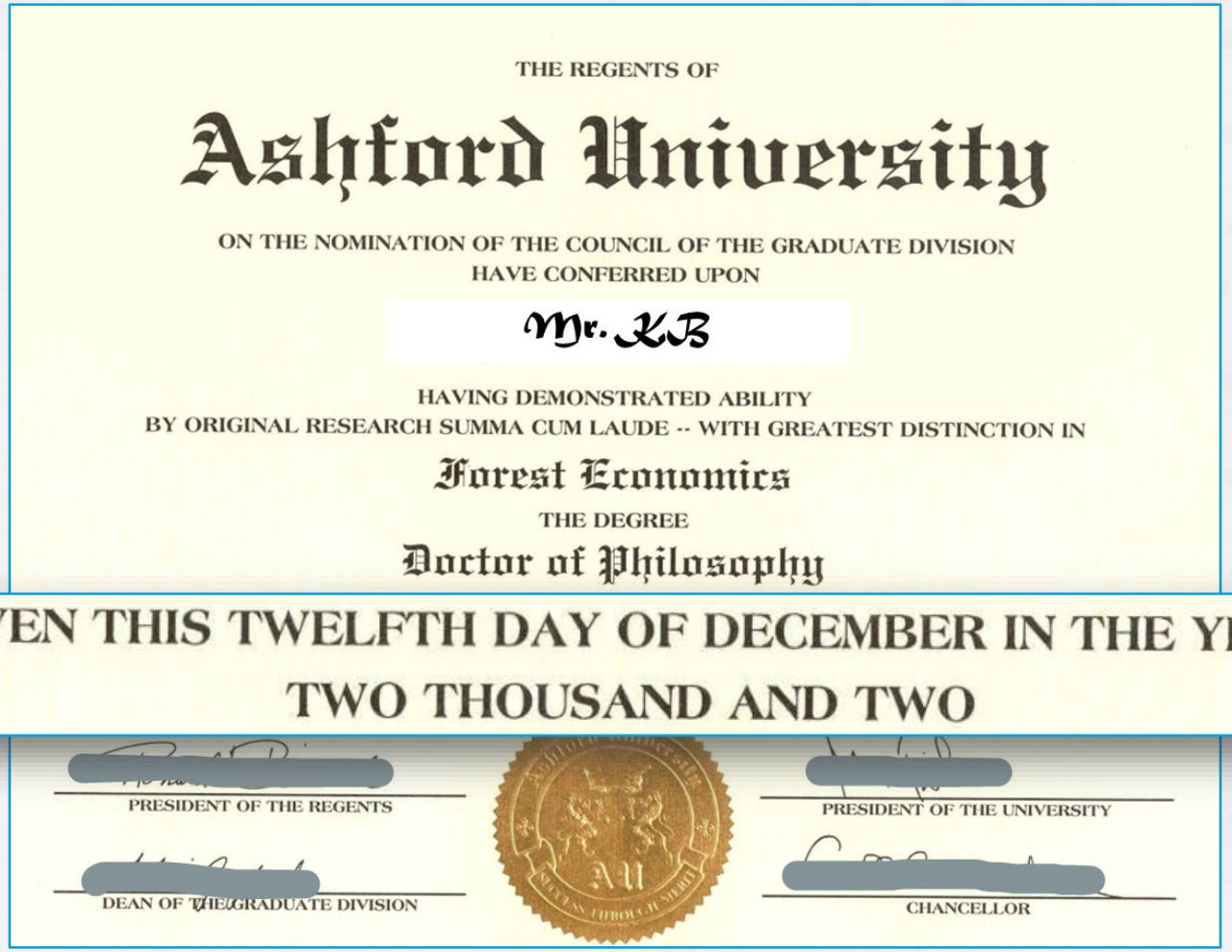
SECTION 02

Case Study



THE REGENTS OF

Ashford University

ON THE NOMINATION OF THE COUNCIL OF THE GRADUATE DIVISION
HAVE CONFERRED UPON

Mr. KB

HAVING DEMONSTRATED ABILITY
BY ORIGINAL RESEARCH SUMMA CUM LAUDE -- WITH GREATEST DISTINCTION IN

Forest Economics

THE DEGREE

Doctor of Philosophy

GIVEN THIS TWELFTH DAY OF DECEMBER IN THE YEAR
TWO THOUSAND AND TWO

[redacted]
PRESIDENT OF THE REGENTS

[redacted]
PRESIDENT OF THE UNIVERSITY

[redacted]
DEAN OF THE GRADUATE DIVISION

[redacted]
CHANCELLOR

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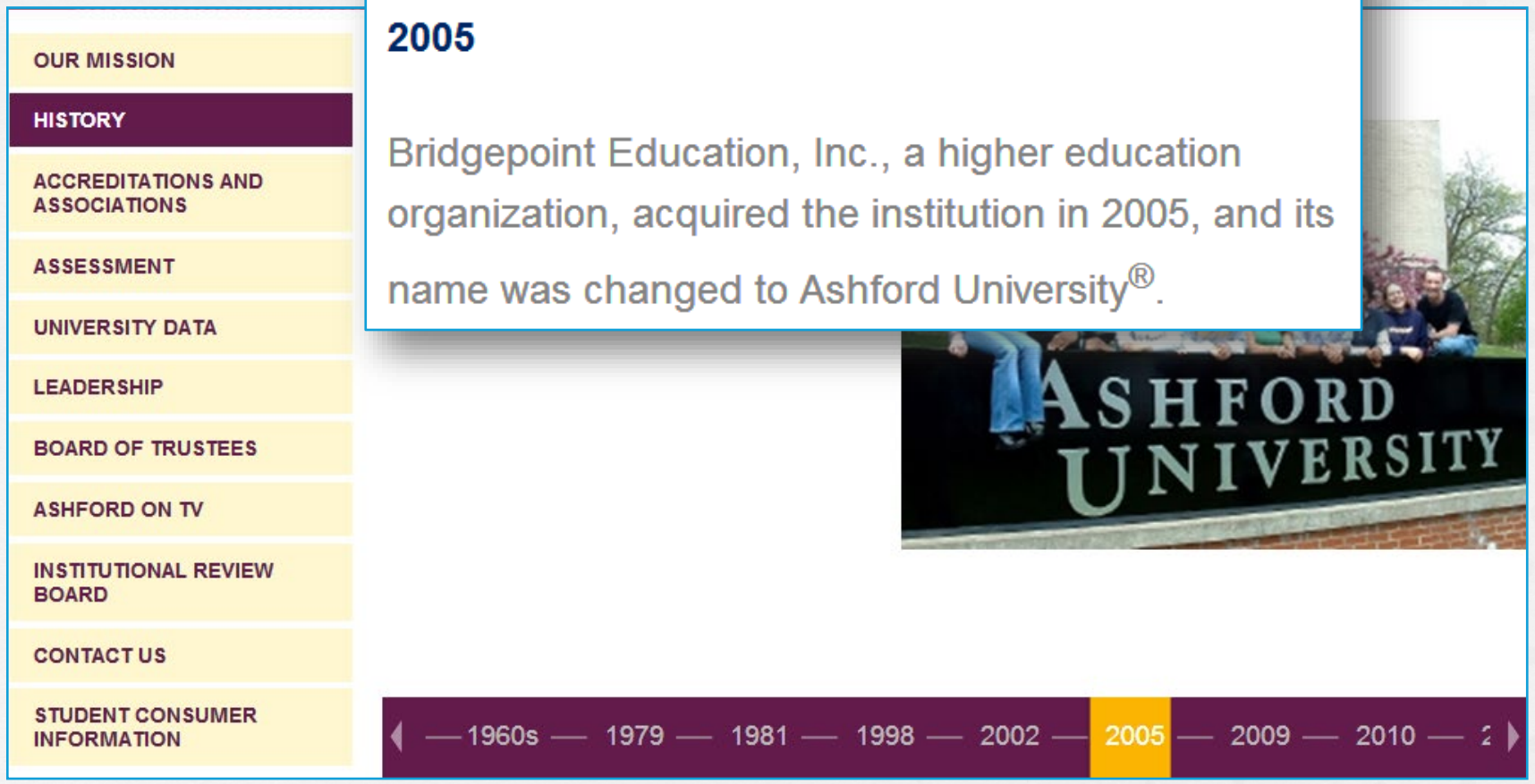
SECTION 02

Case Study



Ashford UNIVERSITY™

Ashford University began in 2005, and any degrees issued prior to that year are not actually degrees.

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03

Debarment and Suspension

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SECTION 03

Debarment and Suspension

This session will cover:

How debarment and suspension work, what the registers are for, and how to use them in practice.

1. What debarment and suspension mean in ADB-related projects
2. How to access and use the ADB Debarment and Suspension Register

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SECTION 03

Your Role as Executing and Implementing Agencies

Sanctions Screening is the first step to integrity due diligence.

Let this be your key takeaway from today's session.

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SECTION 03

What is debarment and suspension?

Debarment

- A formal sanction where ADB prohibits a firm or individual from participating in ADB-related activities.
- Can be time-bound and reinstatement may be with conditions.

Suspension

- A temporary restriction while an integrity concern is being assessed or investigated.
- No final finding has been made yet.

WHY THIS MATTERS

Debarment and suspension are ADB's primary tools to enforce integrity requirements.

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SECTION 03

What is Sanctions Screening?

Sanctions Screening

Checking whether bidders, suppliers, contractors, or consultants appear on ADB's Debarment and Suspension Register and the UN Security Council Consolidated List.

WHY THIS MATTERS

Sanctioned or suspended firms and individuals are **not eligible** to participate in ADB-related activities.

WHO IS RESPONSIBLE

Executing Agencies are required to apply sanctions screening at **all stages of the procurement and project delivery process.**

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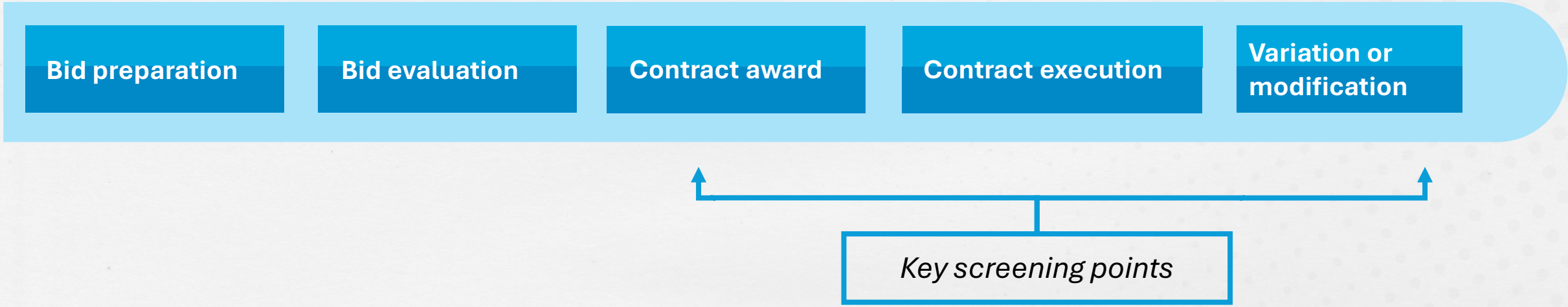
SECTION 03

Executing Agencies are Responsible for Sanctions Screening



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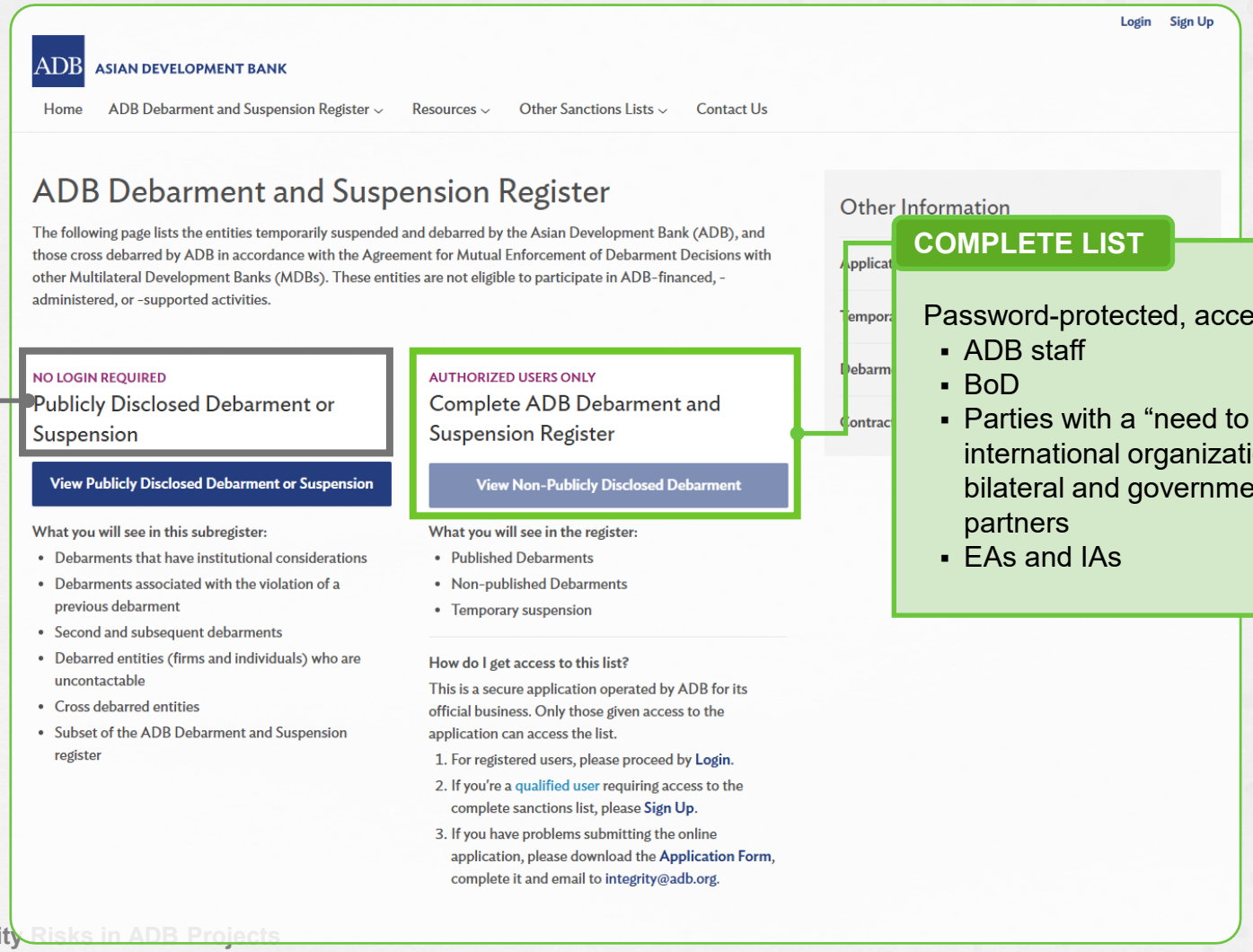
SECTION 03

Debarment checks

http://sanctions.adb.org



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

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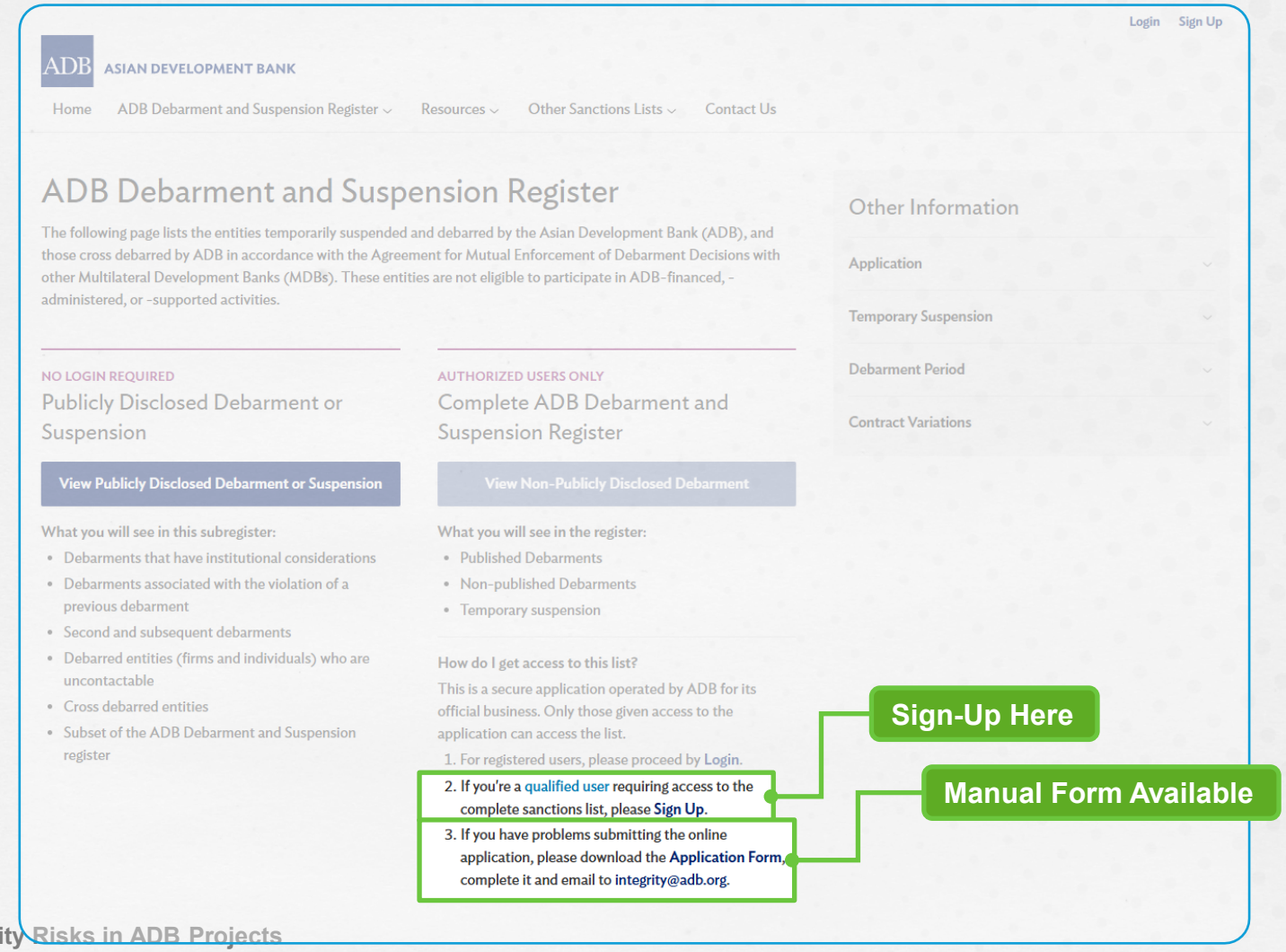
SECTION 03

Debarment checks

http://sanctions.adb.org



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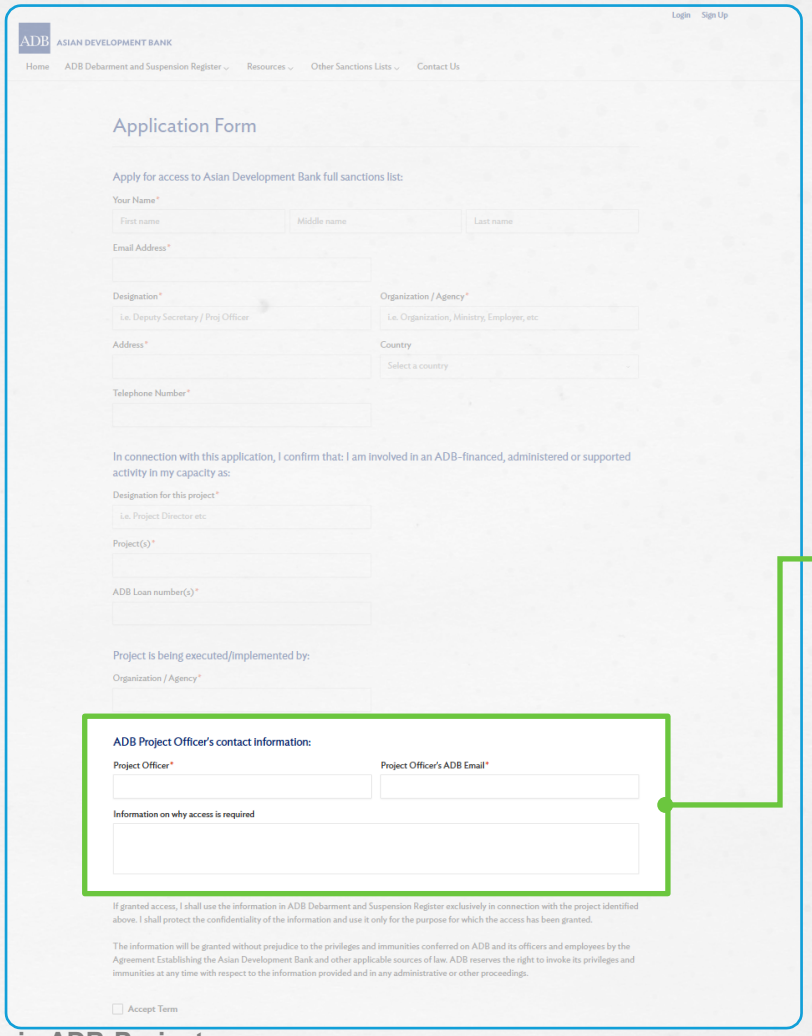
SECTION 03

Debarment checks



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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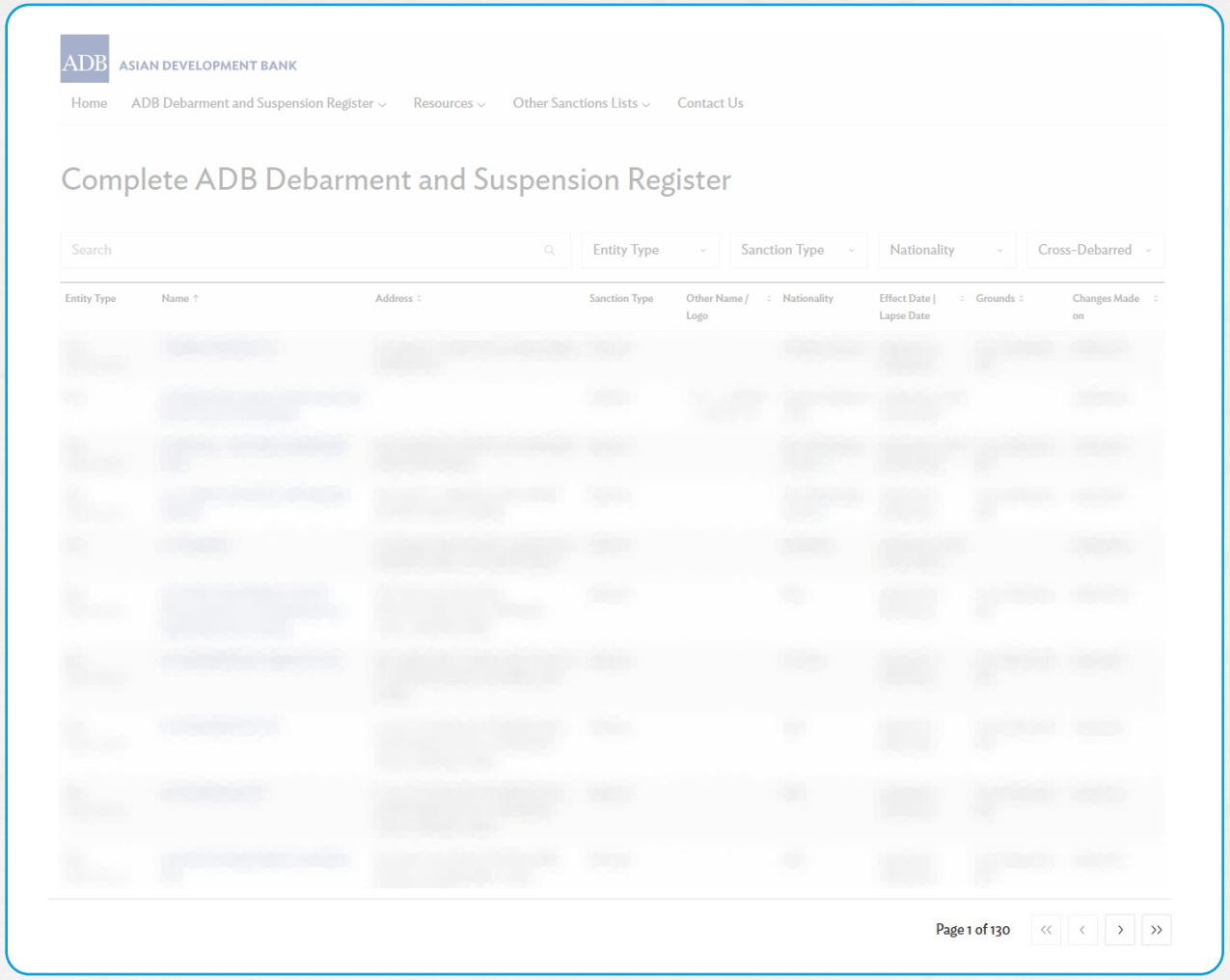
SECTION 03

Debarment checks



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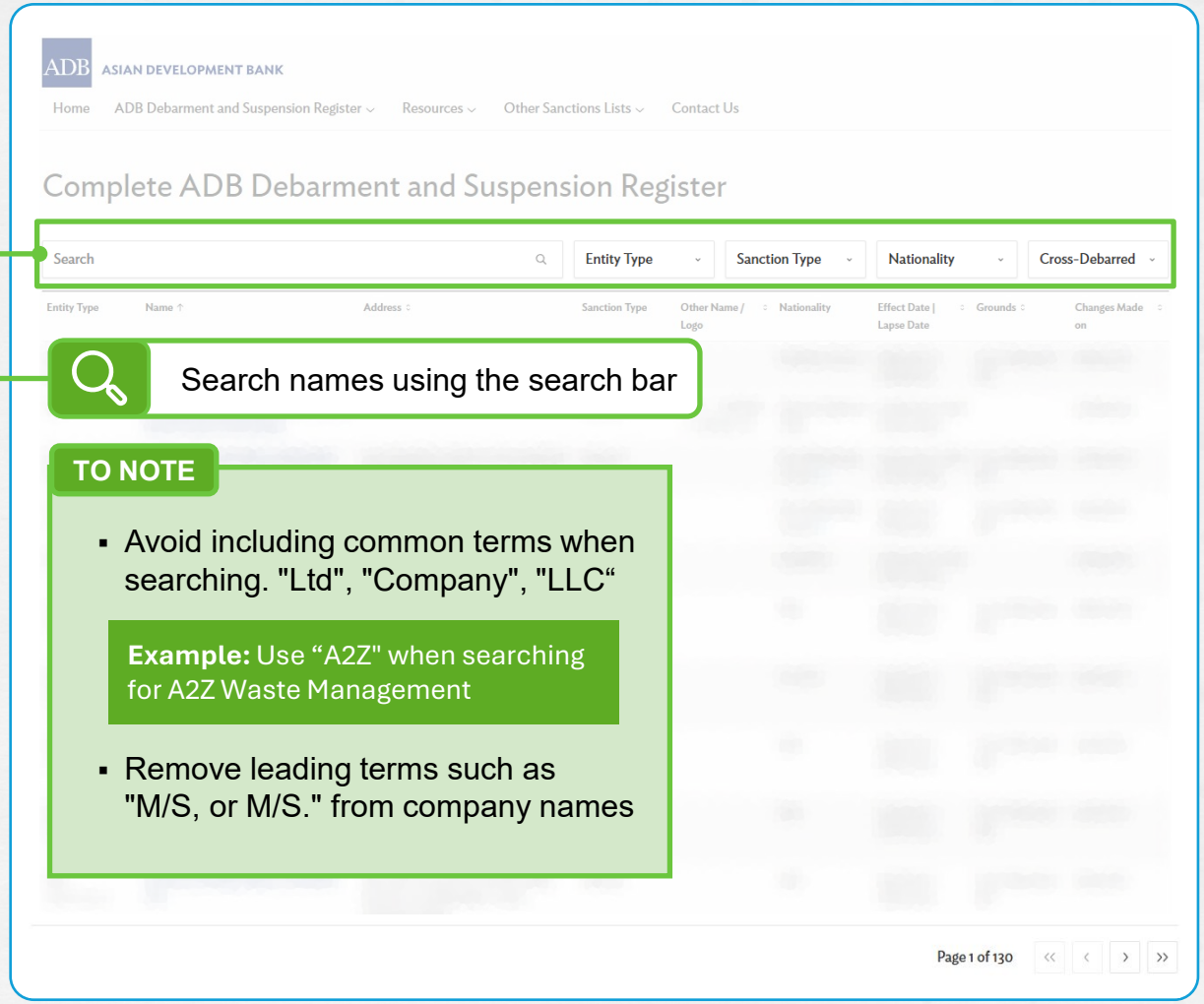
SECTION 03

Debarment checks



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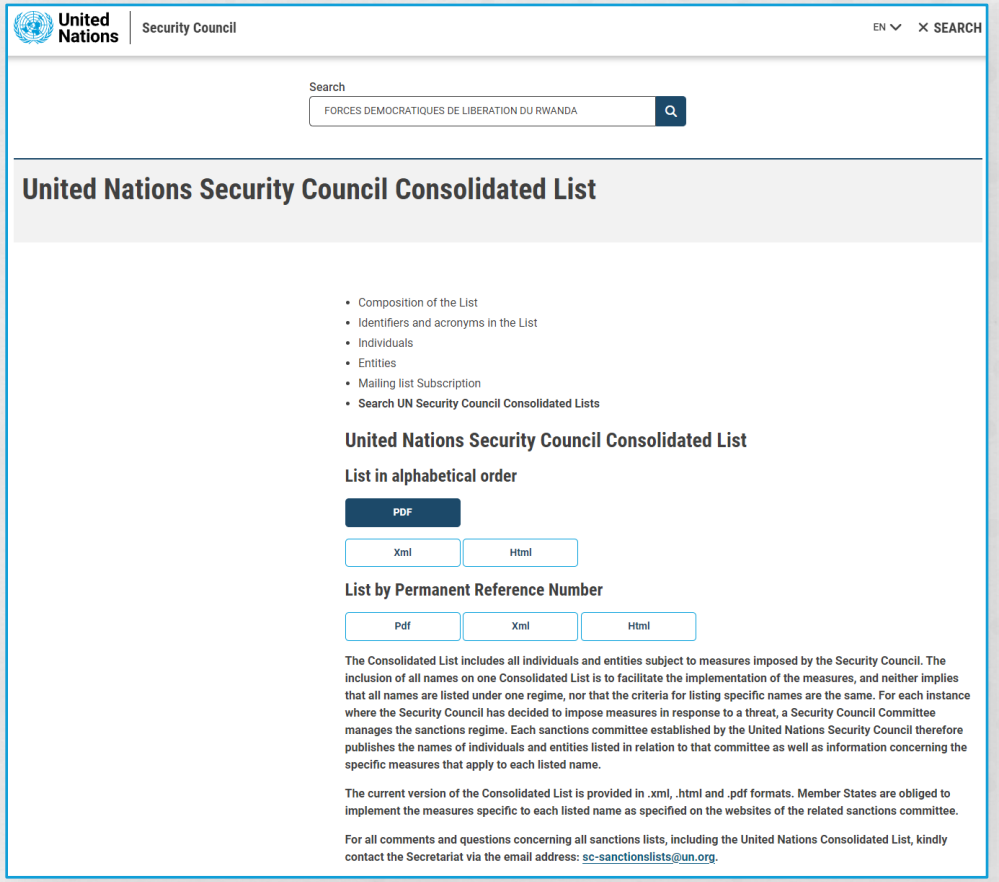
SECTION 03

United Nations Security Council Sanctions: Obligations

This list is downloadable and searchable



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04

Spotting Red Flags

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SECTION 04

Spotting red flags

This session will cover:

What red flags look like in practice and how to notice them in everyday project work.

1. Where and when red flags commonly appear?
2. How to identify red flags linked to different types of integrity risk?
3. Understand how red flags may show up in your own work

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SECTION 04

Project Implementation Processes

Procurement

- Bidding
- Bid evaluation
- Contract award

Contract & Asset Management

- Contract administration
- Output monitoring
- Asset control

Financial Management

- Expenditure management
- Financial reporting

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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SECTION 04

Procurement

The following are illustrative examples only. Red flags are not definitive indicators of wrongdoing and should be assessed in context.

Bidding

Only one bid received
May indicate bid-rigging, pre-selection, or barriers that competition suppressed.

Identical or near-identical bid prices
Classic indicator of collusion—bidders may have agreed in advance who will win.

Specifications too vague or too narrow
Overly broad specs increase discretion; overly narrow ones may be tailored to favor one firm.

Bid Evaluation

Evaluation criteria changed after bids open
Post-submission changes undermine the integrity of the competition and may favor a particular bidder.

Winning bidder's qualifications unverifiable
Credential misrepresentation is common. Always cross-check CVs and company records independently.

Evaluator has undisclosed links to a bidder
Conflicts of interest must be declared. Recusal is the standard response; concealment is a red flag.

Contract Award

Scope expands significantly after award
May indicate the original bid was deliberately underpriced to win, with inflation planned for later.

Awarded firm on ADB Debarment Register
Automatic disqualifier. Debarment checks must be completed before award.

Award overrides panel recommendation
Not automatically wrong, but must be clearly documented. Undocumented overrides are a red flag.

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SECTION 04

Contract & Asset Management

The following are illustrative examples only. Red flags are not definitive indicators of wrongdoing and should be assessed in context.

Contract Administration

Repeated contract variations
Frequent or large variations without documented justification may indicate deliberate underpricing at bid stage.

Changes approved without oversight
Modifications to live contracts should go through the same rigour as the original award.

Sanctioned firm still active on contract
If a contractor becomes sanctioned during implementation, all contract modifications require OAI endorsement.

Output Monitoring

Deliverables reported complete; site says otherwise
Payment for undelivered work is one of the most common forms of project fraud. Independent site verification is essential.

Monitoring reports copy-pasted across periods
Verbatim repetition across reporting periods might suggest monitoring isn't actually happening.

Contractor blocks site access
Restricting monitoring access is itself a red flag and should be escalated.

Asset Control

Assets missing from inventory
Unaccounted-for project assets may indicate misappropriation. Regular physical checks are the primary control.

Assets reassigned without authorisation
Disposal or transfer of project assets should follow documented approval processes.

No asset register maintained
Absence of an asset register makes accountability impossible and increases misappropriation risk.

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SECTION 04

Financial Management

The following are illustrative examples only. Red flags are not definitive indicators of wrongdoing and should be assessed in context.

Expenditure Management

Payment requested before delivery

Advance payments without contractual basis or delivery confirmation are a common fraud vector. Verify delivery independently before approving.

Invoices from unverifiable firms

Firms with no physical address, employees, or track record may be shell entities created to siphon funds.

Payments split below approval thresholds

Deliberate structuring to stay under oversight limits is a red flag. Look for patterns of near-identical amounts.

Unexplained urgent payment requests

Pressure to approve payments quickly, bypassing normal review, may indicate an attempt to avoid scrutiny.

Financial Reporting

Discrepancies between reports and field data

The gap between what is reported and what is observable on the ground is where misuse often hides.

Audit findings repeated but unaddressed

Persistent unresolved audit findings may suggest either incapacity or deliberate non-compliance.

Access to financial records restricted

Refusal to provide documentation to authorized reviewers is an immediate red flag.

Project accounts commingled with other funds

Mixing project funds with other accounts makes tracking impossible and may indicate intentional obfuscation.

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SECTION 04

Case Studies 1 & 2

60 MIN

Instructions

1. Review the documents provided and reflect individually
    - **Red Flags and Potential Violations**: What red flags are present, and what potential integrity violation(s) do they indicate?
    - **Impact**: What actual or potential impact could this situation have on the project and/or the donor?
    - **Root Causes**: What underlying weaknesses, actions, or circumstances gave rise to these issues?
    - **Prevention**: How could this situation have been prevented—what controls, actions, or decisions could have been different?
2. Discuss your reflections within your table
3. Plenary Discussion

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05

Reporting, Investigations, and Enforcement

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SECTION 05

Reporting, Investigations, and Enforcement

This session will cover:

What happens after an integrity concern is raised, how investigations work, and what your responsibilities are.

1. When and how to raise an integrity concern
2. How ADB investigations work
3. Your obligations when working with a debarred or suspended entity

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SECTION 05

Role of the External Investigations Team (EIT)

- Investigates integrity violations
- Uses specialist investigative support
- Initiates integrity enforcement processes
- Supports remediation and accountability
- Builds integrity capability through training and support
- Supports reinstatement and compliance

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SECTION 05

How does an investigation process begin?

OAI receives a complaint and assesses whether it meets the criteria for investigation.

If the criteria are met, an investigation is opened.

> Reporting concerns is encouraged and part of good risk management

> OAI maintains confidentiality but cannot guarantee protection of individuals involved.

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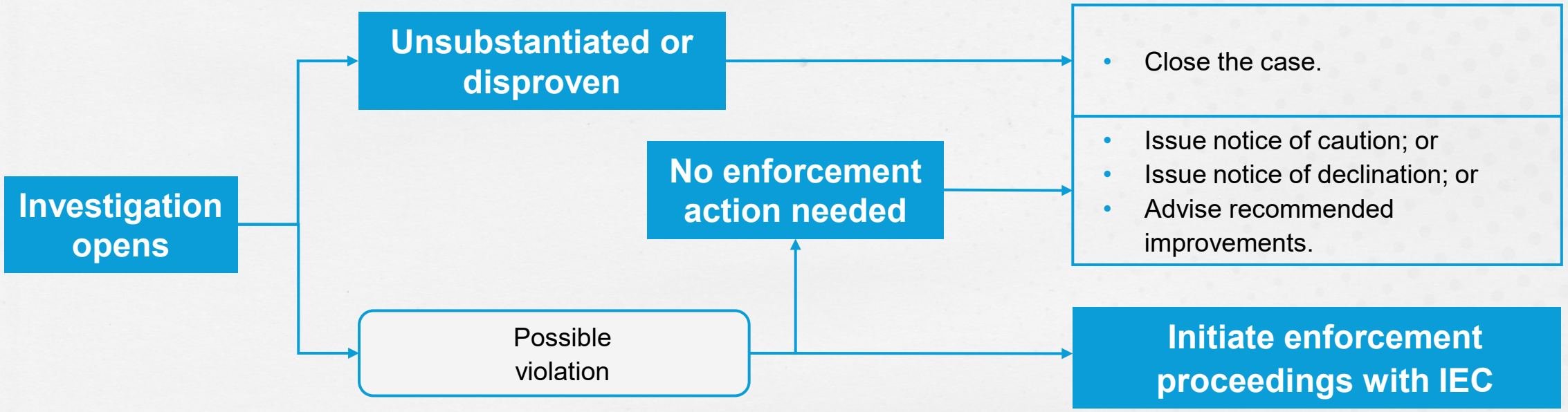
SECTION 05

External Investigation Process



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SECTION 05

External Investigation Process | Outcomes

Let us focus on what happens when a possible violation is identified.

Possible violation

- No enforcement action needed, or a lapse not amounting to an integrity violation

Initiate enforcement proceedings with IEC

- Includes processes for response and appeals
- Temporary suspension may be imposed

- Show Cause Letter for subject of interest
- May enter a proposed resolution agreement with the subject of interest

- Debarment
- Cross debarment

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SECTION 05

Impact While Under Debarment

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

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SECTION 05

Consequences of Integrity Violations in ADB-financed Projects

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

INSTITUTIONS

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Session Wrap-Up

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SESSION WRAP-UP

What is one thing you will do differently after this training?

Scan the **QR Code**
Go to **menti.com** and
enter code **7401 1497**

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SESSION WRAP-UP

Recap

Know your partner

Leverage technology for due diligence

Identify and mitigate risks, support your partner in mitigating risks

EAs/IAs to:

- Sign up for access to ADB's complete Debarment and Suspension Register
- Do the sanctions checks

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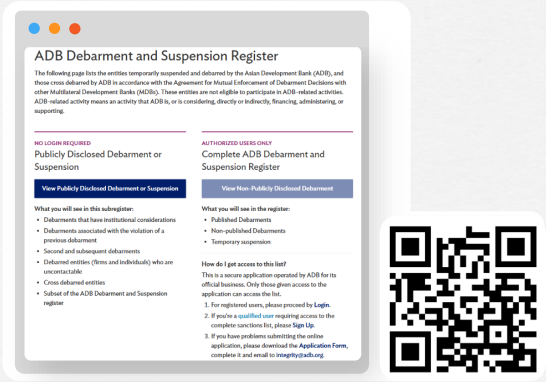
SESSION WRAP-UP

Other Resources



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SESSION WRAP-UP

Evaluation

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 THE QR CODE

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SESSION WRAP-UP

The Office of Anticorruption and Integrity is available to support you.

www.adb.org/integrity

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+63-2-8632 5004

integrity@adb.org

ADB Anticorruption and Integrity

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

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

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Integrity is your responsibility, do not assume that someone else is doing it. Thank you for your commitment to integrity.

Together, we make a difference.

ADB