

AfDB BUSINESS OPPORTUNITIES SEMINAR



June 20 - 21, 2017

African Development Bank
Headquarters' Building Auditorium
Abidjan, Côte d'Ivoire

Introduction to the AfDB Policies regarding Integrity and Anti-Corruption

Office of Integrity and Anti- Corruption (PIAC)



AfDB BOS



AFRICAN DEVELOPMENT BANK GROUP

Integrity and the High 5s

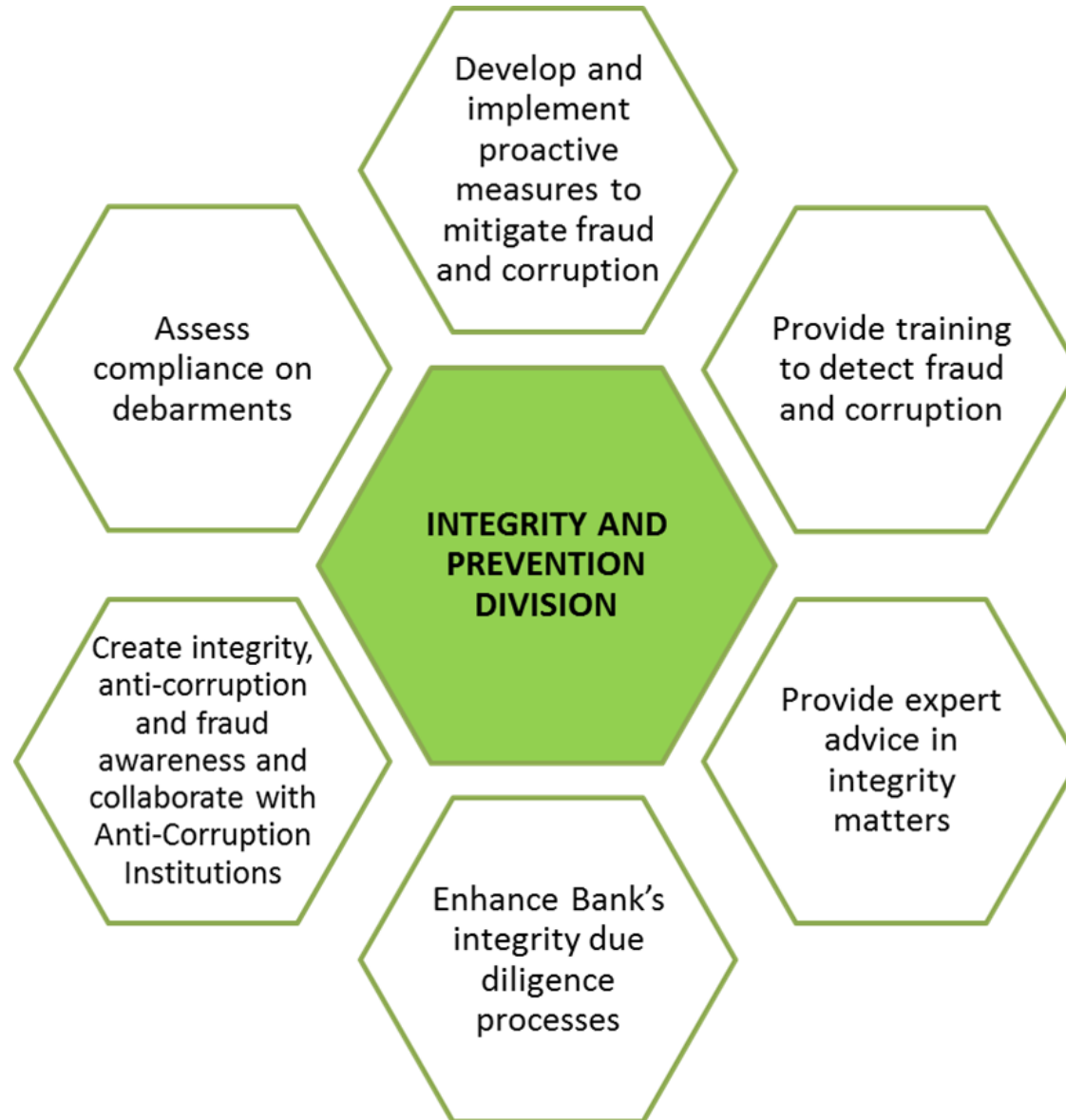


- Corruption remains a threat to development in Africa. It poses a risk to achieving the High 5s.
- It negatively affects the Bank's reputation and can potentially erode the trust of partners and shareholders.
- It can impede resource mobilization efforts and can hinder the Bank's efforts to stimulate sustainable economic development and social progress in Africa.

Facilitating Development in Africa

- PIAC promotes integrity in the use of AfDB's resources by ensuring they are used for their intended purposes through both preventive and investigative measures.
- PIAC works to prevent, detect, and deter coercion, collusion, corruption, fraud, and obstruction in operations financed by the Bank Group.

Integrity and Prevention Division (PIAC1)



Integrity Due Diligence (Non-Sovereign Operations)

Objective: Identify/Mitigate Integrity Risks.

- Identification of Beneficial Ownership.
- Assessment of Civil, Criminal, and Regulatory Backgrounds.
- Identification of Sanctioned Persons and Entities.
- Identification of Politically Exposed Persons (PEPs) and Other High Risk Relationships.



Project Integrity Reviews

Objective: Identify and Mitigate Integrity/Corruption Risks.

- Investigation results reveal that addressing red flags in project implementation can help prevent acts of corruption/fraud from occurring.
- Project integrity reviews identify existing risks/vulnerabilities and recommend ways to mitigate them.



Awareness Raising and Training

- Internal trainings and outreach activities.
- Strengthening Anti-Corruption Institutions.
- Engagements with Civil Society/Media.
- Engagements with the Private Sector (**upcoming lessons learnt event in Q4 2017**).
- PIAC Day Activities: 9th December focus on various aspects of integrity, transparency and accountability.



Investigations Division (PIAC2)



There is sometimes bad news...



What does PIAC Investigate?

**Fraudulent, Corrupt, Collusive
and Coercive Practices**

**Obstructive Practices and
Retaliation**

**Fraud in Project Procurement
and Performance**

**Fraud and corruption in internal
corporate procurement**

**Bribery / Kickbacks /
Misrepresentation**

**Abuse of Authority /
Extortion**

Theft and Embezzlement

Staff Misconduct

Investigations

Sanctions Regime

- Independent two-tier sanction regime:
 - Sanctions Commissioner
 - Sanctions Appeals Board
- Applies to **Sanctionable Practices** in AfDB financed operations: **Fraud, Corruption, Coercion, Collusion, Obstruction.**
- Standard of Proof: **more likely than not.**
- Administrative and not Criminal process.



SANCTIONS against **FIRMS** and **INDIVIDUALS** may include:

- Restitution and withdrawal from project;
- Letters of reprimand;
- Disciplinary actions;
- Disqualification from bidding;
- From one year to indefinite debarment.



Impact of Sanctions

- Publication of debarment and cross debarment;
- Ineligible for AfDB and other MDB Financing;
- Removal/Withdrawal from project;
- Removal from debarment may be subject to conditions;
- Sanctions may affect affiliates; and
- **National Enforcement Actions**

(Cross debarment Agreement adopted by MDBs 9 April 2010).

Default with One, Get Punished by the Others



Sanctions are made public...

Home	Countries	Topics & Sectors	Projects & Operations	News & Events	Documents
Home	Projects & Operations	Procurement	Debarment and Sanctions Procedures		

Firm or individual	Name	Nationality	From 	To	
Firm	BITTOHIN CHASI SOMAJ KALLYAN SANGSTHA(BCSKS)	RAHMAN COLONY, C/O ANISUR RAHMAN, 2ND FLOOR THANAPARA, POST OFFICE ISHURDI, DISTRICT PABNA, BANGLADESH	31/08/2011	19/01/2038	▼
Individual	MD. ABDUR RAZZAK	RAHMAN COLONY, C/O ANISUR RAHMAN, 2ND FLOOR THANAPARA, POST OFFICE ISHURDI, DISTRICT PABNA, BANGLADESH	31/08/2011	19/01/2038	▼
Individual	TITH VOEURN	CAMBODIA	07/02/2012	19/01/2038	▼
Firm	SINCAM WATER TECHNOLOGY CO. LTD	CAMBODIA	07/02/2012	19/01/2038	▼
Firm	MULTISTAR HOLDINGS LIMITED (FORMERLY MULTI-CON SYSTEMS PTE LTD.)	SINGAPORE	28/02/2012	19/01/2038	▼
Firm	AL-AJAM COMPANY FOR GENERAL CONTRACTING LTD. (AL-AJAM)	IRAQ	22/03/2012	19/01/2038	▼
Firm	CONSTRUCCIONES ARQUITECTONICAS CONSTRUSARQ	GUATEMALA	07/08/2012	06/08/2023	▼
Firm	PT CITRA GADING ASRITAMA	INDONESIA	07/08/2012	19/01/2038	▼
Individual	CARLOS ALEJANDRO DEL VALLE MAZARIEGOS	GUATEMALA	07/08/2012	28/06/2023	▼
Firm	MG MIND LLC	BOSNIA AND HERZEGOVINA	14/08/2012	19/01/2038	▼
Firm	ARGOMEDICA	GUATEMALA	02/10/2012	01/10/2017	▼
Individual	LUIS ANTONIO ARGUETA LÓPEZ	GUATEMALA	02/10/2012	01/10/2017	▼
Firm	COMPEQ-COMERCO PRODUTOE E EQUIPAMENTOS LTDA	AVENIDA GUAJAJARA NO. 25-JD SAO CRISTOVAO, SAO LUIS- MARANHÃO CEP 65.055-285, BRAZIL	18/10/2012	19/01/2038	▼

<https://www.afdb.org/en/projects-and-operations/procurement/debarment-and-sanctions-procedures/>

Clauses and Covenants in Agreements

■ Clause in Bidding Documents:

A firm sanctioned by the Bank in accordance with the Bank's policies on anti-corruption and fraud and the Bank's sanctions procedures, shall be ineligible to be awarded a Bank-financed contract, or to benefit from a Bank-financed contract, financially or in any other manner, during the period of time determined by the Bank.

■ Audit Rights in Contract documents

The Bank has unrestricted access to all books and records of those who use our funds to independently verify for the accountability of funds disbursed.

■ Other Covenants

Sanctionable Practices: Neither the Borrower [nor the Sponsor (s),] nor any Affiliates, nor any Person acting on its or their behalf, has committed or engaged in, with respect to the Project or any transaction contemplated by this Agreement, any Sanctionable Practice.

AfDB's Whistle Blowing Policy (undergoing revision)

External parties can confidentially report :

- Violations of a law, gross waste of Bank assets and financial resources, mismanagement, abuse of authority, substantial and specific dangers to public health or safety;
- Failures to comply with statutory obligations in host countries, duty stations, or countries of assignment;
- Sanctionable practices; misconduct by Bank personnel and any other individual participating in Bank-funded projects and activities;
- Non-compliance with the Bank's social and environmental safeguards policies; and
- Activities that undermine the Bank's operations.

To submit a Report or Complaint



- investigations@iacd-afdb.org;
- info@iacd-afdb.org;
- integrity@afdb.org



- **9th Floor CCIA Building,
African Development
Bank, Abidjan**



- **Letters**



- **Helpline:**

+(1-770) 776-5658

(English and French)

- **+(225) 20 26 55 50**



- **+(225) 20 32 01 41**



AFRICAN DEVELOPMENT BANK GROUP

Questions / Comments



AFRICAN DEVELOPMENT BANK GROUP

