

## I. INTRODUCTION

1. In February 2006, the heads of the African Development Bank, Asian Development Bank (ADB), European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, International Monetary Fund and World Bank agreed on the need to standardize their definition of corruption. They established a task force to develop a uniform framework for preventing and combating fraud and corruption.

2. Commenting on the document *Anticorruption Policy: Harmonized Definitions of Corrupt and Fraudulent Practices*,<sup>1</sup> approved by the ADB Board of Directors 8 September 2006, one chair requested Management to bring back to the Board proposals on how ADB's definitions and procedures could be brought into line with those agreed upon by the heads of the institutions listed in para. 1. The President of ADB hosted a meeting of the heads of these institutions on 17 September 2006, at which they endorsed the task force report, including the definitions contained in the document *Anticorruption Policy: Harmonized Definitions of Corrupt and Fraudulent Practices*.

## II. ACTIONS TAKEN

3. At the 17 September 2006 meeting, each institution agreed in principle on standardized definitions of corrupt, coercive, collusive and fraudulent practices. Each institution also agreed on guidelines for investigating such practices in activities financed by the institution.

4. World Bank adopted on 1 August 2006 the definitions of corrupt, coercive, collusive and fraudulent practices agreed by the task force, as part of a broad anticorruption sanctions reform package. As part of that package, the World Bank also adopted the term "obstructive practice", which it defined as deliberately destroying, falsifying, altering or concealing evidence material to an investigation; making false statements to investigators to materially impede an institution's investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to an investigation or to pursuing the investigation; or acts intended to materially impede the exercise of the institution's contractual rights of access to information.

5. With the Board's approval of *Anticorruption Policy: Harmonized Definitions of Corrupt and Fraudulent Practices*, ADB has adopted under its anticorruption policy the definitions of corrupt, coercive, collusive and fraudulent practices agreed by the task force. Obstruction is not a corrupt or fraudulent practice and the term "obstructive practice" was not included in the task force recommendations. However, the Office of the Auditor General supports the adoption of the term "obstructive practice". To strengthen ADB's ability to enforce its anticorruption policy as well as to harmonize its approach with those of other multilateral development banks, the Office of the Auditor General will incorporate the term "obstructive practice" when updating ADB's integrity guidelines and procedures.

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<sup>1</sup> ADB. 2006. *Anticorruption Policy: Harmonized Definitions of Corrupt and Fraudulent Practices*. Manila (R179-06).