OFFICE OF ANTICORRUPTION AND INTEGRITY
2021 | ANNUAL REPORT HIGHLIGHTS
Maintaining Integrity in the New Normal

In 2021, the coronavirus disease (COVID-19) pandemic continued to impact the operations of the Office of Anticorruption and Integrity (OAI).

With significant restrictions still in place, OAI personnel predominantly worked from home and continued to conduct most of its core prevention and investigation work virtually, using technology and relying on resident mission colleagues and external experts to assist where in-country work was necessary. Two areas particularly affected by travel restrictions were external investigations and proactive integrity reviews (PIRs), with PIRs being limited principally to desktop reviews.

OAI continued focusing efforts on reducing the number of open complaints while upholding the bank’s policy of zero-tolerance for fraud or corruption. This year, the office expanded its toolkit of remedial actions to include reprimands to entities that had committed integrity violations, which did not cause actual harm and posed little or no threat to the Asian Development Bank (ADB) in future projects. This enables remedial actions to be imposed at the complaints assessment stage; rather than completing a full, resource-intensive investigation that may lead to the same outcome or a more severe remedial action despite the low risk the entity poses to ADB.

In 2021, OAI received 258 complaints and assessed 319 complaints. Further investigations were required on 99 complaints, while 220 complaints were closed. At year-end, only 59 complaints remained under assessment, halving the number for 2020.

OAI concluded 71 external investigations, resulting in debarments for 150 firms and 30 individuals, reprimands for 12 firms and 5 individuals, and cautions for 17 firms and 11 individuals.
OAI completed 18 investigations related to alleged misconduct by ADB staff, including 13 cases which were referred for appropriate disciplinary or nondisciplinary action. Five staff investigations were concluded with no adverse finding or disciplinary action. Notwithstanding the adverse impact of the pandemic restricting OAI’s ability to make inquiries and conduct face-to-face investigations, OAI successfully concluded 83% of its internal investigations within a year of complaint registration. Other staff investigations remained open longer to ensure all subject staff were afforded due process.

The Asia Pacific Tax Hub (Tax Hub) was launched at the 54th Annual Meeting of the ADB Board of Governors in May 2021. Promoting tax transparency and integrity standards in the region is one of its three strategic priorities. The Tax Hub provides an open and inclusive platform for strategic policy dialogue, knowledge sharing, and development collaboration and coordination among ADB members and development partners. It will be instrumental in strengthening domestic resource mobilization and international tax cooperation, and in supporting the efforts of developing member countries (DMCs) to achieve the Sustainable Development Goals.

Domestic resource mobilization has emerged as a major strategic priority for our DMCs at this moment. Through the Asia Pacific Tax Hub, ADB will ramp up its operational support to our DMCs’ effort to address debt sustainability and to achieve the Sustainable Development Goals.

ADB President Masatsugu Asakawa
Drawing from its PIRs and investigations, OAI advised operations departments extensively on integrity-related vulnerabilities and mitigating measures in project design and implementation.

OAI established a quick response team to aid the rapid processing of projects under ADB’s Asia Pacific Vaccine Access Facility. The team worked closely with operations teams to ensure that integrity risks were addressed, and vaccine supply agreements incorporate ADB’s requirements to uphold the Anticorruption Policy (1998, as amended to date), including its ability to investigate allegations of fraud or corruption.

OAI also led knowledge-sharing sessions for ADB staff and ADB members on managing integrity risks in vaccination programs, with participation from the United Nations Office on Drugs and Crime and Transparency International.

These knowledge-sharing sessions formed part of an extensive outreach program to raise awareness and build capacity on fraud and corruption detection and prevention, combating illicit financial flows and promoting the highest ethical standards in ADB operations. This year, OAI conducted 91 knowledge-sharing sessions with over 10,000 participants.
Finally, OAI made significant headway in reviewing and updating ADB’s policies, procedures, and systems to strengthen integrity-related risk management in ADB and its operations. As part of these efforts, ADB is strengthening its sanctions control framework, aimed at (i) managing legal, fiduciary, and operational risks arising from national sanctions regimes; and (ii) ensuring that a party that is under ADB or United Nations Security Council sanctions is not engaged by ADB or in ADB-financed operations. ADB is also working to update its operational policies and processes for conducting external investigations and taking enforcement action. These efforts will continue in 2022 and beyond.

As with all our values, integrity is everybody’s business. Our objective is for ADB to achieve results while maintaining the highest ethical standards. That is what our credibility is built upon. It forms the foundation for sustainable relationships with our donors, borrowers, and beneficiaries.

OAI Head John Versantvoort
Types of Complaints Received, 2021

- Fraud: 131
- Corruption: 38
- Collusion: 34
- Conflict of interest: 11
- Coercion: 1
- Abuse: 3
- Others: 40

Note: The category “Others” refers to other integrity violations under the Integrity Principles and Guidelines (2015) such as retaliation and obstruction; complaints of other misconduct such as bullying, harassment, and abuse of authority; and complaints that are not integrity concerns.

Source: ADB (OAI).
In 2021, the Office of Anticorruption and Integrity (OAI) resubmitted the case to the Integrity Oversight Committee, which determined that the minimum debarment period be increased from 3.5 to 4.5 years.

Source: ADB (OAI).

Note: One investigation that was referred to the Sanctions Appeal Committee was reinvestigated. In 2021, the Office of Anticorruption and Integrity (OAI) resubmitted the case to the Integrity Oversight Committee, which determined that the minimum debarment period be increased from 3.5 to 4.5 years.

Source: ADB (OAI).
Remedial Actions for External Parties, 2021

<table>
<thead>
<tr>
<th>Remedial Action</th>
<th>Firms</th>
<th>Individuals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debarred</td>
<td>131</td>
<td>8</td>
<td>139</td>
</tr>
<tr>
<td>Accepted</td>
<td>16</td>
<td>17</td>
<td>33</td>
</tr>
<tr>
<td>Integrity Oversight Committee – imposed</td>
<td>3</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Sanctions Appeal Committee – sanctions maintained</td>
<td>123</td>
<td>29</td>
<td>152</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150</strong></td>
<td><strong>30</strong></td>
<td><strong>180</strong></td>
</tr>
<tr>
<td>Temporarily suspended</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Reprimanded</td>
<td>12</td>
<td>5</td>
<td>17</td>
</tr>
<tr>
<td>Cautioned</td>
<td>17</td>
<td>11</td>
<td>28</td>
</tr>
</tbody>
</table>

Source: ADB (OAI).

Internal Investigations

Investigations Submitted for Disciplinary or Nondisciplinary Action, 2021

- Inappropriate use of social media: 4
- Breach of quarantine: 1
- Allowed misconduct to occur: 2
- Fraud: 2

Source: ADB (OAI).
Cases with Disciplinary Actions, 2021

- Inappropriate use of social media: 6
- Inappropriate posting in social media: 1
- Abuse of ADB privileges: 4
- Breach of quarantine: 1
- Misconduct: 1

Source: ADB (OAI).

Profile of Completed Reviews with Reports Issued, 2021

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reviews conducted*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full proactive integrity reviews</td>
<td>4</td>
<td>$279 million</td>
</tr>
<tr>
<td>Special proactive integrity reviews</td>
<td>8</td>
<td>$649 million</td>
</tr>
<tr>
<td>Full follow-up reviews</td>
<td>1</td>
<td>$578 million</td>
</tr>
<tr>
<td>Contracts reviewed</td>
<td>50</td>
<td>$273 million</td>
</tr>
<tr>
<td>Bids, proposals, and EOIs covered</td>
<td>149</td>
<td>-</td>
</tr>
<tr>
<td>Withdrawal applications reviewed</td>
<td>181</td>
<td>$86 million</td>
</tr>
</tbody>
</table>

EOI = expression of interest.
* The values represent the total cost of projects or cost of COVID-19 project component reviewed, as applicable.

Source: ADB (OAI).
### Profile of Ongoing Reviews, 2021

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reviews conducted</strong>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special proactive integrity reviews</td>
<td>4</td>
<td>$1.7 billion</td>
</tr>
<tr>
<td>Regular follow-up review</td>
<td>1</td>
<td>$100 million</td>
</tr>
<tr>
<td>Continuous follow-up review</td>
<td>1</td>
<td>$34 million</td>
</tr>
<tr>
<td><strong>Contracts reviewed</strong></td>
<td>13</td>
<td>$218 million</td>
</tr>
<tr>
<td>Bids, proposals, and EOIs covered</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>Withdrawal applications reviewed</td>
<td>17</td>
<td>$5 million</td>
</tr>
</tbody>
</table>

EOI = expression of interest.

* The values represent the total cost of projects or cost of COVID-19 project component reviewed, as applicable.

Source: ADB (OAI).

### Quick Response Team

### APVAX Projects Supported by OAI’s Quick Response Team, 2021

- **CWRD**
  - Afghanistan*, Georgia, Kyrgyz Republic, Pakistan, Tajikistan
  - 5

- **EARD**
  - Mongolia
  - 1

- **PARD**
  - Regional (Samoa, Tonga, Tuvalu, Vanuatu)
  - 1

- **SERD**
  - Cambodia, Indonesia (RECOVER), Indonesia (Phase 2), Philippines (HEAL 2), Philippines (HEAL 2 - Additional Financing)
  - 5

- **SARD**
  - Bangladesh, India, Nepal, Sri Lanka
  - 4

APVAX = Asia Pacific Vaccine Access Facility, CWRD = Central and West Asia Department, EARD = East Asia Department, HEAL 2 = Second Health System Enhancement to Address and Limit COVID-19, OAI = Office of Anticorruption and Integrity, PARD = Pacific Department, RECOVER = Responsive COVID-19 Vaccines for Recovery Project, SARD = South Asia Department, SERD = Southeast Asia Department.

* ADB placed on hold its assistance in Afghanistan effective 15 August 2021.

Source: ADB (OAI).
### Learning Sessions and Participants, 2021

<table>
<thead>
<tr>
<th>Activity</th>
<th>DMC Development Partners</th>
<th>ADB Personnel</th>
<th>Both DMC and ADB</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sessions conducted</td>
<td>69</td>
<td>19</td>
<td>3</td>
<td>91</td>
</tr>
<tr>
<td>Participants reached</td>
<td>8,161</td>
<td>2,450</td>
<td>--</td>
<td>10,611</td>
</tr>
</tbody>
</table>

ADB = Asian Development Bank, DMC = developing member country.

Source: ADB (OAI).

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**Integrity: Enforcement and Impact.** At the International Anticorruption Day program on 9 December 2021, European Investment Bank Inspector General Jan Willem van der Kaaij, former European Bank for Reconstruction and Development Chief Compliance Officer Lisa Rosen, and Hughes Hubbard & Reed Partner Christine Kang discussed multilateral development bank (MDB) integrity enforcement frameworks, areas of improvement, their positive impacts, and the role of MDB personnel in successfully implementing MDB frameworks (photo by Ryan Dael).
About the Office of Anticorruption and Integrity

Established in 1998, the Office of Anticorruption and Integrity (OAI) leads the integrity initiatives of the Asian Development Bank. OAI comprises the Office of the Head, the Investigations Division, and the Prevention and Compliance Division.

In 2021, OAI comprised 38 staff, including 1 head, 1 advisor, 2 directors, 11 international staff, 17 national staff, and 6 administrative staff. OAI engages expert consultants, contractors, and external investigation and audit firms to support its operations.

CONTACT US
Office of Anticorruption and Integrity
Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
E-mail: integrity@adb.org
Tel: +63 2 8632 5004
Fax: +63 2 8632 2152
www.adb.org/integrity

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About the Cover: The flame symbolizes enlightenment that shines awareness on integrity and its meaning for ADB and its stakeholders. This flame flickers for men and women, for everyone. After all, integrity is everybody’s business (photos by ADB). Cover design by Jan Carlo dela Cruz and Anthony Victoria.

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