Project Number: 52283-001
Knowledge and Support Technical Assistance (KSTA)
December 2018

Capacity Building on Integrity

This document is disclosed to the public in accordance with ADB’s Public Communications Policy 2011.

Asian Development Bank
ABBREVIATIONS

ADB – Asian Development Bank
DMC – developing member country
OAI – Office of Anticorruption and Integrity
PPRR – project procurement-related review
TA – technical assistance

NOTE

In this report, “$” refers to United States dollars.

<table>
<thead>
<tr>
<th>Head</th>
<th>John Versantvoort, Office of Anticorruption and Integrity (OAI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>David Binns, Investigations Division (AIID), OAI</td>
</tr>
<tr>
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<td>Maria Dionelle Facun, Integrity Officer, OAI</td>
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</tr>
</tbody>
</table>

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.
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# Knowledge and Support Technical Assistance at a Glance

## 1. Basic Data
- **Project Name**: Capacity Building on Integrity
- **Department/Division**: OAI/AIOD-RU
- **Nature of Activity**: Capacity Development
- **Modality**: Regular
- **Country**: 
- **Executing Agency**: Asian Development Bank

## 2. Sector Subsector(s)
- **ADB Financing ($ million)**: 1.00
  - Public sector management: Public administration
  - Total: 1.00

## 3. Strategic Agenda Subcomponents
- **Inclusive economic growth (IEG)**: Pillar 1: Economic opportunities, including jobs, created and expanded
- **Climate Change Information**: Climate Change impact on the Project
  - **Low**

## 4. Drivers of Change Components
- **Governance and capacity development (GCD)**: Anticorruption
- **Institutional development**: Application and use of new knowledge solutions in key operational areas
- **Knowledge solutions (KNS)**: No gender elements (NGE)

## 5. Poverty and SDG Targeting
- **Geographic Targeting**: Regional
- **Household Targeting**: Yes
- **SDG Targeting**: SDG1

## 6. Risk Categorization
- **Low**

## 7. Safeguard Categorization
- **Safeguard Policy Statement does not apply**

## 8. Financing
- **ADB**
  - Knowledge and Support technical assistance: Technical Assistance: 1.00
  - Special Fund: 1.00
- **Cofinancing**
  - None: 0.00
- **Counterpart**
  - None: 0.00
  - Total: 1.00

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**Source**: Asian Development Bank

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*Generated Date: 12-Sep-2018 16:50:13 PM*
I. INTRODUCTION

1. The regional knowledge and support technical assistance (TA) will increase the knowledge and capacity of Asian Development Bank (ADB) stakeholders in preventing and detecting integrity violations in public services. This will be achieved through training via e-learning modules, workshops, and conferences for ADB’s stakeholders in developing member countries (DMCs).

2. This TA is included in the approved work plan for 2018 of ADB’s Office of Anticorruption and Integrity (OAI).

II. ISSUES

3. Corruption, fraud, and money laundering harm economic development and hinder efforts to reduce poverty. Corruption serves as a tax that disproportionately targets the poor, is a deterrent to inclusive growth, and is intrinsically linked to money laundering. Bribery or the theft of public funds is a form of corrupt activity that is generally committed for private gain. Corruption and bribery damage economies by diverting resources that are intended to serve the public good.

4. To achieve its goal of a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, ADB must expand activities that seek to improve governance and rule of law, and that directly reduce opportunities for corruption and integrity violations. ADB’s Anticorruption Policy (1998, as amended to date) requires ADB to support efficient, effective, accountable, and transparent public administration and to improve the governance capacity of DMCs—specifically with regard to anticorruption—to ensure the efficient use of ADB resources.

5. Many of ADB’s stakeholders lack the institutional capacity to address corruption, or to prevent and detect fraud. Most have poor access to information about ADB’s Anticorruption Policy requirements and effective mechanisms to prevent and address corruption, fraud, and other integrity violations. Few of ADB’s stakeholders have the appropriate capacity and skills to identify, prevent, and minimize integrity violations in ADB-funded projects.

6. ADB has been providing training to improve anticorruption and anti-money laundering skills and knowledge to project stakeholders, representatives of anticorruption agencies, and supreme audit institutions. Since 2013, about 2,260 persons from 24 DMCs have received short-term training (lasting 1–2 days). This training has been effective to the extent that the participants stated that the training provided the required knowledge, skills, and attitudes to effectively address integrity issues in project management. The training is complemented by project procurement-related reviews (PPRRs) that aim to identify integrity risks in procurement, financial management, and asset management, and how these can be mitigated.

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1 ADB stakeholders include all parties that can affect or be affected by ADB’s actions, objectives and policies, such as executing and implementing agencies of ADB-funded projects; project beneficiaries; government agencies; civil society organizations; and existing and potential project contractors, suppliers, consultants, and auditors.
2 The TA first appeared in the business opportunities section of ADB’s website on (day Month year).
3 Exit questioners from ADB TA projects (ADB. Enhancing Integrity and Anticorruption Awareness in Asian Development Bank Projects, and ADB. Prevention and Detection of Fraud and Corruption) indicated 70% of participants were completely satisfied and the remaining 30% partially satisfied with the knowledge and skills provided (many requested longer and more frequent workshops).
4 Since 2003, OAI has conducted 80 project procurement-related reviews, covering 121 loans and grants.
7. While the direct results of this increased capacity are not measurable (e.g., as reduced integrity violations), the confirmation by participants—and statements by close to 100% of participants that they will recommend similar training to their colleagues—shows there is a large demand for continuation and expansion of the training program. This demand is increased by the expanding volume of ADB’s committed operations and natural, ongoing staff turnover.

8. Participants’ responses to exit questionnaires highlighted three issues that should be addressed in future training: (i) allocate additional time (3–4 days) for training to allow for detailed discussion of subject matter; (ii) target training to specific stakeholders (e.g., anticorruption agencies and audit firms on procurement; and project management units on ADB’s Anticorruption Policy and due diligence); and (iii) include more practical applications of techniques and case studies.

9. In 1999, ADB and the Organisation for Economic Co-operation and Development set up the Anticorruption Initiative for Asia and the Pacific. The Anticorruption Initiative established a regional network of government anticorruption agencies to promote anticorruption through practical capacity development activities, including anticorruption thematic and country reviews, regional meetings, and conferences.

10. In 2018, members of the Anticorruption Initiative requested that ADB, the Organisation for Economic Co-operation and Development, and other development partners continue supporting the regional anticorruption network as a platform to share effective anticorruption activities to enhance the policy and technical expertise of countries in fighting corruption and promoting good governance.

III. THE TECHNICAL ASSISTANCE

A. Impacts and Outcome

11. The TA supports the key operational priorities of ADB’s Strategy 2030 by strengthening governance and institutional capacity, and implementing anticorruption measures in ADB projects and programs. It will strengthen subregional initiatives and facilitate knowledge sharing and collaboration.

12. The TA is aligned with the following impacts: (i) competitive markets and efficient, effective, accountable, and transparent public administration increased; (ii) anticorruption efforts increased on a case-by-case basis and the quality of dialogue on governance issues improved; and (iii) adherence to the highest ethical standards of ADB projects and staff ensured.

13. The TA will have the following outcome: capacity of ADB stakeholders to prevent and detect integrity violations increased.

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5 ADB/OECD. Anti-Corruption Initiative for Asia-Pacific.
6 The 31 members of the Anticorruption Initiative are Afghanistan; Australia; Bangladesh; Bhutan; Cambodia; the People’s Republic of China; the Cook Islands; Fiji; Hong Kong, China; India; Indonesia; Japan; Kazakhstan; the Republic of Korea; Kyrgyz Republic; Macao, China; Malaysia; Mongolia; Nepal; Pakistan; Palau; Papua New Guinea; the Philippines; Samoa; Singapore; Solomon Islands; Sri Lanka; Thailand; Timor-Leste; Vanuatu; and Viet Nam.
9 The design and monitoring framework is in Appendix 1.
14. OAI leads ADB’s outreach program on integrity initiatives through training, workshops, awareness campaigns, and knowledge products. This TA will increase the awareness and improve the skills of ADB’s stakeholders in identifying and preventing corruption, fraud, and other integrity violations. Specifically, they will understand the requirements of ADB’s Anticorruption Policy and guidelines, and how this is applied to project preparation, implementation, and administration. The TA will assist DMCs in promoting good governance and improving anticorruption mechanisms.

B. Outputs, Methods, and Activities

15. The TA will support the following outputs:

a. **Capacity of the public sector in resolving integrity issues increased.** To ensure the widest possible impact, training will be provided online through e-learning. Online training will reach more people, and can have flexible content and cater to specific needs by combining modules on various topics, such as the fundamentals of integrity and anticorruption, due diligence approaches, techniques for effective internal controls, and mitigating corruption in procurement. The e-learning courses will consist of a set of self-study training modules, which can be taken depending on the needs and skill level of the participants. The modules will use a “graduation” system, where more advanced modules can only be taken following the successful passing of a prerequisite (a more basic module). The self-study is complimented by online chat sessions and webinars. The detailed structure and content of the modules will be finalized with the help of an experienced consultant to be recruited under the TA.

b. **Oversight and management of ADB loans and grants improved.** Tailored workshops will be developed to address specific country, sector, and/or stakeholder needs, which will be identified by OAI based on the integrity country risk profiles of DMCs. Development and implementation of these workshops will take place in consultation with ADB’s operations departments. To maximize effectiveness, the workshops may be linked to PPRRs, either as preparation for the review or to address the PPRR recommendations and support implementation of the recommendations from the country and/or sector governance risk assessments, provided these are within the TA scope. The focus will be on high-risk areas identified by PPRRs and related to procurement, financial management, and asset management. Train-the-trainer programs will be considered.

c. **Anticorruption policies improved and best practices provided.** ADB will continue to support regional meetings and conferences under the Anticorruption Initiative (footnote 5).

d. These outputs will result in increased knowledge and capacity of stakeholders of ADB-financed projects and relevant government agencies to prevent and detect integrity violations in public services. The outputs respond to the needs of stakeholders as expressed during multiple consultations over the last 5 years and confirmed through training course exit questionnaires.

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10 Knowledge products such as handbooks, guidelines and thematic studies will be prepared as training materials under the three outputs. All documents and training materials will be published digitally.

11 OAI is in the process of developing country integrity risk profiles of 11 countries where two or more PPRRs have been carried out in the last 10 years.
C. Cost and Financing

16. The TA is estimated to cost $1 million which will be financed on a grant basis by ADB’s Technical Assistance Special Fund (TASF 6). The key expenditure items are listed in Appendix 2. The governments will provide counterpart support in the form of in-kind contributions, which may vary from country to country. This will be agreed with ADB during preparation of specific workshops and conferences.

D. Implementation Arrangements

17. ADB will administer the TA. OAI will select, supervise, and evaluate consultants; organize workshops; and provide staff to act as resource persons in the workshops. ADB will engage consultants and carry out procurement following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.

18. The TA will be implemented through a consulting firm and individual consultants. The consulting firm will be recruited to deliver the e-learning modules (output 1) using quality-based selection and a performance-based terms of reference.\textsuperscript{12} Individual consultants will be recruited to assist OAI with the delivery of the workshops and conferences (outputs 2 and 3) through logistic support and resource speakers.

19. The terms of references for the firm and the individual consultant to assist with TA management are in Appendix 3.\textsuperscript{13} The terms of references for individual consultants and resource persons will be prepared as TA implementation progresses and specific requirements are identified.

20. It is expected that five or six workshops will be organized annually. Following approval of the TA and mobilization of the consultants, OAI will hold discussions with regional departments to determine the scope of the outputs and the detailed implementation arrangements, including the possibility to set up an implementation team headed by OAI, including representatives from the interested regional departments. This team will decide on selection criteria and focus areas for the training and workshops.

21. The TA will finance travel and per diem of ADB staff to act as resource speakers.

22. The implementation arrangements are summarized in the table.

\begin{tabular}{|c|c|}
\hline
\textbf{Aspects} & \textbf{Arrangements} \\
\hline
Indicative implementation period & January 2019–December 2022 \\
\hline
Executing agency & Asian Development Bank (ADB) \\
\hline
Consultants & To be selected and engaged by ADB or executing agency \\
\hline
& Firm: Quality-based selection \\
& E-learning program & $500,000 \\
\hline
\end{tabular}

\textsuperscript{12} The development of the e-learning program is a highly specialized assignment for which it is hard to define the precise terms of reference and the required inputs.

\textsuperscript{13} Terms of Reference for Consulting Firm to Implement Integrity E-Learning Course (output 1); and Terms of Reference for Individual Consultant for Administration of the Technical Assistance (outputs 2 and 3) (accessible from the list of linked documents in Appendix 3).
<table>
<thead>
<tr>
<th>Aspects</th>
<th>Arrangements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual: Individual</td>
<td>Development and management</td>
</tr>
<tr>
<td>consultant selection</td>
<td>Administration and logistics support (48 person-months)</td>
</tr>
<tr>
<td>Disbursement</td>
<td>The technical assistance resources will be disbursed following ADB's</td>
</tr>
<tr>
<td></td>
<td><em>Technical Assistance Disbursement Handbook</em> (2010, as amended from time to</td>
</tr>
<tr>
<td></td>
<td>time).</td>
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### IV. THE PRESIDENT'S DECISION

23. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of $1,000,000 on a grant basis for Capacity Building on Integrity, and hereby reports this action to the Board.
DESIGN AND MONITORING FRAMEWORK

**Impacts the TA is Aligned with**
Competitive markets and efficient, effective, accountable, and transparent public administration increased; anticorruption efforts increased on a case-by-case basis, and the quality of dialogue on governance issues improved; and adherence by ADB projects and staff to the highest ethical standards ensured (ADB’s Anticorruption Policy [1998, as amended to date]).

<table>
<thead>
<tr>
<th>Results Chain</th>
<th>Performance Indicators with Targets and Baselines</th>
<th>Data Sources and Reporting Mechanisms</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome</strong></td>
<td>Capacity of ADB stakeholders to prevent and detect integrity violations increased</td>
<td>Exit questionnaire</td>
<td>Participants do not remain in their respective positions</td>
</tr>
<tr>
<td></td>
<td>70% of participants confirm they have improved skills and knowledge. 70% of participants rated the training, workshop, conference, meetings, and e-learning course relevant and useful (Baseline: NA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outputs</strong></td>
<td>1. Capacity of the public sector in resolving integrity issues increased</td>
<td>1a. Course material available 1b. Electronic registration records 1c. Exit questionnaire</td>
<td>Participants do not complete the modules. E-learning modules do not match the needs and skill level of the trainees.</td>
</tr>
<tr>
<td></td>
<td>1a. Ten e-learning modules developed (Baseline: NA) 1b. 100 participants completed the modules (Baseline: NA) 1c. Four out of five satisfactory rating</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Oversight and management of ADB loans and grants improved</td>
<td>2a. Workshop materials 2b. Registration forms 2c. Exit questionnaire</td>
<td>Participants do not actively participate.</td>
</tr>
<tr>
<td></td>
<td>2a. 20 workshops completed (Baseline: NA) 2b. 500 participants at the workshops (Baseline: NA) 2c. Four out of five satisfactory rating</td>
<td></td>
<td>Participants do not attend the entire workshop. Workshop topics do not match the needs and skill level of participants.</td>
</tr>
<tr>
<td></td>
<td>3. Anticorruption policies improved and best practices provided</td>
<td>3a. Meetings and conferences minutes 3b. Registration forms</td>
<td>Participants do not actively participate.</td>
</tr>
<tr>
<td></td>
<td>3a. At least one regional meeting or conference per year 3b. Representatives of at least three ADB member countries participate in each meeting or conference</td>
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</table>
### Key Activities with Milestones

1. **E-learning**
   1.1 Identify needs and develop training concept and outline (January 2019–March 2019).
   1.2 Develop and launch training modules (April 2019–June 2019).
   1.3 Conduct training and continuously updating training modules (July 2019–June 2022).

2. **Workshops**
   2.1 Assess internal and external demand through consultations with DMCs and ADB regional departments.
   2.2 Develop workshop modules (April 2019–June 2019).
   2.3 Conduct workshops (July 2019–June 2022).

3. **Regional meetings and conferences**
   3.1 Assess demand through consultations with agency network under the Anticorruption Initiative (throughout the TA).
   3.2 Conduct meetings and conferences (April 2019–June 2022).

### Inputs

Asian Development Bank: $1 million Technical Assistance Special Fund (TASF 6)

Note: The governments will provide counterpart support in the form of in-kind contributions, which may vary from country to country, to be agreed upon when preparing workshops and conferences.

ADB = Asian Development Bank, DMC = developing member country, NA = not applicable, TA = technical assistance.

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a ADB. 1998. *Our Framework. Policies and Framework. Anticorruption.* Manila. Objective no. 1: Supporting competitive markets and efficient, effective, accountable, and transparent public administration (by proactively and continuously upgrading the quality of the public sector as a whole); Objective no. 2: Supporting promising anticorruption efforts on a case-by-case basis and improving the quality of dialogue on governance issues (by improving the capacity of anticorruption agencies to detect or prosecute illicit behavior); and Objective no. 3: Ensuring ADB projects and staff adhere to the highest ethical standards (by improving the quality of oversight and management of ADB loans and TA grants).

## COST ESTIMATES AND FINANCING PLAN
($'000)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asian Development Bank</strong>&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>1. Consultants</td>
<td></td>
</tr>
<tr>
<td>a. Remuneration and per diem</td>
<td></td>
</tr>
<tr>
<td>i. International consultants</td>
<td>230.0</td>
</tr>
<tr>
<td>ii. National consultants</td>
<td>370.0</td>
</tr>
<tr>
<td>b. Out-of-pocket expenditures</td>
<td></td>
</tr>
<tr>
<td>i. International and local travel</td>
<td>20.0</td>
</tr>
<tr>
<td>ii. Reports and communications</td>
<td>10.0</td>
</tr>
<tr>
<td>2. Training, seminars, workshops, forum, and conferences&lt;sup&gt;b&lt;/sup&gt;</td>
<td>270.0</td>
</tr>
<tr>
<td>3. Contingencies</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,000.0</strong></td>
</tr>
</tbody>
</table>

Note: The technical assistance (TA) is estimated to cost $1,000,000, of which contributions from the Asian Development Bank (ADB) are presented in the table above. The governments will provide counterpart support in the form of in-kind contributions, which may vary from country to country, to be agreed upon when preparing workshops and conferences. The value of government contributions is estimated to account for 10% of the total TA cost.

<sup>a</sup> Financed by ADB's Technical Assistance Special Fund (TASF 6).

<sup>b</sup> Including participation of developing member country representatives; cost of travel of ADB staff as resource persons in international or regional workshops, conferences, and forums; mobilization of resource persons; and other capacity-building support. May also include the travel cost of ADB staff to provide administrative or secretarial support services for the implementation of regional training activities (workshops, seminars) for the TA in accordance with ADB (Budget, Personnel and Management Systems Department and Strategy and Policy Department). 2013. Use of Bank Resources: Regional Technical Assistance and Technical Assistance vs. Internal Administrative Expenses Budget. Memorandum. 26 June (internal).

Source: Asian Development Bank estimates.
LIST OF LINKED DOCUMENTS
http://www.adb.org/Documents/LinkedDocs/?id=52283-001-TARreport

1. Terms of Reference for Consulting Firm to Implement Integrity E-Learning Course (output 1)

2. Terms of Reference for Individual Consultant for Administration of the Technical Assistance (outputs 2 and 3)