This report presents a summary of PIAC’s activities for the years 2015 / 2016 and additionally provides insights into the ways PIAC is repositioning itself to deliver results within the context of accelerating delivery on the Bank’s ten year strategy with a focus on achieving the High Five priorities.
EXECUTIVE SUMMARY

Anna Bossman,
PIAC Director

Corruption remains a threat to development in Africa and poses a risk to achieving the Bank’s High Five priorities. It diverts resources away from the provision of public services, reinforces discrimination and hinders sustainable economic development. To mitigate the risks of corruption, PIAC remains committed to prevent, detect and investigate acts of corruption and misconduct towards ensuring that Bank resources are properly safeguarded and used for their intended purposes.

In furtherance of this objective, PIAC is dedicated to delivering on its mandate of preventing acts of corruption; investigating allegations of corruption, fraud and other malpractices in Bank Group financed operations; and investigating allegations of misconduct involving staff members of the Bank, which in 2016, as part of the Bank’s restructuring process, was added to our mandate.

This report presents a summary of our activities for the years 2015 / 2016 and additionally provides insights into the ways PIAC is repositioning itself to deliver results within the context of accelerating implementation of the Bank’s ten year strategy with a focus on achieving the High Five priorities.

In 2016 after a period of intense internal and external consultation, leading to the Board’s approval, we commenced implementation of the Integrity Due Diligence (IDD) policy for non-sovereign operations. It should be noted that in 2015 and 2016, we provided integrity advisory services to operational departments and conducted a number of capacity building and awareness raising activities to improve integrity in Bank-financed projects and operations.

One of the big wins for us in 2016 was obtaining the Board’s Approval for the establishment of the Africa Integrity Fund (AIF), a PIAC led initiative which seeks to make available to institutions and organizations in our RMCs resources derived from fines levied against companies that have been found to have indulged in sanctionable practices to use for worthy anti-corruption measures and activities.

As the Bank rolls out its new Development and Business Delivery Model (DBDM), we are aware of the increased efforts and diligence required from us to maintain integrity and accountability in Bank-financed projects and operations. While we continue to do so by preventing, detecting and investigating sanctionable acts, as our mandate demands, we also remain increasingly mindful of the changing structure of the Bank and are working to adjust our interventions to ensure that integrity risks are appropriately addressed.

In the combined years of 2015 / 2016, we successfully investigated a total of seventy seven cases a number of which resulted in Findings of Sanctionable Practices (FoSP) being submitted to the Sanctions Commissioner. Drawing lessons from our past experiences, we are making efforts to better analyse trends and patterns in the complaints and allegations that we receive towards improving our preventive and investigative objectives.

The Fund currently holds approximately US$55 Million. It is our hope that by the end of 2017, the AfDB through the Technical and Oversight Committees of the Fund would have launched and awarded its first grant from the Fund.

We remain immensely grateful for the privilege and opportunity we have been given individually and collectively to contribute towards achieving the High 5s and facilitating transformation in Africa.

We provided integrity advisory services to operational departments and conducted a number of capacity building and awareness raising activities to improve integrity in Bank-financed projects and operations.

The Fund currently holds approximately US$55 Million. It is our hope that by the end of 2017, the AfDB through the Technical and Oversight Committees of the Fund would have launched and awarded its first grant from the Fund.

As we take stock of our progress, lessons learnt and plan for the future, we are working to improve our case management system and integrate staff misconduct investigations into our investigative activities.

Furthermore as the Bank increasingly works with the private sector to stimulate economic and social growth in Africa PIAC is strengthening its mandate on monitoring and ensuring compliance and adherence of companies to AfDB’s integrity and anti-corruption standards.

Particular mention of recognition and thanks to the PIAC team who in spite of sometimes difficult work conditions and environment, and reduced staff numbers have always displayed commitment and dedication to the work of the department.

As we reflect on our work over the two years covered in this report, we would like to thank the President, members of the Board, management and staff of AfDB for the collaboration and support they continue to provide to PIAC.
The Office of Integrity and Anti-Corruption (PIAC) promotes integrity in the use of resources of the African Development Bank Group by ensuring that they are used for their intended purposes. This is achieved through both preventive and investigative measures. PIAC, therefore, works to prevent, detect, and deter coercion, collusion, corruption, fraud, and obstruction in operations financed by the Bank Group.

As the Bank accelerates implementation of its ten-year strategy (2013 - 2022) through a focus on achieving the High 5s and implementing the Bank’s new Development and Business Delivery Model (DBDM), PIAC plays a critical role in ensuring the AfDB achieves its objectives. In this regard, PIAC continues to position itself to mitigate potential integrity risks and to ensure that Bank resources are used for their intended purposes, thereby protecting shareholders’ interests and ensuring that resources held in trust by the Bank are adequately deployed towards bringing transformative change and development to Africa.

Corruption is an impediment to achieving the High Five priorities. It diminishes the quality of projects and inflates the cost of goods and services. It also diverts resources from initiatives and programmes where they are most needed thereby reinforcing patterns of poverty, inequality and discrimination. By addressing these concerns, PIAC’s activities reinforce the AfDB’s commitment to the High 5s in fostering economic growth and social progress in Africa.

In delivering on its mandates, PIAC is responsible for:

1. Developing preventive measures to promote integrity and to proactively reduce occurrences of misconduct, fraud and corruption within Bank financed operations.
2. Conducting investigations into allegations of fraud, corruption and other sanctionable practices in Bank financed operations.
3. Conducting investigations into allegations of misconduct involving Bank Group Staff with regards to Bank operations, code of conduct, corporate procurement, administrative budgets and the misuse of Bank resources.

The Office of Integrity and Anti-Corruption comprises two divisions - PIAC.1 and PIAC.2. The Integrity and Prevention Division (PIAC.1) focuses on preventive activities while the Investigations Division (PIAC.2) is responsible for investigative activities. The PIAC Director reports to the President, and maintains a dotted reporting line to the Board of Directors for the purpose of regular briefing on its activities as per PIAC’s Terms of Reference.
INVESTIGATIONS

Investigations Conducted in 2015 and 2016

Case statistics
PIAC conducts investigations into allegations involving the five sanctionable practices (fraud, corruption, collusion, coercion and obstruction) affecting the Bank’s administrative budget or perpetuated in projects financed by the Bank. This segment of the report covers complaints received, managed and investigated during the years 2014 - 2016. The reduction in the number of complaints received and reviewed in 2015 compared to 2014 is largely attributable to the movement of the Bank from Tunis to Abidjan during those years.

As per standard operating procedures, PIAC upon receipt of complaints, conducts a preliminary evaluation. The evaluation entails identifying the type of sanctionable practice involved and determining whether the complaint should be pursued further based on certain parameters. These include whether the complaint falls within PIAC’s mandate (i.e. relates to a Bank financed activity) and the degree of its credibility, verifiability and materiality. Based on these criteria, a decision is taken to either investigate or set the complaint aside as not meriting preliminary investigation.

Of the number of complaints received, some of them were rejected because they did not fit within PIAC’s mandate or because they lacked sufficient information to commence an investigation. There were also situations where PIAC was unable to obtain further information to clarify elements of the complaint due to the anonymity of the complainant. The standard procedure is that if a lodged complaint falls under the mandate of another Bank department or a national institution, it is forwarded to the relevant entity for their appropriate action.

In view of the high number of complaints set aside during the period 2014 - 2016, PIAC is working to sensitize Bank staff and other stakeholders on the nature of information to be provided in a complaint in order for the complaint to be actionable.

An example of complaints unsuitable for PIAC investigation include email scams that use the logo or name of the Bank to defraud unsuspecting members of the public. When such complaints are received by PIAC, the complainants are advised to contact the relevant national authorities.

In conducting its investigations, PIAC collaborates with the Ethics Office (PETH), particularly on investigations into cases of staff misconduct. PIAC also collaborates with the Office of the Auditor General of the Bank to facilitate audit planning and PIAC’s investigations work.

Criteria for Selecting Complaints for PIAC Investigation:

Falls within PIAC’s mandate:
• Is the complaint related to fraud, corruption, collusion, coercion or obstruction on a Bank financed operation, activity or project?
• Does the complaint involve acts of misconduct such as harassment (sexual, moral or verbal), abuse of authority, conflict of interest, misuse of Bank assets or other breaches of the Bank’s codes of conduct?

Credibility:
• The complaint appears to show reasonable possibility that a misconduct or wrong doing has occurred, it involves Bank personnel and violates Bank rules.

Verifiability:
• Sources for obtaining records, reaching witnesses and obtaining information to substantiate allegations are timely and available.

Materiality:
• The complaint has financial, operational or reputational risk to the Bank which justifies investigations.

Table 1: Number of Complaints Received

<table>
<thead>
<tr>
<th>n°</th>
<th>Summary</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tr>
<td>1</td>
<td>Complaints Received</td>
<td>76</td>
<td>66</td>
<td>86</td>
</tr>
<tr>
<td>2</td>
<td>Complaints Rejected on First Review</td>
<td>45</td>
<td>28</td>
<td>47</td>
</tr>
<tr>
<td>3</td>
<td>Cases Accepted for Investigations</td>
<td>31</td>
<td>38</td>
<td>39</td>
</tr>
</tbody>
</table>

Outcomes of investigations

As of December 2015, PIAC finalised and issued investigation reports on 19 cases and as of December 2016, 21 cases were completed bringing the total number of cases concluded to 40 for the two year period under review. PIAC Investigations conducted can result in any one of the following outcomes:

1. Submission of Findings of Sanctionable Practices (FoSPs) to the Sanctions Commissioner for sanctioning, in the event that there is sufficient evidence of the commission of a sanctionable practice;

2. Referrals and Management Implications Reports that include recommendations for systemic improvements of the way the Bank manages projects or its administrative budget;

3. Referrals to relevant national institutions within affected Regional Member Countries (RMCs) for their appropriate action; and

4. A recommendation to close the investigation, usually upon finding no sanctionable practice or intent involved in the case.

The details of concluded cases are shown in Table 2 on the next page.
In 2016, PIAC conducted a clean-up exercise of its Case Management System which led to the closure of 60 cases. The clean-up was to ensure PIAC’s accurate reporting of case statistics by identifying cases registered in the Case Management System since its inception in 2010 that were overtaken by events such as lack of access to key officers, documentation, closure of related projects, etc., given the passage of time.

As at the beginning of 2017, a total of 70 active investigation cases were still ongoing and these included carry over cases from the years preceding 2015. For 2015 and 2016, investigations into 19 and 21 cases respectively were conducted and completed resulting in the submission to the Sanctions Commissioner for determination, of four (4) Findings of Sanctionable Practices (FoSPs) in 2015 and three (3) in 2016.

**Debarnets and negotiated settlement agreements**

Table 3 shows that 30% of the complaints investigated in 2014, 2015 and 2016, which ended in referrals, relate to administrative lapses and did not involve sanctionable offences and were referred to the Ethics Office (PETH) and other units of the Bank to address the ethical issues, matters related to the project affected persons and internal control issues.

PIAC is also taking steps to review the Bank’s existing Whistle Blowing and Complaints Handling Policy (2007) to update and clarify reporting lines.

Debarnets and negotiated settlement agreements

<table>
<thead>
<tr>
<th>Year</th>
<th>Respondent</th>
<th>Type</th>
<th>Debarment Period</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>Liberty Construction Limited</td>
<td>Firm</td>
<td>3 years</td>
<td>Uganda</td>
</tr>
<tr>
<td>2015</td>
<td>Mr. Edmund Mabiro</td>
<td>Individual</td>
<td>3 years</td>
<td>Uganda</td>
</tr>
<tr>
<td>2015</td>
<td>Mr. Wilima Acquah</td>
<td>Individual</td>
<td>5 years</td>
<td>Liberia</td>
</tr>
<tr>
<td>2016</td>
<td>Spring Empire Contracts</td>
<td>Firm</td>
<td>1 year</td>
<td>Ghana</td>
</tr>
<tr>
<td>2016</td>
<td>Ms. Oheneawaa Akusua Nyarko</td>
<td>Individual</td>
<td>1 year</td>
<td>Ghana</td>
</tr>
</tbody>
</table>

**Table 4:**
Settlement Agreements Reached in 2015

<table>
<thead>
<tr>
<th>No</th>
<th>Respondent</th>
<th>Type</th>
<th>Fine</th>
<th>Debarment Period</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SNC - LaValin International Inc. (&quot;SNCLI&quot;)</td>
<td>Firm</td>
<td>1.5 CAD million</td>
<td>2 years, 12 months</td>
<td>Canada</td>
</tr>
<tr>
<td>2</td>
<td>Hitachi Power Europe GmbH (&quot;HPE&quot;) and Hitachi Power Africa (Pty) Ltd. (&quot;HPA&quot;)</td>
<td>Firm</td>
<td>–</td>
<td>12 months</td>
<td>Germany and South Africa</td>
</tr>
</tbody>
</table>

Comparative analyses of cases completed in 2014 and 2015 / 2016 show that fraud was common in cases covered during the three year period.

For the years 2015 and 2016, “fraud” as a typology included misrepresentations made by contractors or individuals during biding processes or other applications for AfDB-financed projects or administered activities.
Completed Cases Classified by Allegation

Graph 1 below shows the number of completed cases classified by the type of sanctionable practice or allegation involved. For comparison purposes, the figures cover the years 2014 – 2016. This has been done in percentages for each year.

Graph 1
Percentage of Completed Cases Classified by Type of Allegation (2014 – 2016)

- **Fraud**
  - 2014: 63%
  - 2015: 58%
  - 2016: 29%

- **Corruption**
  - 2014: 31%
  - 2015: 25%
  - 2016: 29%

- **Collusion**
  - 2014: 25%
  - 2015: 11%
  - 2016: 13%

- **Staff Misconduct**
  - 2014: 2%
  - 2015: 5%
  - 2016: 23%

Completed Cases Classified by Region

The number of cases completed by region are amongst others, a factor of the number of projects that the Bank is implementing in the particular region rather than an indication of the prevalence of sanctionable practices in a particular region.

Graph 2
Comparison of Number of Cases Completed in Each Region (2014 – 2016)

- **Headquarters**
- **North & Southern Africa**
- **West & East Africa**
- **Central Africa**
EXPANDED MANDATE

PIAC’s mandate was extended to conduct investigations into staff misconduct

As of April 2016, PIAC’s mandate was extended to conduct investigations into allegations of misconduct by staff members of the Bank. Until this time, the mandate was with the Ethics Office of the Bank.

Acts of misconduct include harassment (sexual, moral or verbal), abuse of authority, conflict of interest, misuse of Bank assets and other breaches of the Bank’s codes of conduct.

In 2016, 30 allegations of staff misconduct were received. These 30 cases are grouped by the act of misconduct involved as shown in Graph 3. 37% of the allegations concerned Conflict of Interest (CI) while Misuse of Bank Property (MBP) and Professional Conduct (PC) each was 23% of the allegations.

Of the 30 cases investigated, 19 were completed and closed, 7 were referred to the appropriate recourse offices within the Bank and 4 were still ongoing at end 2016 - see Graph 4. No allegation relating to Data Privacy (DP), Private and Personal Issues (PPI), Gifts, Decorations and Favours (GDF) and External Activities (EA) was received in 2016.

Of the 19 cases of staff misconduct that were investigated, 14 cases were substantiated while 5 of the cases could not be substantiated. See Graph 5.

The diagram in Graph 6 further shows the distribution of misconduct cases received in 2016 between headquarters (60%) and the field offices (40%).

As shown in the diagrams, conflict of interest, lapses in professional conduct and the misuse of Bank property are the areas where acts of misconduct occur the most. Thus, training programmes and activities designed by the department are taking these into account to minimise their occurrence.
To achieve the High 5s and roll-out the Bank’s new Development and Business Delivery Model (DBDM), the Bank is increasing both its human and financial capacities. Furthermore, the Bank is expanding existing partnerships including collaborations and activities involving the private sector. Increased collaboration with the private sector, while laudable, presents unique reputational and integrity risks. As a result, PIAC engaged extensively with relevant stakeholders within the Bank to develop a framework for mitigating such risks, the result was the Integrity Due Diligence (IDD) Policy for Non-Sovereign Operations.

The policy was approved by the AfDB Board in January 2016. In implementing the IDD Policy, PIAC provides integrity advice to the operational departments to ensure that the integrity and reputational risks to the Bank are minimized in their engagements with non-sovereign actors.

The main objectives of the advisory services provided are to identify beneficial ownership of the entity involved; assess civil, criminal, and regulatory backgrounds; and to identify sanctioned persons or entities, Politically Exposed Persons (PEPs) and other high risk relationships.

PIAC has, in collaboration with operational departments, reviewed relevant guidelines and conducted training sessions on the policy for staff from relevant departments. Furthermore, in collaboration with the World Bank’s International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD), a seminar was conducted on “Implementing the IDD Policy - Experiences from other Multilateral Development Banks (MDBs)”. In 2016, seventy-three Bank staff attended the training seminar which provided a platform for exchanging information, learning and sharing experiences on the conduct of integrity due diligence.

Efforts are ongoing to review the Bank’s Whistleblowing and Complaints Handling Policy which has been in operation since 2007. The draft policy is expected to go through the Bank's management and Board approval processes by the end of 2017.

Integrity opinions and debarment management

Towards implementing the IDD Policy approved in 2016, a database of Politically Exposed Persons (PEPs) was developed for due diligence activities.

The Bank has an Integrity Risk Tool (IRT), which is available on the Bank’s website and is periodically populated with a list of companies and individuals debarred by AfDB and other MDBs. The IRT and the list of companies provide operational staff with useful information on companies and individuals who have been involved in sanctionable practices. Sixty seven entities and individuals had been cross-debarred as of October 2016.

The Bank, as a signatory to the Uniform Framework for Preventing and Combating Fraud and Corruption and the Agreement for Mutual Enforcement of Debarment Decisions, meets regularly with other MDBs to review the implementation of these policies.

These engagements provide opportunities for benchmarking, sharing critical information and to sharpen skills and expertise in investigations and the prevention of fraud and corruption.

When we eliminate corruption, then our resources and those of governments will be more effectively utilized and will allow us to achieve the high ambitions of the Bank on its High 5 for Africa: to light up and power Africa; Feed Africa; Industrialize Africa; Integrate Africa; and Improve the quality of life for the people of Africa.

We will be able to light up those African cities and rural communities that are dark; we will be able to reduce Africa’s enormous import bill. We will be able to end malnutrition … allowing children to grow up proud, strong and healthy.

We will be able to support a more vibrant private sector, grow small and medium sized enterprises, and boost intra-regional trade. We will be able to provide access to affordable health care, clean water and sanitation.

Akinwumi Adesina
President, AfDB

Statement on International Anti-Corruption Day, 9th December 2016 by Akinwumi Adesina, President, AfDB
Establishment of the Africa Integrity Fund (AIF)

In November 2016, the Board of Directors of the Bank approved the establishment of the Africa Integrity Fund (AIF). The Fund financed exclusively from financial penalties resulting from investigations undertaken by PIAC will support programmes in RMCs to prevent, detect, investigate and sanction acts of corruption.

The AIF will also support the repatriation of stolen assets, alleviate financial drains on RMCs from illicit outflows and, in general, strengthen transparency and accountability in the management of public resources. The AIF holds approximately US$ 55 million and will become operational in 2017.

Target beneficiaries of grants under the fund include law enforcement agencies, public audit institutions, tax authorities, relevant governmental bodies, research and educational institutions and civil society organizations. Organizational units of the Bank are ineligible to apply for AIF financing.

Raising awareness and building capacity

PIAC participates regularly in induction sessions organised by the Corporate Human Resources Management Department (CHRR) of the Bank. The sessions are designed to introduce new staff to PIAC and its functions as well as to sensitise them on potential integrity concerns and how they should be handled.

In addition, as part of the department’s awareness raising activities targeted at Bank staff, PIAC in 2015 organised training sessions and workshops for staff at AfDB headquarters and in eight field offices (Ethiopia, Madagascar, Nigeria, Tanzania, Gabon, Rwanda, Senegal and Ghana). The objectives of the trainings were to update Bank staff on project-related corruption challenges, their roles in the fight against corruption and to inform staff of the available integrity tools and how best they can be deployed to strengthen integrity within Bank projects. In addition, the department collaborated with the Ethics Office (PETH) and the Ombudsman to have sessions with staff members on codes of conduct, whistleblowing and staff rights and obligations during investigations.

On an annual basis, PIAC uses the commemoration of the International Anti-Corruption Day, on 9th December, as an opportunity to engage staff members on specific issues around transparency, integrity and accountability.

In 2015, under the theme “Break the Chain of Corruption” PIAC collaborated with other Bank departments including the Gender, Women and Civil Society department (AHGC) to organize a seminar on mainstreaming gender into anti-corruption programming. In 2016, a guest key note speaker delivered a presentation entitled “Tackling the Organizational Culture: How Ordinary People Break the Law”. This was followed by an interactive inter-departmental panel discussion that deliberated over specific aspects of AfDBs organizational culture to be improved upon for sustained integrity and accountability.

In terms of engagements with external stakeholders, PIAC collaborated with other organizations in 2016 to promote awareness on the Bank’s prevention of fraud and corruption strategy. In this regard, workshops, seminars and training activities for compliance officers in financial institutions in RMCs were conducted. These activities were held in Abidjan, Kampala and Accra and were attended by 330 participants.

In line with the department’s partnership approach, PIAC collaborated with the Basel Institute on Governance in 2015 to train 30 investigators and prosecutors from anti-corruption institutions in 15 countries on financial investigations and asset recovery. The training drew participants from the Southern African Forum Against Corruption (SAFAC),
Each one of us has a role to play in fighting corruption.

Let’s together put the search light on corruption. Whenever light appears darkness has no place.

As we light up and power Africa, let us also light up systems to detect and deal decisively with corruption.

Let there be light!

— Akinwumi Adesina
President, AfDB

Statement on International Anti-Corruption Day, 9th December 2016
by Akinwumi Adesina, President, AfDB

the East African Association of Anti-Corruption Authorities (EAAACA) and the Network of Anti-Corruption Institutions in West Africa (NACIWA).

Between 2015 and 2016, in collaboration with the United Nations Office on Drugs and Crime (UNODC) and the ECOWAS Secretariat, PIAC participated in two meetings intended to build partnership with members of the Network of Anti-Corruption Institutions in West Africa and other development partners as well as to strengthen networks.

In the course of the meetings, PIAC provided technical inputs for developing an anti-corruption curricula for the NACIWA Academy’s training programme to be conducted from November 2016.

In 2015, civil society organisations in West Africa were engaged by the department on new and innovative ways to fight corruption. Discussions were also held with parliamentarians and government officials on improving governance within the context of the United Nations Convention Against Corruption (UNCAC). These activities were implemented in Ethiopia, Botswana, Mali, Nigeria, Senegal, Tanzania and Ghana.

Furthermore, in collaboration with other partner organizations, PIAC in 2016 organised workshops, seminars and training activities in Abidjan, Kampala and Accra for compliance officers in RMC financial institutions.

A workshop on “Fighting Corruption and Illicit Financial Flows in Africa” was jointly organised with the Governance and Financial Management Department (ECGF) and the African Natural Resource Centre (ECNR) in October 2016 during which the AfDB/OECD Anti-Bribery Guide for Businesses in Africa was launched.
Investigations conducted by PIAC into allegations of fraud, corruption and other sanctionable practices in Bank-financed projects and operations have provided useful insights for strengthening the preventive mandate of the department. One such example is the existence of red flags in project implementation which, had they been addressed, could have prevented the act under investigation from occurring.

To address this challenge, PIAC has positioned itself to conduct proactive reviews on ongoing Bank-financed projects. The focus of the reviews is to identify vulnerabilities to fraud and corruption and to propose measures for addressing identified gaps and vulnerabilities.

A pilot project integrity review will be conducted in 2017 from which findings and recommendations will inform proposals towards reviewing Bank processes, policies and procedures. Findings from the review will also contribute to improving PIAC’s knowledge sharing and capacity building programmes and activities.

A pilot monitoring exercise on media coverage in a selected sub-region aimed at identifying reports of sanctionable practices in Bank projects will be conducted in 2017.

Implementation of the Africa Integrity Fund (AIF)

Following the Board’s approval of the AIF, PIAC’s role in the implementation of the fund will be through a technical committee to provide its expertise on integrity and anti-corruption.

The Bank is currently elaborating the operational guidelines and governance structures to launch the fund.

Proactive Integrity reviews to safeguard Bank funds

A software to identify contracts vulnerable to sanctionable practices is being developed and will be available for the department’s preventive and investigative work.

It is expected that the tool will assist the department adopt a scientific and sophisticated approach to proactively identify possible occurrences of fraud and corruption in Bank activities.

Media analysis, data analytics and knowledge management

LOOKING AHEAD
## STAFF COMPOSITION

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<thead>
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<th>2015</th>
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<tr>
<td><strong>Director</strong></td>
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<tr>
<td><strong>Consultant</strong></td>
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## CASE STUDIES

### Selected Case Studies (2015/2016)

#### Case Study 1
A Bank Staff in a field office fraudulently issued, signed, and stamped, with the official stamp of the Bank, a purchase order purportedly on behalf of the Resident Representative. The forged purchase order was then used to collect goods from a supplier to meet the staff member’s personal needs. Upon receipt of a report from the Resident Representative, an investigation was launched.

**Outcome:** The case was concluded as substantiated and submitted to management for disciplinary action. Following a decision taken by the disciplinary committee, the staff member was dismissed.

#### Case Study 2
Upon the receipt of allegations against the Project Coordinator of a Bank-financed project, PIAC initiated an investigation which revealed the following (in summary): 1) breach of the Bank’s procurement rules by the country’s commission for public tenders; and 2) collusive arrangements between the Project Coordinator and selected bidders.

**Outcome:** PIAC recommended a formal warning to the Government of the country involved and that further breaches of the Bank’s procurement rules could result in the suspension and/or cancellation of the grant in accordance with the **General Conditions Applicable to the African Development Bank Loan Agreements and Guarantee Agreements**.

#### Case Study 3
A private sector company into infrastructural projects allegedly engaged in sanctionable practices in order to be awarded a contract under a Bank-financed project.

**Outcome:** Following a PIAC investigation, the company and AfDB entered into a settlement agreement in 2015 under which the company agreed: (i) to make a substantial financial contribution to AfDB, which will be used to fund worthy anti-corruption initiatives on the African continent; and (ii) to co-operate with PIAC on a variety of matters, including enhancing its existing integrity compliance program. In addition, the company was debarred for 12 months. Debarment will be lifted as soon as the company enhances its integrity compliance program to the standard set by AfDB’s Integrity Compliance Guidelines.

#### Case Study 4
A Bank staff member was involved in corrupt practices with local contractors under a Bank-funded project. PIAC investigations revealed that:
- The wife of the Bank staff member held 50% shares in a company awarded contracts under the project and received bribes to assist in bid security arrangements from some of the bidders.
- The Bank staff member was involved in the preparation of bids and forging documents for this company.
- The Bank staff member influenced the national evaluation committee to convert a major deviation into a minor deviation during the bid evaluation exercise.
- The Bank staff member withheld information on the preferred bidder in order to assist another bidder in being awarded a contract. He also assisted in preparation of bids for bidders in other Bank financed contracts.

**Outcome:** the Bank staff member was dismissed and the matter was referred to the local law enforcement authorities for criminal proceedings.
ABBREVIATIONS

AfDB  African Development Bank
AHGC Gender, Women and Civil Society Department
AIF  Africa Integrity Fund
CHHR Human Resources Management Department
DBDM Development and Business Delivery Model
EAAACA East African Association of Anti-Corruption Authorities
ECGF Governance and Public Financial Management Coordination Office
ECNR African Natural Resources Center
FoSP Findings of Sanctionable Practices
IDD Integrity Due Diligence
IRT Integrity Risk Tool
MDB Multilateral Development Bank
MoU Memorandum of Understanding
NACIWA Network of Anti-Corruption Institutions in West Africa
NSA Negotiated Settlement Agreement
OECD Organization for Economic Cooperation and Development
PEPs Politically Exposed Persons
PETH Ethics Office
PIAC Office of Integrity and Anti-Corruption
RMCs Regional Member Countries
SAFAC Southern African Forum Against Corruption
UNCAC United Nations Convention Against Corruption
To report or seek counsel on possible violations of AfDB’s anti-corruption policies and codes of conduct, please contact the Office of Integrity and Anti-Corruption (PIAC):

**E-mail:** investigations@iacd-afdb.org
   integrity@afdb.org

**Helpline:** 1 (770) 776-5658 (FR, EN)
   +225 20 32 01 49

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