WORLD BANK GROUP SANCTIONING GUIDELINES

The World Bank Group (WBG) has been sanctioning firms and individuals who engage in Sanctionable Practices in relation to Bank-financed activities since 1999. The purpose of the WBG's sanctions regime has been and remains to assist the WBG in upholding its fiduciary duty under the Articles of Agreement to ensure that the funds entrusted to it are used for the purposes intended.

This purpose is accomplished in a number of ways, primarily through (1) exclusion of corrupt actors from access to Bank financing (i.e., debarment) and (2) deterrence. The former protects Bank financing directly, while the latter seeks to reduce fiduciary risk through disincentivizing both the Respondent (specific deterrence) and others (general deterrence) from engaging in Sanctionable Practices in the future by exacting a 'price' for misconduct—through debarment, the cost of meeting conditions for release or non-debarment or, exceptionally, restitution or other remedies. The publicity surrounding sanctions enhances their deterrent effect.

Moreover, the WBG's experience over the last 10 years in anti-corruption and sanctioning, reflecting international consensus, has shown that rehabilitation, through the imposition of conditions designed to improve the integrity culture of sanctioned parties and reduce recidivism, is a key means to reduce integrity risks.

It is these guiding principles that underlie these Guidelines, which are not meant to be prescriptive in nature, but to provide guidance to those who have the discretion to impose sanctions on behalf of the WBG as to the considerations that the WBG believes are relevant to any sanctioning decision.

I. Base Sanction: The base sanction for all misconduct is 3 year debarment with conditional release.

II. Range of Sanctions

A. Debarment with Conditional Release: Debarment with conditional release is the 'baseline' sanction which should normally be applied absent the considerations that would justify another sanction as outlined in paragraphs B though F below. The purpose of the conditional release is to encourage the respondent's rehabilitation, to mitigate further risk to Bank-financed activities. Accordingly, the respondent will only be released from debarment after (i) the defined debarment period lapses, *and* (ii) the respondent has demonstrated that it has met the conditions set by the EO or Sanctions Board and detailed by the Integrity Compliance Officer. Respondents may not be released prior to the defined debarment period, even if they meet the conditions prior to the period's lapse, but if so specified, compliance with certain conditions such as cooperation or remedial measures may lead to a reduction in the debarment period. If

the defined debarment period exceeds 10 years, the respondent may, after 10 years, petition for reduction of the debarment period upon a demonstration of meeting the conditions enumerated by the Integrity Compliance Officer.

Conditions imposed may include:

i) Implementation or improvement of an integrity compliance program; and

ii) Remedial measures to address the misconduct for which the respondent was sanctioned, including disciplinary action or termination of employee(s)/officer(s) responsible for the misconduct.

The Integrity Compliance Officer verifies whether conditions have been met. Determinations of compliance by the Compliance Officer are subject to appeal to the Sanctions Board in accordance with the Sanctions Procedures.

B. Debarment: The Bank may apply this sanction if there would be no reasonable purpose served by imposing conditions. This would occur, for example, in cases where a sanctioned firm has already in place a robust corporate compliance program, the Sanctionable Practice involved the isolated acts of an employee or employees who have already been terminated, and the proposed debarment is for a relative short period of time (*e.g.*, one year or less).

C. Conditional Non-Debarment: Generally, the Bank may apply this sanction, consistent with the Bank's fiduciary obligations and the goals of specific and general deterrence, to:

i) sanctioned parties affiliated with the respondent that are not directly involved in the Sanctionable Practice in which the respondent has engaged, but which bear some responsibility thereof, through, for example, a systemic lack of oversight; or

ii) respondents that have demonstrated that they have taken comprehensive corrective measures and that such other mitigating factors apply, as outlined below, so as to justify non-debarment.

The conditions imposed will likely be similar to those imposed under debarment with conditional release. In the event that the sanctioned party fails to demonstrate compliance with the conditions within the time periods established by the Sanctions Board, a debarment would automatically become effective for a period of time established by the EO and/or Sanctions Board.

D. Letter of Reprimand: A Letter of Reprimand should most often be used to sanction an affiliate of the Respondent that was only guilty of an isolated incident of lack of oversight.

E. Permanent Debarment: Permanent debarment is generally only appropriate in cases where it is believed that there are no reasonable grounds for thinking that the

1-5 years for this category	**B. <u>Harm Caused by the Misconduct</u>** **1. Harm to public safety/welfare:** When misconduct either resulted in or involves a foreseeable risk of death or bodily injury; if public health or safety is endangered by the misconduct. **2. Degree of Harm to Project:** Poor contract implementation (*e.g.*, if the quality or quantity of the good or service performed under the contract does not reflect the terms of the contract, either immediately or over time); delay caused.
1-3 years for this category	**C. <u>Interference with Investigation</u>** **1. Interference with investigative process:** Deliberately destroying, falsifying, altering, or concealing evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or acts intended to materially impede the exercise of the Bank's contractual rights of audit or access to information. **2. Intimidation/payment of a witness:** If a respondent caused or

V. Mitigating Factors

Decrease	Mitigating Factor
Up to 25%	**A. <u>Minor Role in Misconduct</u>:** Minor, minimal, or peripheral participant; if no individual with decision-making authority participated in, condoned, or was willfully ignorant of the misconduct.

3. **Admission/acceptance of guilt/responsibility:** Admissions or full 3-1(3-die)-ngi and affirmative acceptance of guilt or responsibility for