

## **Frequently Asked Questions: Integrity Compliance at the World Bank Group**

### **When and for what purpose did the World Bank establish its new integrity compliance function?**

As part of the World Bank Group's (WBG) continuing effort to improve its sanctions regime, the existing sanction of debarment with conditional release has become the default or "baseline" WBG sanction for cases initiated under the WBG's revised Sanctions Procedures effective from September 2010. Going forward the establishment (or improvement) and implementation of an integrity compliance program satisfactory to the WBG will be a principal condition to ending a debarment (or conditional non-debarment); or in the case of some existing debarments, early termination of the debarment. About the same time the World Bank Integrity Vice Presidency appointed an Integrity Compliance Officer (ICO) with the principal purpose of having the ICO monitor integrity compliance by sanctioned companies (or codes of conduct for individuals).

### **What is the role of the Integrity Compliance Officer?**

In addition to monitoring integrity compliance by sanctioned parties, the ICO also will decide whether the compliance condition and/or others established by the Sanctions Board or a WBG Evaluation and Suspension Officer (EO) as part of a debarment have been satisfied. Other conditions might include remedial actions related to the relevant misconduct. *See Sanctions Procedures Section 9.03 (Compliance with Conditions for Non-Debarment and Release from Debarment).*

### **What are the key features of these revisions to the World Bank Group's sanctions system?**

A primary purpose of these changes, introduced to the sanctions systems for debarred parties across the World Bank Group, is to place greater emphasis on corporate rehabilitation and encouraging sanctioned companies and individuals to adopt adequate and meaningful policies and measures that can effectively help prevent, detect and generally reduce incidences of fraud, corruption, collusion and other "sanctionable" misconduct.

### **Is the World Bank introducing new standards for monitoring corporate integrity compliance?**

WBG experience and international best practice demonstrate that the establishment and implementation of an effective integrity compliance program is an important measure to help firms and individuals prevent and mitigate corruption, fraud, collusion and other misconduct. Over recent years in particular, a global consensus has evolved as to the principles and components that should be incorporated in an effective integrity compliance program. These principles and components are reflected in the Summary of World Bank Group Integrity Compliance Guidelines which is [available on the webpage](#). These Guidelines incorporate standards, principles and components commonly recognized by many institutions and entities as good governance and anti-fraud and corruption practices.

### **What is debarment with conditional release?**

Debarment with conditional release is one of the forms of sanction recognized under the WBG sanctions regime (whereby firms and individuals that have been found to have engaged in certain defined forms of fraud, collusion, corruption and other misconduct in connection with WBG-supported projects may be sanctioned).

The sanctions regime earlier included a sanction of debarment with conditional release and, on a number of occasions, contained a "condition" relating to the adoption and implementation of an integrity compliance program satisfactory to the WBG. Until recently, however, satisfaction of that condition has meant the shortening of the debarment period. Going forward, debarment with conditional release will be the WBG

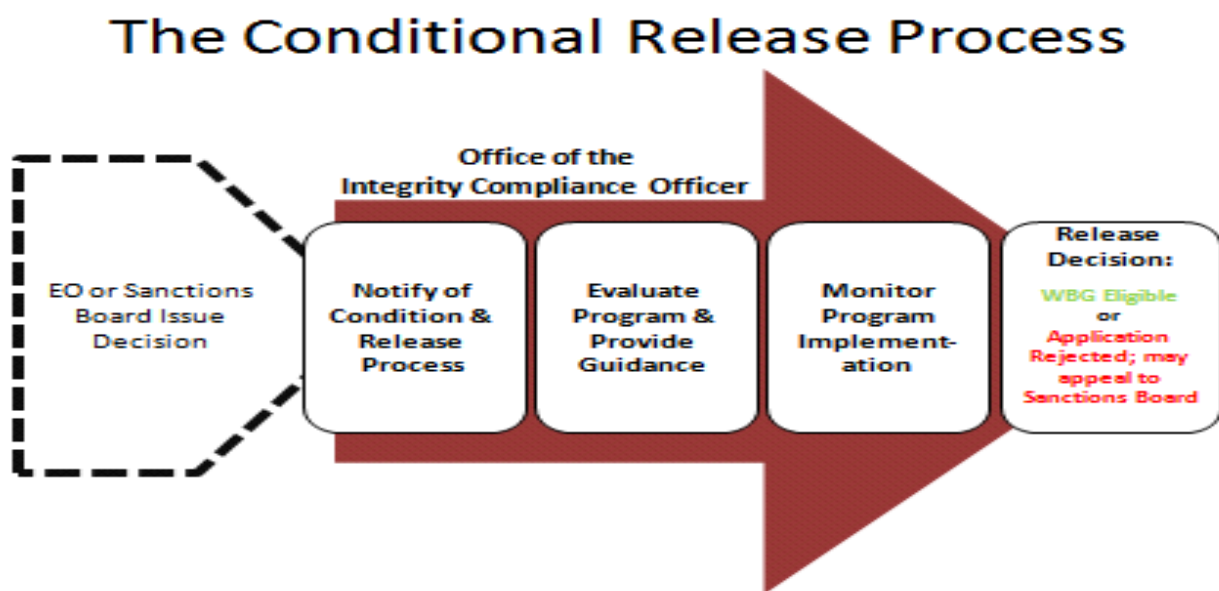
baseline sanction, with the change that debarred parties now will be required to meet certain rehabilitation conditions before they can apply for reinstatement to participate in WBG-financed activities.

### **What are some of these rehabilitation conditions?**

A principal condition will be the sanctioned party's establishment and maintenance of an integrity compliance program (or a similar code of conduct in the case of individuals) satisfactory to the WBG (acting through the ICO). The sanction imposed by the Sanctions Board or EO also might include related conditions such as termination or re-assignment of employees involved in the sanctioned misconduct, or the debarred party not having been sanctioned for similar misconduct by any other international organization or, in the case of individuals, not having been convicted of any felony relating to fraud or corruption during the period of debarment.

### **How will the interaction with debarred parties be managed as part of implementing the new compliance function?**

The Integrity Compliance function has been established, among other things, to provide guidance to debarred parties for adopting and implementing integrity compliance programs and related measures specified as conditions, monitoring their implementation, and deciding whether the conditions have been satisfied. The process takes place in several steps:



- (1) The ICO contacts and advises the sanctioned party of the general requirements and procedures for meeting the conditions. This is followed by a baseline evaluation of whatever program the party presently may have (or puts in place at the time) with suggestions for improvements where appropriate.
- (2) The ICO monitors the implementation of the program, including reviewing periodic reports, changes in the program, remedial actions taken in response to the sanctioned misconduct as well as other misconduct subsequently detected, and the like.
- (3) After the program has been operational, normally for a period of at least one year, the party would be entitled to submit an Application setting forth arguments for and evidence of its compliance.

**What happens if a debarred party does not meet the WBG's Integrity Compliance and/or Other Conditions?**

Where the ICO makes a determination of non-compliance with the conditions for release, the debarred party will have a right to appeal to the Sanctions Board whether the ICO has abused his discretion when making his decision. If the ICO's determination is not overruled by the Sanctions Board, the debarment will continue for consecutive one year periods with the debarred party entitled to re-apply for release on an annual basis.