

# Contents

<b>1</b>	<b>The World Bank Sanctions System: Historical Overview and Background</b>	<b>1</b>
1.1	The Emerging Reasons for Fighting Corruption at the World Bank: Protecting Its Own Resources	1
1.2	Pursuing the Clear Business Goal	2
1.3	A Multileveled Approach in Fighting Corruption: Promoting Good Governance at the Domestic Level	5
1.4	Fostering a Collective Action on Global Governance	10
1.5	Fighting Corruption Within the Bank-Financed Projects: <i>Ex Ante</i> and <i>Ex Post</i> Measures. The Sanctions System	13
1.6	The Other MDBs' Sanction Systems	20
1.7	Harmonization of Sanctions Procedures and Cross-Debarment Regime	27
<b>2</b>	<b>The Evolution of the World Bank Sanctions System</b>	<b>31</b>
2.1	Historical Background and the Adoption of the Sanctions System (1996)	31
2.2	The Establishment of the Sanctions Board (2004)	35
2.3	The Implementation of More Effective Measures Against Fraud and Corruption (2006)	36
2.4	The Introduction of the "Early Temporary Suspension" and Cross-Debarment Regime (2009–2010)	37
2.5	Reaching a Higher Level of Accountability and Transparency (2011)	38
2.6	The First Phase of the Sanctions Regime General Review (2013)	40

<b>3</b>	<b>Framing the World Bank's Sanction Power: Sources and Procedure</b>	<b>43</b>
3.1	Sources of the Sanctions System and the Rule of Law: General Remarks	43
3.2	Applicable World Bank's Texts	47
3.3	General Principles of Law and National Law	49
3.4	Role of Precedents	51
3.5	Resolution of Conflicts Between Internal Regulatory Sources	53
3.6	Variation Between Earlier and Later Versions of the Bank's Sources	54
3.7	Procedure and Due Process in the Sanctions System: General Remarks	56
3.8	Complaint Intake	66
3.9	Investigations: The Integrity Office	67
3.10	First Tier of the Sanctions Process: The Suspension and Debarment Officer	70
3.11	Temporary Suspension	71
3.12	Notice of Sanctions Proceedings	73
3.13	Second Tier of the Sanctions Process: The Sanctions Board	74
<b>4</b>	<b>Respondents, Sanctionable Practices, and Attribution of Liability</b>	<b>77</b>
4.1	Respondents: Firms and Individuals, Borrowers and Consultants	77
4.2	Criteria for the Attribution of Liability to Legal Entities	79
4.3	Corporate Groups: Controlled and Controlling Entities	83
4.4	World Bank's Jurisdictional Reach over Noncontractors	87
4.5	Sanctionable Practices	89
4.6	Corruption	90
4.7	Fraud	92
4.8	Collusion	96
4.9	Coercion	98
4.10	Obstruction	98
<b>5</b>	<b>Defense's Rights and Rule of Evidence</b>	<b>103</b>
5.1	INT's Duty to Provide Information of Investigation Outcomes	103
5.2	Right to Evidence Disclosure and Quality of Evidentiary Material	105
5.3	Right to a Hearing	109
5.4	Time Limits for Submitting the Written Response to the Sanctions Board	112
5.5	Standard of Proof and Shift of the Burden of Proof	113
5.6	Restrictions on Respondents' Physical Access to Evidentiary Documents	117
5.7	Live Witness Testimony	118
5.8	Evidential Value of Party's Silence	121

5.9	Request for a Stay of Proceedings . . . . .	122
5.10	Principle of Finality . . . . .	124
5.11	Statute of Limitations . . . . .	127
<b>6</b>	<b>Sanctions and Sentencing Practices . . . . .</b>	<b>129</b>
6.1	Indefinite or Fixed-Term Debarment . . . . .	129
6.2	Debarment with Conditional Release . . . . .	132
6.3	Conditional Nondebarment . . . . .	134
6.4	Letter of Reprimand . . . . .	134
6.5	Restitution and Financial Remedies . . . . .	136
6.6	Sentencing Practice . . . . .	137
6.7	Consistency and Predictability in World Bank Sentencing . . . . .	138
6.8	Criteria for Determining the Sanction: Severity of the Misconduct and Magnitude of Harm . . . . .	141
6.9	Aggravating Factors . . . . .	143
6.10	Mitigating Factors . . . . .	144
6.11	Other Relevant Factors in Determining the Sentence . . . . .	147
6.12	Relevance of Presentence Provisional Measures . . . . .	149
6.13	Relevance of Potential Adverse Consequences of Debarment . . . . .	151
6.14	Role of Excusing or Exempting Circumstances . . . . .	152
6.15	Alternatives to Sanctions: Negotiated Resolution Agreements . . . . .	155
6.16	Sanctions Board’s Involvement in the Settlement Procedure . . . . .	160
6.17	Voluntary Disclosure Program . . . . .	162
6.18	Corporate Compliance Systems . . . . .	165
	<b>Select Bibliography . . . . .</b>	<b>171</b>