



**Regional Consultation Meeting  
on the Review of the World Bank Group Sanctions System  
*Consultation Feedback Summary***

**Date:** October 23, 2013 – 4:00 p.m. – 6:00 p.m. (+0200 UTC)

**Venue:** World Bank’s country office: Brussels, Belgium (video-connections with Paris, France – London, United Kingdom – Berlin, Germany, and Washington, D.C.)

**Total Number of Participants:** 21

**FEEDBACK FROM STAKEHOLDERS**

**General Comments**

- Participants stressed the importance of looking at the demand side of corruption (the briber-taker), not only the supply side (the bribe-giver), and at the overall efficiency and effectiveness of the system in achieving its objectives
- Participants asked the Bank to consider having World Bank staff participate in the evaluation committees established by Borrowers to enhance the fairness and transparency of the bid evaluation process
- Participants asked for the Bank’s assistance in making sure that governments meet their payment obligations with contractors on time

**Transparency, Due Process, and Independence**

- Call for more transparency in relation to settlements and SDO determinations, in particular with regard to the type of misconduct and facts of the case
- Need to improve the dissemination of information about the sanctions system generally, and in particular the rights of respondents during sanctions proceedings and the possibility to settle the case through a negotiated resolution
- Participants expressed the need for more guidance on the treatment of joint ventures and consortia when it comes to imposing sanctions on one of the members as well as on what are permissible gifts/things of value under the Bank’s definition of corrupt practices
- Participants argued that the current sanctions system creates some serious risks that disincentivize firms from participating in Bank-financed projects, including: 1) INT’s approach to culpability, which extends to companies even when they were not directly involved, did not fail to supervise, or did not benefit from the corrupt behavior of their staff; and 2) the consequences of temporary suspension on a firm (e.g., the magnitude of ripple effect in national jurisdictions, impact on stock value, likelihood of shareholders derivative suits), coupled with its automatic application at the start of sanctions proceedings; this state of affairs

renders the process disproportionately in favor of INT and the respondent is left with the Hobson's choice of entering into a settlement under INT's terms or pursuing sanctions proceedings which carry with them automatic suspension.

- Participants suggested that a voluntary undertaking to restrain from bidding could be considered as an alternative to temporary suspension
- Participants expressed concerns about the English-only rule in the sanctions system, which bars some respondents, especially SMEs and individuals from non-Anglophone countries, from effectively defending themselves

#### **Conduct Efficiency of Investigations**

- Participants called for stronger compliance by INT with authoritative interpretation of the Bank's legal framework for sanctions, including by the Sanctions Board
- Participants also called for a more balanced, less adversarial approach in INT's investigations

#### **Settlements**

- Participants emphasized the importance of having access to the file/relevant information in INT's possession when entering into settlement negotiations so as to allow respondents to "fix the problem" and conduct internal investigations