



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

Date: October 24, 2013 – 8:30 a.m. – 10:30 a.m. (+0700 UTC)

Venue: World Bank’s country office: Jakarta, Indonesia (video-connection with Washington, D.C.)

Total Number of Participants: 32

FEEDBACK FROM STAKEHOLDERS
General Comments
<ul style="list-style-type: none"> • The physical presence of the review team in the country office, rather than via video-conference, was seen as an important element for a more effective dialogue with stakeholders • Participants emphasized the need for more integration of the sanctions system with the national systems to fight corruption and called for greater reliance on country systems
Transparency, Due Process, and Independence
<ul style="list-style-type: none"> • Participants called for more transparency with regard to the suspension list, which is currently not public and is made available only to borrowers through an online secured platform; the current means of communication was perceived as inadequate • The Bank should do more in terms of disseminating information about the sanctions system; the fact that reference to the system is made in the bidding documents is not sufficient • Participants invited the Bank to consider the publication of sanctions decisions in the national press/media, not only on the Bank’s website, thus enhancing the deterrent effect attached to sanctions • Participants called for more guidance and clarity on the treatment of corporate groups, in particular with respect to the definition of joint venture and application of sanctions to joint operations, associations and consortia • The Bank should make full use of the current forms of sanctions and apply them in a more flexible/proportionate way • One participant argued that cross-debarment is unfair and disproportionate
Efficiency of Investigations and Sanctions Proceedings
<ul style="list-style-type: none"> • Participants called for more expeditious investigations and sanctions proceedings; the time it takes for an investigation and sanctions proceedings to be completed was seen as excessive. One participant mentioned that, in one instances, it took up to five

years for the process to be completed and, in one other instance, delays in issuing a No Objection Letter on the part of the Bank limited the contractor's ability to timely perform the contract

- Participants called for more information sharing, coordination with, and involvement of, competent government institutions. One participant suggested that INT should better coordinate with internal auditors from the relevant ministries, thus reducing the time it takes to effectively carry out an investigation while building the capacity of local agencies. The scope of such coordination/cooperation could be arranged under a memorandum of understanding between the Bank and Indonesia
- The sanctions system should also give consideration to the development impacts of sanctions proceedings
- One participant suggested that the sanctions system should be decentralized in the Bank's country offices (by having, for example, local sanctions dispute boards) and that the Bank should coordinate with national authorities before imposing a sanction

Integrity Compliance Officer and Conditional Release

- Participants identified a need to provide the ICO with adequate staff and resources. The ICO should also be given adequate travel budget. One Participant argued that the conditions for release are too onerous and disproportionate. The imposition of conditions, such as the implementation of a corporate compliance program, may pose issues of proportionality, particularly on low capacity respondents

Small and Medium-Sized Enterprises and 'Right-sizing'

- The Bank should do more to ensure that the sanctions system is accessible to SMEs, for example to those with limited resources and unable to afford the costs of legal counsel
- Participants invited the Bank to find ways to deal more effectively with minor cases