



# IBRD/IFC/MIGA/IDA Guidance

## WBG Sanctioning Guidelines

### **Bank Access to Information Policy Designation**

Public

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October 31, 2024

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October 31, 2024

### **Content**

The purpose of this Guidance is to provide guidance to decision-makers on the considerations that the World Bank Group believes are relevant to any sanctioning decision.

### **Applicable to**

IBRD, IFC, MIGA, IDA

### **Issuer**

Managing Director and WBG Chief Administrative Officer,  
MDCAO

### **Sponsor**

Senior Vice President and General Counsel, LEGVP

## SECTION I – PURPOSE AND APPLICATION

The purpose of this Guidance is to provide guidance to decision-makers on the considerations that the World Bank Group (“WBG”) believes are relevant to any sanctioning decision.

This Guidance applies to the WBG.

## SECTION II – DEFINITIONS

Capitalized terms and acronyms in this Guidance have the meanings ascribed to them in WBG Policy: Sanctions for Fraud and Corruption and Bank Procedure: “Sanctions Proceedings and Settlements in Bank Financed Projects”.

## SECTION III – SCOPE

### A. Background

The WBG has been sanctioning firms and individuals who engage in Sanctionable Practices in relation to WBG operations since 1999. The purpose of the WBG’s sanctions regime is to assist the WBG in upholding its fiduciary duty under the WBG institutions’ constituent instruments to ensure that the funds entrusted to it are used for the purposes intended.

This purpose is accomplished in several ways, primarily through (i) exclusion of corrupt actors from access to WBG financing and support (*i.e.*, debarment) and (ii) deterrence. The former protects WBG 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 and, exceptionally, restitution. The publicity surrounding sanctions, which are all public, enhances their deterrent effect.

Moreover, the WBG’s experience 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, along with the common standards set out in the 2012 Harmonized Multilateral Development Bank General Principles and Guidelines for Sanctions, that underlie this Guidance. This Guidance is not meant to be prescriptive in nature, but to provide guidance to decision-makers as to the considerations that the WBG believes are relevant to any sanctioning decision. The decision-makers are advised to consider the totality of the circumstances and all potential aggravating and mitigating factors to determine an appropriate and proportionate sanction. The choice of sanction is not a mechanistic determination, but rather a case-by-case analysis, which bears in mind the guiding principles outlined above and is tailored to the specific facts and circumstances presented in each case.

**B. Baseline Sanction:** A baseline sanction of a 3-year debarment with conditional release is the default starting point for all forms of misconduct and is applicable to all Respondents. The decision-makers may depart from the baseline sanction where justified by the specific facts and circumstances of the case to arrive at an appropriate and proportionate sanction.

### **C. Range of Sanctions**

1. **Debarment with Conditional Release:** The purpose of debarment with conditional release is to encourage the Respondent's rehabilitation and to mitigate further fiduciary risk to WBG operations. Accordingly, the Respondent will only be released from debarment after (i) the defined minimum debarment period lapses, *and* (ii) the Respondent has demonstrated that it has met the conditions set by the Suspension and Debarment Officer (the "SDO"), relevant Evaluation Officer<sup>1</sup>, or Sanctions Board, and detailed by the Integrity Compliance Officer (the "ICO"). Respondents may not be released prior to the end of the defined minimum debarment period, even if they meet the release conditions prior to the period's lapse. However, if specified at the time of sanction in the relevant sanctioning decision, compliance with certain conditions may lead to a reduction in the debarment period. For example, the decision-maker may consider specifying in a sanctioning decision imposing a debarment with conditional release with a minimum debarment period of more than 10 years that the Respondent may be released from debarment after 10 years if the Respondent has: (i) applied to the ICO requesting reduction of the debarment period; and (ii) demonstrated that it has met the conditions set by the SDO, relevant Evaluation Officer, or Sanctions Board, and detailed by the ICO.

Examples of conditions for release from debarment may include, but are not limited to, the following:

- i) implementation or improvement of integrity compliance measures;
- ii) remedial or corrective 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; and/or
- iii) in the case of an individual, the participation in and completion of a specified integrity training program.

In imposing conditions for release from debarment, decision-makers should consider the overall purposes of rehabilitation and mitigation of fiduciary risk to WBG operations. Decision-makers may also consider the Respondents' capacity to comply with such conditions, or, in the case of an individual Respondent, the seniority and experience of said individual.

2. **Debarment:** This sanction may be applied where, considering the goals of specific and general deterrence, the facts and circumstances of the case indicate that the imposition of conditions for release from debarment is either unnecessary or inappropriate to further protect WBG operations from fiduciary risk. In assessing the fiduciary risk to the WBG, the decision-makers may consider indicia such as, but not limited to, the severity and pervasiveness of the misconduct for which the Respondent

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<sup>1</sup> The WBG's first-tier sanctions officers are as follows: the SDO for Bank cases and separate Evaluation Officers ("EOs") for cases arising under financings by each of the International Finance Corporation ("IFC"), the Multilateral Investment Guarantee Agency ("MIGA"), and the Bank's guarantee and carbon finance activities.

is being sanctioned, and whether the Respondent acknowledged the wrongdoing. Respondents may only be released after the end of the defined debarment period.

Factors to be considered in determining whether debarment without conditions is an appropriate sanction include, but are not limited to, the following:

- i) whether the Respondent has in place, and is implementing, an integrity compliance program;
- ii) whether the Sanctionable Practice involved the isolated acts of an employee or employees no longer with the Respondent; and/or
- iii) whether the proposed debarment is for a sufficiently short period of time such that fulfillment of release conditions would be impractical.

3. **Conditional Non-Debarment:** This sanction may be applied where the facts and circumstances of the case indicate that the imposition of debarment is either unnecessary or inappropriate to further protect WBG operations from fiduciary risk, and that conditional non-debarment is the most proportionate response. In determining proportionality, consideration may be given to the facts and circumstances of the case, such as the lack of severity and pervasiveness of the misconduct and the existence of mitigating factors.

Examples of other, further factors to be considered in determining whether conditional non-debarment may be appropriate include, but are not limited to, the following:

- i) whether a Respondent that was not directly involved in the Sanctionable Practice nevertheless bears some responsibility, for example, through a systemic lack of oversight of an affiliate or another Respondent that was directly involved; and/or
- ii) whether a Respondent has demonstrated that it has taken comprehensive remedial or corrective measures – for example, the establishment or improvement of a credible integrity compliance program and/or more robust implementation of an existing credible integrity compliance program – but the imposition of other conditions remains necessary and appropriate to further rehabilitation.

The conditions imposed will likely be similar to those imposed under debarment with conditional release.

4. **Letter of Reprimand:** A letter of reprimand is a public letter that may be used in cases involving isolated or minor instances of Sanctionable Practices and where the imposition of conditions and/or a debarment period is unnecessary or inappropriate to protect the WBG.

Examples of factors to be considered for when a letter of reprimand may be appropriate include, but are not limited to, the following:

- i) Respondents who were low level employees and who played a minor role in the misconduct;
- ii) managers who were not involved or complicit in the misconduct but may have enabled it by a lack of oversight; and/or
- iii) a controlling affiliate that demonstrated a lack of oversight over the Respondent.

5. **Indefinite Debarment:** Indefinite debarment is generally only appropriate in cases where the misconduct is severe and there are no reasonable grounds for concluding that the Respondent can be rehabilitated through compliance or other conditionalities. Indefinite debarment would most commonly be applied to natural persons, companies closely held by such persons, and shell companies.
6. **Restitution:** Restitution (financial or otherwise) may be used in exceptional circumstances, including those involving fraud in contract execution where there is a quantifiable amount to be restored to the client country or project.

#### D. General Guidance

1. **Multiple Sanctions; Conversion of Sanctions.** Decision-makers may impose multiple types of sanctions concurrently or consecutively against a Respondent, in respect of one or more Sanctionable Practices. Decision-makers may impose an initial sanction which, after a period of time and/or upon compliance, or non-compliance, with one or more conditions, converts into another sanction if certain requirements are met. Examples of requirements that may be imposed for conversion include the passage of time of a sanction of debarment, or a determination by the ICO on compliance with certain sanction conversion conditions. For example, a debarment may be converted into conditional non-debarment, and a conditional non-debarment may be converted into a debarment with conditional release.
2. **Cumulative Misconduct:** Where a Respondent has been found to have engaged in factually distinct incidents of misconduct (*e.g.*, corrupt and collusive practices in connection with the same tender), or in misconduct in different circumstances (*e.g.*, in different projects or in contracts under the same project, but for which the misconduct occurred at significantly different times), each distinct incident of misconduct may be considered a separate Sanctionable Practice and sanctioned on a cumulative basis. In the alternative, where the Respondent engaged in multiple incidents of misconduct that are not assessed to be cumulative (*e.g.*, where the incidents were sufficiently factually interrelated), they may be considered a single Sanctionable Practice subject to an aggravating factor under Section III.F below. Due regard should be given to proportionality when considering whether to cumulate or aggravate.

#### E. Sanctioning Factors

The decision-makers shall consider all factors reasonably deemed relevant to the Respondent's culpability or responsibility in relation to the Sanctionable Practice, in accordance with Section III.A, sub-paragraph 9.2(i) of the Sanctions Procedures.<sup>2</sup> The following tables present a non-exhaustive list of factors and descriptive examples that the decision-makers may consider in deciding on the appropriate sanction and, in the case of sanctions involving debarment, on the appropriate period of debarment.

In addition to the factors listed below, consideration shall be given to the time period of temporary suspension that the Respondent has already served in connection with the instant case.

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<sup>2</sup> This Guidance refers to the World Bank Sanctions Procedures, but reference should be had to the Sanctions Procedures of the respective institution.

Decision-makers have the discretion to apply the suggested increases and decreases below or, where justified by the facts and circumstances of the case, depart from the suggested values (years or percentages) to arrive at a sanction that is proportionate.

In cases involving multiple Respondents and/or affiliates in relation to the same Sanctionable Practice, the decision-makers should consider the proportionality of the sanctions among the parties based on their respective roles and degree of culpability or responsibility in the misconduct at issue.

## F. Aggravating Factors

Suggested Increase	Aggravating Factor
1- 5 Years	<p><b>1. <u>Severity of the Misconduct</u></b> – Examples of this aggravating factor include, but are not limited to:</p> <ul style="list-style-type: none"> <li>(i) <b>Multiple incidents of misconduct:</b> Where multiple incidents of misconduct are not assessed to be cumulative, for example, where the multiple incidents are sufficiently factually interrelated, they may be considered a single Sanctionable Practice subject to aggravation.</li> <li>(ii) <b>Sophisticated means:</b> This includes the complexity of the misconduct (e.g., degree of planning, diversity of techniques applied, level of concealment); the number and type of people or organizations involved; if the scheme was developed or lasted over a long period of time; and if more than one jurisdiction was involved.</li> <li>(iii) <b>Central role in misconduct:</b> Organizer, leader, planner, prime mover, or key facilitator in a group of 2 or more in connection with a Sanctionable Practice involving multiple actors.</li> <li>(iv) <b>Management’s role in misconduct:</b> If a member of an entity’s high-level personnel participated in, condoned, or was willfully ignorant of the misconduct. This factor may apply both to entities and to individual Respondents who themselves hold high-level positions.</li> <li>(v) <b>Involvement of public official or WBG staff:</b> If the Respondent conspired with or involved a public official or WBG staff. This factor will typically not be applicable where the public official or WBG official initiated the misconduct. In addition, this factor may be applied if the Respondent was an individual acting in their private capacity when engaging in the misconduct (e.g. as a business owner), but concurrently held the position of a public official and took advantage of said public position for personal benefit.</li> </ul>

1-5 Years	<p><b>2. <u>Harm Caused by the Misconduct</u></b> – Examples of this aggravating factor include, but are not limited to:</p> <ul style="list-style-type: none"> <li>(i) <b>Harm to public safety/welfare:</b> Where public health or safety is demonstrably endangered by the misconduct. This may be particularly egregious where the misconduct involved, or resulted in, a foreseeable risk of death or bodily injury.</li> <li>(ii) <b>Degree of harm to project:</b> Where the misconduct has resulted in demonstrable harm to WBG operations. Harm may include, but is not limited to, 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); delays in project implementation or contract performance; financial harm; and serious operational and reputational damage.</li> </ul>
1-3 Years	<p><b>3. <u>Interference with Investigation</u></b> – Examples of this aggravating factor include, but are not limited to:</p> <ul style="list-style-type: none"> <li>(i) <b>Interference with investigative process:</b> Deliberately destroying, falsifying, altering, or concealing evidence material to the investigation, or making false statements to investigators in order to materially impede a WBG 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 WBG’s contractual rights of audit or access to information.</li> </ul> <p>In differentiating between the potential application of a Respondent’s interference as an aggravating factor and the inclusion of obstructive practice as an independent Sanctionable Practice, consideration may be given to (i) the degree of interference and its demonstrable impact on the investigation, and (ii) whether the interference relates to the otherwise sanctionable misconduct at issue.</p> <ul style="list-style-type: none"> <li>(ii) <b>Intimidation/payment of a witness:</b> If a Respondent caused or threatened to cause injury to a witness, his or her assets, employment, reputation, family or significant others, or if the Respondent offered the witness a payment or an advantage in exchange for non-cooperation with the WBG.</li> </ul>
1-3 Years	<p><b>4. <u>Breach of Confidentiality</u></b> Breaching confidentiality of the sanctions proceedings, as provided for in Section III.A, sub-paragraph 11.5 of the Sanctions Procedures.</p>
1-10 Years	<p><b>5. <u>Past History of Adjudicated Misconduct</u></b> Prior history must involve misconduct other than the misconduct for which the Respondent is being sanctioned. The prior history must also have resulted in a sanction or penalty imposed by the WBG or another Multilateral Development Bank where debarment decisions may be enforced.</p>

## G. Mitigating Factors

Suggested Decrease	Mitigating Factor
Up to 25%	<p><b>1. <u>Minor Role in Misconduct</u>:</b> Minor, minimal, or peripheral participant in the misconduct; if no individual with decision-making authority participated in, condoned, or was willfully ignorant of the misconduct; or for individual Respondents who did not play an active role in the misconduct.</p>
Up to 25%	<p><b>2. <u>Undue Pressure</u>:</b> Situations where the Respondent has been subject to threats and/or intimidation exerted by a public official, a manager in charge of an individual Respondent, or a person otherwise in a position of authority over the Respondent, aimed at inducing the misconduct for which the Respondent is being sanctioned. The fact that the misconduct is acceptable under prevailing cultural or business norms does not justify mitigation.</p>
Up to 50%	<p><b>3. <u>Voluntary Corrective Action Taken</u></b> – Examples of this mitigating factor include, but are not limited to:</p> <ul style="list-style-type: none"> <li data-bbox="428 947 1424 1213">(i) <b>Cessation of misconduct:</b> The cessation of misconduct is relevant if it reflects genuine remorse and intention to reform, instead of a calculated step to reduce the severity of the sanction. This factor generally applies only to misconduct that involves an ongoing scheme, rather than misconduct that constitutes an isolated incident. The timing of the action may indicate the degree to which it reflects genuine remorse and intention to reform, or a calculated step to reduce the severity of the sanction.</li> <li data-bbox="428 1251 1424 1749">(ii) <b>Internal action to address the misconduct:</b> Management or company representatives voluntarily take appropriate measures to address the misconduct, including taking appropriate disciplinary and/or remedial steps with respect to the relevant employee(s), agent(s), or representative(s), and/or undertaking a voluntary comprehensive investigation into the misconduct (regardless of whether the results were disclosed to INT). The timing of the action may indicate the degree to which it reflects genuine remorse and intention to reform, or a calculated step to reduce the severity of the sanction. This factor may also apply to individual Respondents depending on, among other things, the extent to which the individual voluntarily disclosed the misconduct to management, cooperated with management, undertook individual efforts to improve personal integrity (e.g., completion of credible ethics training), and/or accepted consequences imposed by management.</li> <li data-bbox="428 1787 1424 1871">(iii) <b>Integrity compliance program:</b> Establishment or improvement of a credible integrity compliance program, and/or more robust implementation of an existing credible integrity compliance program,</li> </ul>



	<p>in response to the misconduct. The timing, scope, and quality of the action may indicate the degree to which it reflects genuine remorse and intention to reform, or a calculated step to reduce the severity of the sanction. This factor may apply both to entities and to individual Respondents who were involved in implementing and/or improving the integrity compliance program.</p>
Up to 50%	<p>(iv) <b>Restitution or financial remedy:</b> When the Respondent voluntarily addresses any inadequacies in contract implementation, or returns funds or the economic benefit obtained through the misconduct. The timing of the action may be indicative of the extent to which it reflects genuine remorse and intention to reform, or a calculated step to reduce the severity of the sanction.</p> <p><b>4. <u>Passage of Time</u></b> – Where there has been a significant passage of time since the events comprising the Sanctionable Practice, mitigation may be applied if the delay may affect the fairness of the process for the Respondent or the Respondent’s culpability or responsibility in relation to the Sanctionable Practice. In considering the appropriate extent of mitigation on this basis, the decision-makers should assess the significance of the passage of time and the Respondent’s own possible contributions to the delay. In general, no mitigation should be applied for delays caused by Respondent’s own conduct, such as delays in investigation caused by attempts to conceal misconduct or withhold evidence.</p>
Up to 50%	<p><b>5. <u>Cooperation with Investigation</u></b> – Examples of this mitigating factor include, but are not limited to:</p> <p>(i) <b>Assistance and/or ongoing cooperation:</b> The Respondent has provided demonstrably substantial assistance in an investigation, as indicated by the nature and extent of the assistance (including whether Respondent has made any voluntary disclosures of misconduct). In assessing this, the decision-makers may take into account the truthfulness, completeness, and reliability of the information or testimony provided; and the timeliness of assistance. The amount of mitigation awarded should be proportionate to the degree of cooperation provided.</p> <p>(ii) <b>Internal investigation:</b> The Respondent conducted an effective internal investigation of the misconduct and relevant facts relating to the misconduct for which the Respondent is to be sanctioned. The results of such investigation must have been shared with INT. Consideration should also be given to: (i) the thoroughness of the investigation; (ii) the truthfulness, completeness, and reliability of the information provided to INT; and (iii) the restrictions placed upon the use of this information. This factor may apply both to entities and to individual Respondents who contributed to the internal investigation.</p> <p>(iii) <b>Admission/acceptance of culpability/responsibility:</b> In assessing the weight to be given to this factor, the decision-makers should consider the extent of the admission or acceptance – greater weight</p>

	<p>should be given to full and affirmative acceptances of guilt or responsibility for misconduct. Admissions should be given more weight the earlier that they are provided in an investigation or subsequent sanctions proceedings.</p> <p>(iv) <b>Voluntary restraint:</b> Voluntary restraint from bidding on WBG-financed tenders, or otherwise engaging in projects financed or co-financed by the WBG, may also be considered as a form of assistance and/or cooperation.</p>
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**SECTION IV – OTHER PROVISIONS**

N/A

**SECTION V – TEMPORARY PROVISIONS**

N/A

**SECTION VI – EFFECTIVE DATE**

This Guidance is effective as of the date on its cover page.

This Guidance was issued on January 1, 2011, and updated and revised on the Effective Date.

- (a) This Guidance shall apply to:
  - (i) all proceedings for which a Notice is issued by the SDO or EO on or after the Effective Date; and
  - (ii) any settlement in respect of which a request for a stay or a settlement agreement is submitted to the SDO or EO on or after the Effective Date.

**SECTION VII – ISSUER**

Managing Director and WBG Chief Administrative Officer

**SECTION VIII – SPONSOR**

Senior Vice President and World Bank Group General Counsel

**SECTION IX – RELATED DOCUMENTS**

1. WBG Policy: Sanctions for Fraud and Corruption
2. Bank Directive: Sanctions for Fraud and Corruption in Bank Financed Projects

3. Bank Procedure: Sanctions Proceedings and Settlements in Bank Financed Projects
4. Bank Procedure: Release from Permanent Debarment Imposed on Certain Individuals
5. IFC Sanctions Procedures
6. MIGA Sanctions Procedure
7. World Bank Private Sector Sanctions Procedure

## SECTION X – REVISION HISTORY

Revised on the Effective Date.

Changes have been made throughout the Guidelines, including with respect to:

- the preamble;
- the section on the range of sanctions; and
- the table setting out the aggravating and mitigating factors.

The changes are aimed at (i) underscoring and clarifying the flexibility accorded to decision-makers in determining the appropriate sanction; and (ii) better reflecting the existing practice of decision-makers.

Questions regarding this Guidance should be addressed to the Sponsor.