

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

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

In 2010, as part of its continuing effort to improve its sanctions regime, the World Bank Group (WBG) changed its baseline sanction from debarment for a finite period to debarment with conditional release. Under this baseline sanction, a sanctioned party is not automatically released from WBG sanction after a specified period of time, but instead must satisfy specified conditions in order to be released. In most cases, the sanctioned party's establishment and implementation of an integrity compliance program (ICP), satisfactory to the WBG, is a principal condition to ending the debarment (or conditional non-debarment). In addition, the WBG Integrity Vice Presidency (INT) appointed an Integrity Compliance Officer, whose primary role is to monitor integrity compliance by sanctioned parties and independently determine whether they have met their respective conditions for release.

## **What are the responsibilities of the Integrity Compliance Officer (ICO)?**

The ICO engages collaboratively with sanctioned parties as they work toward meeting their conditions for release from WBG sanction, such as the implementation of an ICP. Ultimately, the ICO decides whether the sanctioned parties' efforts sufficiently satisfy their respective integrity compliance conditions for release from sanction. The conditions for release of the sanctioned party are established in the applicable WBG sanctioning document, which may be a Settlement Agreement, determination of the World Bank Office of Suspension and Debarment or relevant WBG Evaluation Officer, or WBG Sanctions Board Decision.

## **What is the purpose of requiring the satisfaction of conditions?**

The WBG's move to debarment with conditional release as the baseline sanction, as well as the retention of conditional non-debarment as an available sanction, was intended to prioritize the rehabilitation of sanctioned parties and to seek to reduce the WBG's fiduciary and reputational risk. Specifically, the WBG sought to emphasize rehabilitation through a sanctioned party's adoption and effective implementation of internal governance policies. The implementation of such policies is intended to help the sanctioned party to detect, deter, investigate, and remediate the type of behavior that led to the sanction.

## **What are the standards for monitoring integrity compliance?**

WBG experience and international best practice show that the establishment and implementation of an effective ICP is an important measure to help companies and individuals prevent and mitigate corruption, fraud, collusion, and other misconduct. The overarching principles and components incorporated in an effective ICP have evolved from a global consensus. These principles and components are reflected in the WBG Integrity Compliance Guidelines (Guidelines) as guidance for conditionally sanctioned parties. A summary of the Guidelines is [available to the public online](#) in several languages.

## **What integrity compliance conditions can apply other than an ICP?**

While the implementation of an ICP is the most common integrity compliance condition for release, other such conditions may apply in appropriate cases, as established in the applicable sanctioning document. For example, conditions such as the completion of ethics training, implementation of bidding procedures, or other remedial actions may be imposed based on the circumstances of the case. Sanctioning documents also may require restitution payments or cooperation in ongoing investigations as conditions for release.

### **What is the role of outside integrity compliance monitors and experts?**

The ICO is responsible for determining whether a sanctioned party must retain an independent integrity compliance monitor or expert (Expert). Factors that the ICO considers in making this determination include: (i) the nature and frequency of the misconduct underlying the sanction; (ii) the nature and structure of the sanctioned party, including any sanctioned affiliates and/or relevant parent company(ies), as well as its risk profile; (iii) the maturity of any existing ICP and corporate integrity compliance function; and (iv) the period of sanction. If the ICO requires an Expert to be retained, the ICO will ask the sanctioned party to propose at least three candidates for consideration. If the ICO has no objection to any of the proposed candidates (e.g., for a conflict of interest or inadequate qualifications), final Expert selection is left to the decision of the sanctioned party. Experts are generally expected to independently report on the design, implementation, and effectiveness of the ICP to both the ICO and the sanctioned party throughout the period of the Expert's engagement. All related costs are to be borne by the sanctioned party.

### **What types of interactions take place between the ICO and sanctioned parties?**

The ICO engages collaboratively with sanctioned parties that are working to satisfy their conditions for release. In addition to the interactions noted above, the ICO also may provide sanctioned parties with resources that can assist in their integrity compliance efforts, including through the ICO's mentorship program whereby a sanctioned party may be paired with a mentor from among companies who have been released from WBG sanction after meeting their integrity compliance conditions for such release. Engagement with the ICO typically involves several steps:

- (1) As soon as practicable, after receiving formal notice of a sanction from the relevant WBG sanctioning office, the ICO will send an initial notice to the sanctioned party. In the initial notice, the ICO: (i) outlines the conditional release process; (ii) asks the conditionally sanctioned party to provide specified corporate information, as well as any existing ICP documents; and (iii) invites the conditionally sanctioned party to engage with the ICO to work toward satisfaction of its release conditions.
- (2) As noted above, the ICO determines whether an Expert will be required and engages in discussions relating to the Expert's engagement and scope of work.
- (3) The ICO reviews the conditionally sanctioned party's compliance efforts throughout the period of sanction and may comment on the sanctioned party's draft integrity compliance policies. Importantly, the ICO's review considers not only the ICP and related documents as written, but also their actual implementation, which should be supported by documentary evidence. In broad terms, the ICO reviews the design and implementation of such compliance documents for general consistency with the principles set out in the Guidelines, while also considering the sanctioned party's prior misconduct and particular circumstances (e.g., its size, corporate structure, and risk profile). In addition, the ICO considers reports provided by, and provides comments to, the sanctioned party and Expert.
- (4) To be released from WBG sanction, a sanctioned party must submit an application seeking release for review and determination by the ICO in accordance with the applicable WBG Sanctions Procedures. The ICO may verify the arguments and evidence contained in the application. Any failure to cooperate with such verification may be considered in connection with the ICO's determination of compliance or non-compliance. The ICO endeavors to conclude the verification process and make a determination as soon as practicable, and to promptly notify the conditionally sanctioned party of the determination and its

basis. ICO determinations of non-compliance may be appealed by a sanctioned party to the WBG Sanctions Board.

The engagement process can be summarized as follows:

