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# MDB HARMONIZATION IN THE GLOBAL SANCTIONS SYSTEM



Lessons Learned with Practical Implications



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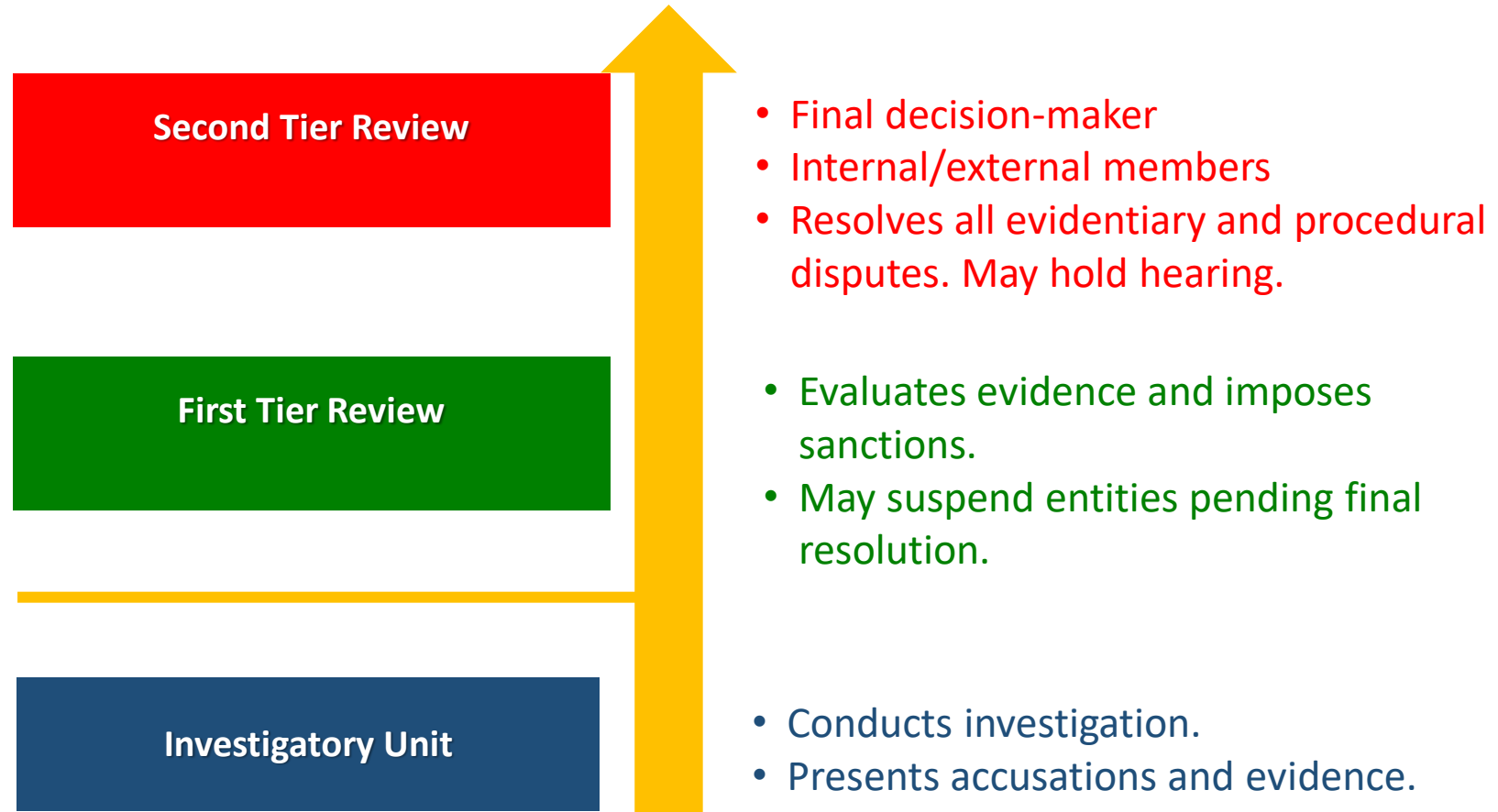
# BACKGROUND

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- 1) What is the role of MDBs in the global anti-corruption regime?
- 2) What do we mean by harmonization?
- 3) What does a typical MDB sanctions framework look like?

# TWO TIER SANCTIONS SYSTEM

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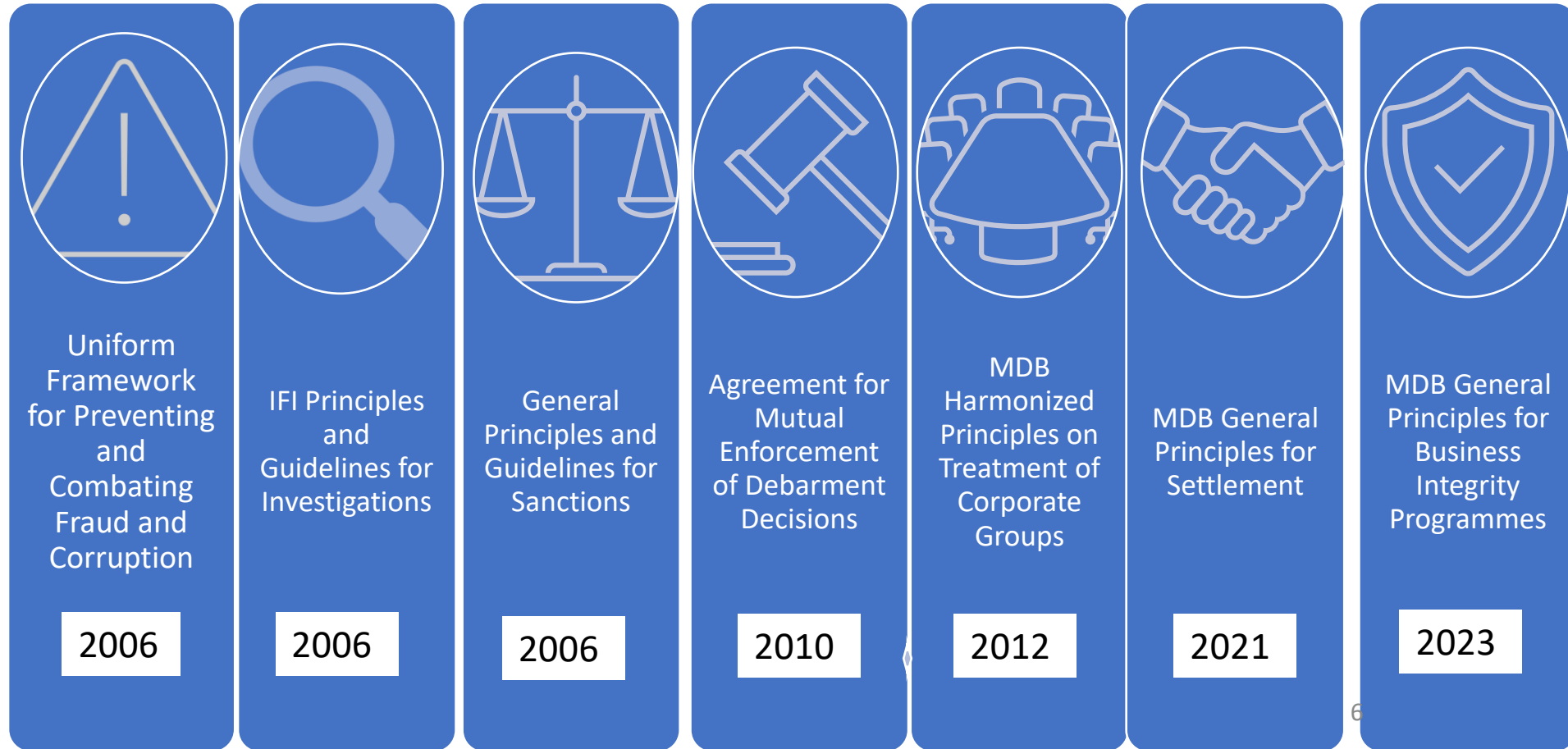


# Uniform Framework for Preventing and Combating Fraud and Corruption



# MDBs Evolving Harmonization of Standards

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# Entities Sanctioned With Release Conditions by WBG Sanctions System\*

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<b>Number of Entities in Current ICO Portfolio</b>	<b>422</b>
<b>Settlements</b>	63
First Tier Determinations	309
<b>Second Tier Determinations</b>	50
<b>Number of Entities Released</b>	<b>186</b>
<b>Settlements</b>	123
First Tier Determinations	34
<b>Second Tier Determinations</b>	29
<b>Total Number of Entities Sanctioned with Release Conditions</b>	<b>608</b>

\*2011 through March 2024

# MDB General Principles for Business Integrity Programmes

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- Non-exhaustive, non-binding guidance relating to ICPs in context of MDB-financed projects, but can be used as guidance beyond such projects
- Provide harmonized approach among participating MDBs which can be incorporated when imposing sanctions under respective sanctions systems
- Encourage companies to develop and implement ICPs as standard business practice
- Adaptable to entities of all types and sizes, operating in various environments
- Six themes: (i) core principles; (ii) internal controls; (iii) reporting and investigation; (iv) training and communication; (v) business partners; and (vi) collective action

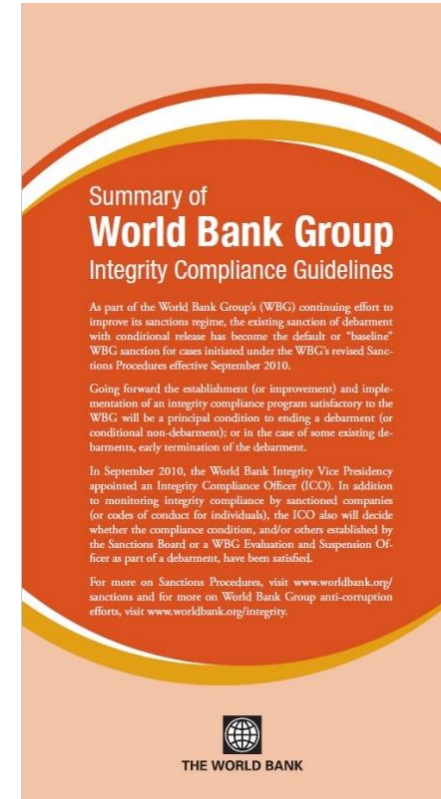




# WBG Integrity Compliance Guidelines

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1. **Prohibition of Misconduct**
2. **Responsibility** (leadership, individual responsibility, compliance function)
3. **Initiation, Risk Assessment, Reviews**
4. **Internal Policies** (due diligence, conflict of interest, gifts and hospitality, travel, charitable/political contributions, facilitation payments, recordkeeping, prohibited practices)
5. **Business Partners** (due diligence, informing partner, reciprocal commitment, documentation, remuneration, payment, monitoring)
6. **Internal Controls** (financial controls, contractual obligations, decision-making processes)
7. **Training and Communication**
8. **Incentives** (positive, disciplinary)
9. **Reporting** (duty to report, advice channels, whistleblowing hotlines, periodic certification)
10. **Remediate Misconduct** (investigation protocol, response measures)
11. **Collective Action**



(<https://thedocs.worldbank.org/en/doc/06476894a15cd4d6115605e0a8903f4c-0090012011/original/Summary-of-WBG-Integrity-Compliance-Guidelines.pdf>)