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World Bank Integrity Vice Presidency Continues Robust Enforcement in 2020

On October 8, 2020, the World Bank Group (“WBG”) issued its Sanctions System Annual Report for the fiscal year 2020 (the “Report”), detailing the WBG’s efforts to investigate and adjudicate allegations of sanctionable practices by firms and individuals in WBG-financed contracts.

In the fiscal year 2020, the WBG temporarily suspended 30 firms and 8 individuals and debarred 46 firms and individuals. The Report further highlights that in fiscal year 2020 the WBG’s investigative and prosecutorial arm, the Integrity Vice Presidency (“INT”), received 2,958 complaints and opened 46 new external investigations.

The WBG continues to focus on meeting the needs of its constituents, including those caused by the unprecedented COVID-19 pandemic. However, INT makes clear that it maintains its robust investigation capabilities and that the pandemic will not prevent it from continuing to safeguard WBG resources.

Other key statistics include that:

- The INT submitted 26 cases and 22 settlements to the Office of Suspension and Debarment (the “OSD”), the first tier of the two-tier Sanctions System;
- OSD sanctioned 19 respondents via uncontested determinations;
- The Sanctions Board, the second tier of the two-tier Sanctions System, issued six public final decisions; and
- The Integrity Compliance Office engaged with 107 sanctioning parties towards meeting their conditions for release and determined that 18 sanctioned parties had satisfied their conditions for release.

The WBG also reported 11¹ external referrals, the vast majority to specific governments or government agencies. When the WBG finds evidence of possible criminal conduct, it takes the view that it has a responsibility to



make such referrals to its constituents. Without question, referrals increase the potential of parallel government investigations into suspected wrongdoing.

Those involved in WBG-funded projects must remain vigilant and ensure compliance with all WBG requirements, including those enforced by INT. Experienced counsel can help identify potential issues as early as the RFP and contracting stages and advise on navigating the Sanctions System, and if the need arises, to minimize the risk of enforcement action by the World Bank.

King & Spalding maintains a robust enforcement practice before World Bank as well as other multilateral development banks (“MDBs”). We work closely with our Project Finance colleagues to ensure that, even prior to entering into contracts with MDBs, our clients have the tools to manage the complex requirements of the WBG and other MDBs. We are available to answer any questions or inquiries you may have about individual MDB procurement processes and MDB enforcement matters.

ABOUT KING & SPALDING

Celebrating more than 130 years of service, King & Spalding is an international law firm that represents a broad array of clients, including half of the Fortune Global 100, with 1,200 lawyers in 22 offices in the United States, Europe, the Middle East and Asia. The firm has handled matters in over 160 countries on six continents and is consistently recognized for the results it obtains, uncompromising commitment to quality, and dedication to understanding the business and culture of its clients.

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¹ Certain referral information was omitted where INT is aware of ongoing law enforcement action.