

## MESSAGE FROM THE PRESIDENT



As a public institution which has been entrusted by the international community to provide development assistance, it is vital that the World Bank Group operate in an open and transparent manner. This will be particularly

important as we scale up our efforts to work with many of our partner countries on strengthening governance. This report details the steps the Bank is taking to confront fraud and corruption in our projects, as well as to promote the highest standard of conduct amongst our staff. It is another means by which the Bank's various stakeholders can hold us accountable.

Within the Bank Group, there are several units coordinating our broader governance and anti-corruption work, including Regional staff, Operations Policy and Country Services (OPCS), the Poverty Reduction and Economic Management Network (PREM), the Institutional Integrity Department (INT), the World Bank Institute (WBI), and the Legal Department. This report focuses on the investigative activities of, and outcomes from, the work of INT.

Thorough, independent investigation of allegations of corruption and misconduct are fundamental to fulfilling the Bank's fiduciary obligations, addressing reputational risks concerning the effective use of development assistance, deterring misuse of funds in Bank projects and, most important, achieving development effectiveness.

Corruption is a disease that drains resources and discourages investment. It benefits the privileged and deprives the poor. Today, there are more than 1 billion people worldwide surviving from one day to the next on \$1 a day. Corruption threatens their hope for a better quality of life and a more promising future. If there is a universal concern I hear from people when I visit developing countries, it is the need for fair and effective governance — and that means dealing with the impact of corruption.

Every development institution, including the World Bank, has a responsibility to safeguard every dollar, to ensure that it is spent as wisely as possible, and to set a standard which we can be proud of. We at the World Bank are well aware that our own projects can be targets of corruption, and this report makes clear that we are taking action.

We must also ensure that Bank staff continue to maintain high standards of conduct. The overwhelming majority of people working in the Bank Group are exceptionally dedicated professionals, but recent corporate scandals around the world have shown that the actions of even a very small number of individuals can tarnish the reputation of an entire organization.

This report shows the commitment and hard work of the staff of the Integrity Department over the past two years. Their accomplishments would not have been possible without the support of the Audit Committee and the Board of Executive Directors, as well as the Legal Department and the Sanctions Committee.

The World Bank Group owes much gratitude to the individuals who reported the allegations of fraud and corruption and helped protect the integrity of our projects. This institution must continue to promote an environment in which Bank staff, public officials and private citizens can report allegations and ensure that every development dollar is used to benefit the poor.

**Paul Wolfowitz**  
President, World Bank Group