



World Bank
Department of Institutional Integrity (INT)
Voluntary Disclosure Program (VDP)



VDP GUIDELINES FOR PARTICIPANTS

The purpose of these guidelines is solely to describe, in non-legal language, the process used by the World Bank in the administration of the World Bank Voluntary Disclosure Program (VDP). These guidelines do not, nor should be relied upon to, create, confer, or grant any rights, benefits, privileges, or protections. Only the VDP Terms & Conditions govern participation in the Voluntary Disclosure Program; interested parties should refer to those Terms & Conditions for the Program's precise requirements.

ABBREVIATIONS AND ACRONYMS

IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
INT	Department of Institutional Integrity
MIGA	Multilateral Investment Guarantee Agency
NGO	Non-governmental Organization
VDP	Voluntary Disclosure Program

GLOSSARY OF VDP TERMS

TERMS & CONDITIONS DEFINITIONS

- The Compliance Program** – The Participant’s corporate compliance and ethics program, including related internal controls and any changes recommended by the World Bank.
- The Compliance Monitor** – The firm or individual hired by the Participant to monitor the Participant’s compliance with its Compliance Program. The Compliance Monitor is distinct from the entity that develops the Compliance Program.
- The Contracts** – Contracts related to projects financed or supported by the IBRD, IDA, IFC, or MIGA that have been signed or were in effect within 5 years prior to the Date of Acceptance of the Terms & Conditions.
- Date of Acceptance** – The date on which the Terms & Conditions become effective for a given Participant. It is defined as the date that the Participant’s representative signed the letter from the World Bank inviting the Participant to enter the VDP.
- The Internal Investigation Plan** – A draft plan, developed by the Participant and approved by the World Bank, which identifies the nature and focus of the Participant’s investigation into the Tainted Contracts. The Investigation Plan must be approved by the World Bank and be in accord with the World Bank's Internal Investigation and Report Protocol.
- The Internal Investigation and Report Protocol** – The World Bank protocol specifying how a firm participating in the VDP must conduct its Internal Investigation and draft its Internal Investigation Report.
- The Internal Investigation** – The Participant’s internal investigation of Tainted Contracts, which is conducted pursuant to the Internal Investigation Plan.
- The Internal Investigation Report** – The report, generated by the Participant, of its Internal Investigation into the Tainted Contracts. The Report must be in accord with the World Bank's Internal Investigation and Report Protocol.
- The List** – A list, provided by the Participant to the World Bank, of all of the Contracts. The Participant generates the initial List, the World Bank works with the Participant to finalize it, and the Participant then categorizes the List (subject to World Bank approval and, if needed, investigation) into Tainted and Untainted Contracts.
- Material Terms** – The provisions in the Terms & Conditions whose violation result in a 10-year debarment for a Participant.
- Misconduct** - Any action or practice that is subject to sanction by the World Bank’s Sanctioning Body.
- The Monitoring Report** – A report, generated annually for three consecutive years (or more, if needed) by the Compliance Monitor, which addresses: (i) the compliance review performed; (ii) the adequacy of the policies, procedures, and compliance measures devised by the Participant; (iii) the status of the Participant's

implementation of those policies, procedures, and compliance measures; (iv) any findings of continued Misconduct by the Compliance Monitor; and (v) reasonable recommendations made by the Compliance Monitor.

Notice – Any notice or other communication made in connection with the Terms & Conditions.

Sanctioning Body – The Sanctions Committee or its successor that may sanction for the IBRD, IDA, IFC, or MIGA.

Tainted Contracts – Those Contracts tainted by Misconduct.

Terms & Conditions – The legal document specifying the conditions upon which a firm participates in the VDP.

Untainted Contracts – Those Contracts not tainted by Misconduct.

Verification – The process of the World Bank investigating the Tainted Contracts discussed in the Internal Investigation Report to verify the Report's accuracy.

The World Bank – The IBRD, IDA, IFC and MIGA, commonly referred to as the World Bank Group.

NON-TERMS & CONDITIONS DEFINITIONS

Background Data Sheet – The form completed by a prospective Participant and used by the World Bank to determine a prospective Participant's eligibility to enter into the VDP.

The Categorized List – The List provided by the Participant after it has been categorized into Tainted and Untainted Contracts.

The Full Bank Report – The report produced by the World Bank based upon the Participant's Internal Investigation Report, which is shared with the General Counsel and President of the World Bank.

Legitimacy Determination – The World Bank's determination of whether a prospective Participant is a *bona fide* entity to whom the Bank should submit a Background Data Sheet.

Letter of Eligibility – The letter submitted by the World Bank to a prospective Participant notifying the entity of its eligibility to enter into the VDP.

Participant – A firm, other entity, or individual that has accepted the VDP Terms & Conditions.

Redacted Report – A version of the Full Bank Report which is redacted to maintain the Participant's confidentiality. Redacted reports, tailored to the recipient, are shared on a need-to-know basis with the World Bank's Executive Directors, the World Bank's Internal Auditing Department, World Bank external auditors, other World Bank staff, World Bank member countries, other multilateral development banks, international organizations, non-governmental organizations, and civil society at large.

VDP Entry Request Form – The form, available electronically on the VDP website, which must be submitted by a prospective Participant to initiate communication with a VDP representative.

VDP Primary Contact – The World Bank liaison assigned by the VDP Manager to facilitate communication between the Participant and the World Bank.

**THE WORLD BANK
INT DEPARTMENT
VOLUNTARY DISCLOSURE PROGRAM
GUIDELINES**

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GUIDELINES**

1. INTRODUCTION

The World Bank provides these Guidelines to give prospective Participants, and the public at large, an overview of the World Bank Voluntary Disclosure Program (VDP). The Guidelines describe, in a summary fashion, the processes used by the World Bank in administering the VDP. More detailed explanations of the VDP's processes are provided in the program's Protocols, which are referenced herein when appropriate. Note that these Protocols may change from time to time to better fit the needs of the program.

2. PURPOSE

The purpose of the VDP is to scale up the World Bank's fight against corruption by partnering with the private sector through a program that provides firms, other entities, and individuals with incentives to disclose their knowledge of fraudulent and corrupt practices and comply with World Bank rules and guidelines. The program aims to improve development effectiveness by creating a business climate surrounding World Bank-financed and supported projects that is free of fraud and corruption, and to reduce the risk of fraud and corruption in ongoing and planned Bank projects by providing the World Bank with information about specific wrongdoing.

3. PROGRAM SUMMARY

The VDP gives firms, other entities, or individuals who have entered into, been a party to, or were involved in the procurement and selection process for contracts related to projects financed or supported by the IBRD, IDA, IFC, or MIGA the opportunity to confidentially partner with the World Bank and:

- a. Cease corrupt practices;
- b. Voluntarily disclose information about Misconduct that is sanctionable by the Bank (*e.g.*, fraud, corruption, collusion, coercion) by conducting an internal investigation at the Participant's cost; and
- c. Adopt a robust "best practice" corporate governance Compliance Program which is monitored for 3 years by a Compliance Monitor.

In exchange, the Bank does not publicly debar Participants for disclosed past Misconduct and keeps their identities confidential.

If, however, a Participant does not disclose all Misconduct voluntarily, completely, and truthfully; continues to engage in Misconduct; or violates other material provisions of the Terms and Conditions of the VDP, that Participant faces mandatory 10-year public debarment in accordance with regular World Bank procedures.

To disseminate knowledge about the anatomy of corruption, the World Bank shares non-confidential information resulting from a Participant's disclosures—in a redacted format to protect the identity of the Participant—with World Bank management and staff, member countries, and interested stakeholders.

4. SANCTIONS UNDER THE VDP

In exchange for a Participant committing to and satisfying its obligations under the VDP Terms & Conditions, the World Bank's sanction for a Participant's disclosed past Misconduct is the financial obligation imposed on the Participant under the VDP Terms & Conditions. This sanction will not be publicized or communicated by the Bank to any third party. The Bank will not seek the Participant's debarment for its, or its current or former officers', employees', or agents' involvement in disclosed Misconduct that occurred prior to the Participant joining the VDP.

5. DESCRIPTION OF THE VDP PROCESS

Under the VDP, Participants disclose all information in their possession about the actors and schemes that corrupt Bank funds, they stop engaging in corrupt and fraudulent behavior, and they enhance their compliance system and controls. The VDP Process is summarized in the VDP Process Diagram.

5.1. ELIGIBILITY

Any firm, other entity, or individual that meets the following criteria may enter the VDP and become a program Participant:

- a. *Not Under Active Investigation by the World Bank.* The VDP is only available to firms, other entities, or individuals that are not under active investigation by the World Bank.
- b. *Involved in World Bank Group Activities.* Firms of any size, other entities, and individuals may enter the VDP if they have entered into, been a party to, or were involved in one or more contracts related to projects or contracts financed or supported by the IBRD, IDA, IFC, or MIGA.
- c. *World Bank Group Staff and Executive Directors Cannot Enter the VDP.* The VDP is open to any firm, other entity, or individual except for (i) World Bank Group staff; and (ii) Executive Directors, their Alternates, and their staff.

5.2. REGISTRATION

5.2.1. REQUEST FOR ENTRY

A firm, other entity, or person seeking to participate in the VDP may initiate communication with the World Bank by completing and submitting a VDP Entry Request Form, available on the VDP website. A prospective Participant completes the VDP Entry

Request Form, preferably electronically, and returns it to the VDP through the World Bank's secure server, or via mail, facsimile, or in person.

5.2.2. *LEGITIMACY DETERMINATION*

After a prospective Participant submits a VDP Entry Request Form, the World Bank determines the legitimacy of the request (*e.g.*, that a firm submitting a request actually exists). If the prospective Participant is legitimate, the World Bank electronically submits, mails, or faxes a VDP Background Data Sheet to the prospective Participant.

5.2.3. *BACKGROUND DATA*

The prospective Participant completes the Background Data Sheet, preferably electronically, and returns it to the VDP through the World Bank's secure server, or via mail, facsimile, or in person. The Background Data Sheet is used to determine the prospective Participant's eligibility to enter the VDP.

5.2.4. *ELIGIBILITY DETERMINATION*

The World Bank confirms the information provided in the Background Data Sheet. Based upon information provided in the Background Data Sheet and the results of that confirmation, the World Bank determines the eligibility of the prospective Participant to enter the VDP and become a Participant.

5.3. ENTERING THE VDP

5.3.1. *COMMITTING TO THE STANDARDIZED VDP TERMS & CONDITIONS*

Once the World Bank determines that a prospective Participant is eligible to enter the VDP, the VDP Primary Contact, acting as the liaison between the potential Participant and the World Bank, arranges a meeting so that the prospective Participant may sign a letter inviting it into the VDP. By signing that letter, the prospective Participant accepts the VDP Terms & Conditions. The VDP Terms & Conditions set forth all of the terms of the relationship between the World Bank and the Participant. They are standardized and cannot be negotiated by entities seeking to enter the program. See Annex E, Protocol 3.

5.3.2. *COMMITTING THE ENTIRE ENTITY*

The Participant, which in a group of interrelated firms will be the parent firm, is required to ensure that each of its affiliates fully complies with each and every obligation imposed on the Participant through the VDP Terms & Conditions.

5.4. CEASING MISCONDUCT

Upon joining the VDP, the Participant commits to not engage in Misconduct in any World Bank-financed or supported project or contract.

5.5. INVESTIGATION AND DISCLOSURE

5.5.1. SCOPE OF DISCLOSURE

The Participant must disclose all Misconduct, *i.e.*, any action or practice that is subject to sanction by the Sanctions Committee or its successor that may sanction for the IBRD, IDA, IFC, or MIGA (Sanctioning Body). Participants will avoid public debarment for all of the following disclosed Misconduct:

- a. Misconduct in contracts that the Participant entered into, was a party to, or was involved in the procurement and selection process for, which are related to projects financed or supported by the IBRD, IDA, IFC, or MIGA that have been signed or were in effect within 5 years prior to the date the Participant entered the VDP (the Contracts); and
- b. In cases where, after a Participant has entered the VDP, Misconduct was performed by the Participant's employee, agent, or representative acting on behalf of the Participant which did not result in debarment under paragraphs 44 and 45 of the VDP Terms and Conditions.

If the Participant discloses information relating to Misconduct by the Participant that poses an imminent and substantial threat to human health or safety, the Participant must take such measures as are necessary and appropriate to mitigate or remove the threat.

The Participant also must disclose Misconduct in World Bank-financed and supported contracts involving other firms or individuals of which the Participant becomes aware. This includes affiliated firms in which the Participant holds only a minority ownership position.

5.5.2. PARTICIPANT PROVIDES LIST OF ALL CONTRACTS

The Participant begins its investigation and disclosure by submitting to the World Bank a list of all the Contracts related to projects financed or supported by the World Bank (the List).

5.5.3. WORLD BANK REVIEWS LIST OF ALL CONTRACTS

The World Bank verifies the information in the List submitted by the Participant. Once the World Bank deems the List accurate and complete, the Bank returns the List to the Participant so that the Participant may classify each Contract as tainted or untainted by Misconduct.

5.5.4. PARTICIPANT CATEGORIZES CONTRACTS AS TAINTED OR UNTAINTED

The Participant then classifies each contract on the List as tainted or untainted by fraud, corruption, collusion, or coercion. The categorized List is submitted to the World Bank for review.

5.5.5. WORLD BANK COMPLETES CATEGORIZATION OF LIST

The World Bank samples, at its expense, the Contracts classified as untainted in the categorized List to verify the Participant's classifications. Based upon the results of the

World Bank's initial sampling, the Bank may choose to sample more contracts classified as untainted to further ensure that the Participant's list of tainted contracts is complete and comprehensive.

5.5.6. PARTICIPANT CONDUCTS INTERNAL INVESTIGATION AND GENERATES REPORT

When the World Bank approves the final categorized List, the Participant drafts an investigation plan regarding the tainted Contracts that complies with the World Bank's Internal Investigation and Report Protocol (the Internal Investigation Plan) and meets with the World Bank to finalize the Plan. The Internal Investigation Plan determines the timeline for the Participant's internal investigation and fixes a date for submission of the Internal Investigation Report. The Participant then conducts its Internal Investigation, at its cost and pursuant to the Internal Investigation Plan, and generates an Internal Investigation Report detailing its findings. The Internal Investigation Report also must be in accord with the World Bank's Internal Investigation and Report Protocol.

5.5.7. WORLD BANK VERIFIES THE INTERNAL INVESTIGATION AND REPORT

Within 12 months of receipt of the Participant's Internal Investigation Report, the World Bank, or independent investigator(s) retained by the World Bank, verifies the Report. Verification consists of an initial investigation of up to 30% of the Contracts disclosed in the Internal Investigation Report. The World Bank also may investigate additional contracts if it believes further verification is necessary. The Participant bears the costs of Verification.

5.6. COMPLIANCE PROGRAM

5.6.1. THE WORLD BANK'S RECOMMENDATIONS REGARDING THE COMPLIANCE PROGRAM

Within 60 days of entering the VDP, the Participant submits to its VDP Primary Contact its then-current corporate ethics and compliance program, including any related internal controls (the Compliance Program). The World Bank reviews the Compliance Program and may require reasonable and appropriate changes to it to ensure that, at a minimum, the Compliance Program includes certain measures and policies based upon, among other international standards, the International Chamber of Commerce Rules of Conduct and Recommendations to Combat Extortion and Bribery and standards promulgated by the World Economic Forum and Transparency International. The Participant must implement the Compliance Program, including the World Bank's recommendations.

5.6.2. COMPLIANCE MONITOR

After the World Bank completes its verification of the Participant's Internal Investigation Report, the Participant enters into an agreement with a Compliance Monitor to monitor the Participant's compliance with the Compliance Program. The Compliance Monitor must be independent, acceptable at all times to the World Bank, engaged on terms acceptable to the World Bank, and possess no conflicts of interest (*e.g.*, did not work on the development of the Compliance Program). The Compliance Monitor conducts three annual comprehensive reviews and, after each review, submits a Monitoring Report to the World Bank and the Participant. The Participant must cooperate fully with the

Compliance Monitor and adopt and implement the Compliance Monitor's recommendations. The Bank may extend the term of the Compliance Monitor, for a one year period(s), if a Participant engages in Misconduct for which it is not debarred or needs additional time to complete the implementation of its Compliance Program. Such extensions will be granted at the World Bank's discretion.

5.7. THE WORLD BANK'S USE OF VDP DISCLOSURES

5.7.1. PURPOSE AND DISCRETION IN SHARING VDP INFORMATION

The World Bank uses information disclosed by the Participant as it deems necessary or appropriate for the purposes of preventing and combating fraud and corruption. The final decision regarding the manner, content, and timing of any disclosures of information provided by the Participant rests at the World Bank's discretion.

5.7.2. PARTICIPANT CONFIDENTIALITY

The World Bank recognizes that if a Participant's identity is made public either directly or through the sharing of information provided by the Participant, the safety and welfare of the Participant and its subsidiaries (and their present and former officers, employees, representatives, agents, independent contractors, and their families) may be compromised. Therefore, the World Bank applies the following policies regarding sharing of VDP-disclosed information:

- a. The Participant and the World Bank Group's Department of Institutional Integrity will not disclose the Participant's involvement in the VDP to third parties, except to the World Bank's or the Participant's attorneys; to the President of the World Bank; as required by IFC/MIGA's legal obligations to third parties or the IBRD/IDA's partial risk or credit guarantee operations; in the case of debarment, as required by the World Bank's normal public debarment procedures; as required by applicable law and after notice to the other party; or by joint agreement between the World Bank and the Participant; and
- b. The World Bank will employ its best efforts to eliminate the risk of identification of the Participant or any of its current or former officers, employees, representatives, agents, and independent contractors as a source of information to the World Bank.

5.7.3. WORLD BANK REPORTS AND REDACTION

After the World Bank verifies the Participant's Internal Investigation Report, the Bank generates a full Bank Report, containing a summary of all of the Participant's disclosures. The Bank then generates Redacted Reports in which it removes and replaces information to produce reports which are distributed to specific audiences. Redacted Reports are redacted sufficiently so that no reader can determine the identity of the Participant.

5.7.4. RECIPIENTS OF VDP INFORMATION

Subject to confidentiality limitations, the VDP may provide information obtained from VDP disclosures to the following recipients:

- a. The World Bank President's Office and Office of the General Counsel;

- b. INT Investigators;
- c. The World Bank's Executive Directors, its Internal Audit Department, and external auditors;
- d. World Bank member countries; and
- e. Other Multilateral Development Banks, international organizations, non-governmental organization (NGOs), and civil society at large.

VDP information is distributed as follows: (i) The World Bank President's Office and Office of the General Counsel receive the Full Bank Report, (ii) World Bank Department of Institutional Integrity investigators receive certain unredacted information as required for their investigations, and (iii) all other parties receive Redacted Reports on a need-to-know basis.

5.7.5. NOTICE OF MEMBER COUNTRY DISCLOSURE

Before it discloses the information provided by a Participant to a member country, the World Bank gives the Participant at least 14 days prior written notice, for information only, of its intention to share redacted reports. The World Bank identifies the country to whom the information is to be given and the nature of the information to be given. If it is not practicable for the World Bank to give the Participant advance notice, the World Bank gives notice to the Participant as soon as practicable.

5.8. ENFORCEMENT

5.8.1. THE PENALTY

If a Participant is found in material violation of the VDP Terms & Conditions, the Participant faces mandatory public 10-year debarment through a proceeding before the World Bank's Sanctioning Body.

5.8.2. TRIGGERS FOR PENALTY

The 10-year debarment provisions are triggered if the Participant:

- a. Engages in Misconduct;
- b. Conceals or destroys information demonstrating Misconduct;
- c. Fails to properly report past or current Misconduct;
- d. Fails to implement a Compliance Program;
- e. Fails to hire and cooperate fully with an independent Compliance Monitor; or
- f. Fails to mitigate or remove any disclosed imminent threats to human health or safety.

The World Bank retains the right to impose a 10-year debarment for any Misconduct committed by the Participant before the termination of the VDP Terms & Conditions but discovered or reported after their termination.

5.8.3. IMPOSITION OF PENALTY

If the World Bank suspects or finds proof of a Participant's violation of the material terms of the VDP Terms & Conditions, the matter will be referred to World Bank's Sanctioning Body for a determination of whether the Participant should be debarred. The Participant's due process rights are protected through an opportunity to explain itself and through the proceedings of the Sanctioning Body. Should the Sanctioning Body find a violation of a material term of the VDP Terms & Conditions, the Participant's 10-year debarment will be mandatory and public.

5.9. TERMINATION

5.9.1. TERMINATION GENERALLY

A Participant exits the VDP when the VDP Terms & Conditions terminate. The Terms & Conditions terminate on the second anniversary of the submission of the last Monitoring Report, provided that no Misconduct occurs during that period, or if the Participant is debarred.

5.9.2. SURVIVING RIGHTS AND OBLIGATIONS

All rights and obligations of the Participant and the World Bank regarding confidentiality survive the termination of the VDP Terms & Conditions.

6. CONSEQUENCES OUTSIDE THE SCOPE OF THE VDP

6.1.1. WORLD BANK POLICIES AFFECTING A PARTICIPANT

The VDP does not relieve a Participant from its obligations under any existing contract, agreement, commitment or understanding with the World Bank, any member country of the World Bank, or any other party in relation to any project financed or supported, in whole or in part, by the World Bank.

6.1.2. LAW ENFORCEMENT CONSEQUENCES OF A PARTICIPANT'S MISCONDUCT

The VDP does not protect, in any way, a Participant from any criminal or civil liability that a Participant may incur under national law for any Misconduct, whether disclosed or not disclosed to the World Bank.

7. COSTS TO PARTICIPANTS

7.1.1. COSTS BORNE BY PARTICIPANTS

The VDP requires Participants to pay for the cost of their internal investigation and report, the World Bank's verification of that investigation and report, and the costs associated with the development and monitoring of their Compliance Program.

7.1.2. TECHNICAL ASSISTANCE TO SMALL AND MEDIUM-SIZED FIRMS

To prevent the costs associated with the VDP from deterring small firms from entering the Program, the Bank will allow firms with fewer than 50 employees to petition INT to

have INT perform some or all of the investigation, report generation, Compliance Program development, and Compliance Monitoring.