



## 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	Integrity Vice Presidency
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 up to 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 investigations 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 Investigations and draft its Internal Investigation Reports.

**The Internal Investigations** – The Participant’s internal investigations of Tainted Contracts, which is conducted pursuant to the Internal Investigation Plan.

**The Internal Investigation Reports** – The reports, generated by the Participant, of its Internal Investigations into the Tainted Contracts. The Reports 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 Board 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 Reports to verify, at its discretion, the accuracy of the Reports.

**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 Reports, 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 with member countries, and may be 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.



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## 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 or been a party to 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 internal investigations 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 & Conditions of the VDP, that Participant faces mandatory 10-year public debarment in accordance with regular World Bank procedures.

## 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. *Not Knowingly Under Active Investigation by Another Investigating or Prosecuting Authority or Seeking Resolution of a Case Involving a Sanctionable Practice.* The prospective Participant will be required to make a representation to that effect to the World Bank. The World Bank will conduct its own due diligence of firms seeking to enter the VDP.
- c. *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.
- d. *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 Board or its successor that may sanction for the IBRD, IDA, IFC, or MIGA (Sanctioning Body). Participants will avoid public debarment for: (i) Misconduct disclosed in contracts that the Participant entered into or was a party to, which are related to projects financed or supported by the IBRD, IDA, IFC, or MIGA that have been signed or were in effect up to 5 years prior to the date the Participant entered the VDP (the Contracts); and (ii) Misconduct not initially disclosed, but such non-disclosure is excused or does not result in debarment pursuant to the Terms & 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 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, with an explanation for the classifications. The categorized List is submitted to the World Bank for review.

### 5.5.5. World Bank Completes Categorization of List

The World Bank may sample, 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 Investigations and Generates Reports

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 investigations and fixes dates for submission of Internal Investigation Reports. The Participant then conducts its Internal Investigations, at its cost and pursuant to the Internal Investigation Plan, and generates Internal Investigation Reports detailing its findings. The Internal Investigation Reports 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 final Internal Investigation Report, the World Bank, or independent investigator(s) retained by the World Bank, may choose to verify the Reports. Verification would consist of an initial investigation of up to 30% of the Contracts disclosed in the Internal Investigation Reports. 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 enters into and maintains an agreement with a competent firm or individual (the Compliance Monitor), acceptable at all times to the World Bank, on terms and conditions acceptable to the World Bank. If Participants have an existing compliance program, the Compliance Monitor will review it and make any necessary recommended changes. If Participants do not have an existing compliance program, they are required to develop one separately that is acceptable to the World Bank. Participants may not hire a Compliance Monitor who participated materially and substantially in the development of the compliance program). These requirements can be modified by the World Bank if, given the size of the firm, their application would not be practical.

### **5.6.2. Compliance Monitor**

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 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, subject to the confidentiality provisions set out in the Terms & Conditions and explained below.

### **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 VDP Participant's identity will not be revealed to parties outside INT except: (i) to the World Bank Group's or the Participant's attorneys; (ii) to the President and General Counsel of the World Bank Group; (iii) by joint agreement between the World Bank Group and the Participant; (iv) if the World Bank Group determines it has a legal obligation to do so and after notice to the Participant; or (v) if the World Bank Group agrees to do so after receiving judicial notice and after consultation with the Participant.



### 5.7.3. Integrity Vice Presidency 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 un-redacted information; (ii) World Bank Integrity Vice Presidency investigators receive un-redacted information as required for their investigations; (iii) member countries receive redacted information; and (iv) all other parties receive redacted information (such as risk mitigation advice and lessons learned) on a need-to-know basis.

## 5.8. Enforcement

### 5.8.1. The Penalty

If a Participant is found in violation of material terms 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. Breach of Material Terms of VDP Terms and Conditions

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. Knowingly or recklessly fails to implement a Compliance Program;
- e. Knowingly or recklessly fails to hire and cooperate fully with an independent Compliance Monitor; or
- f. Knowingly or recklessly fails to mitigate or remove any disclosed imminent threats to human health or safety.

A Participant is deemed to have engaged in Misconduct or to have failed to properly report past or current Misconduct, where:

- a. Any senior official of the company who was directly involved in the company's participation in the VDP engages in Misconduct *after* the company entered the VDP;
- b. any other official or employee of the company engages in Misconduct *after* the company enters the VDP, and the Participant's governing body or senior management either knew or should have known, or was willfully ignorant, of the Misconduct; or
- c. any official or employee of the company engaged in undisclosed Misconduct *before* the company entered the VDP, and the Participant's governing body or senior management either knew or should have known, or was willfully ignorant, of the Misconduct.



If an affiliate, subsidiary or regional office of the Participant engaged in Misconduct against the wishes, intentions and compliance procedures of the Participant, the World Bank may initiate sanctions proceedings against the affiliate, subsidiary or regional office, and such entity may be sanctioned proportionate to the Misconduct.

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. 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: (i) the World Bank; (ii) any member country of the World Bank; or (iii) any other party in relation to any project financed or supported, in whole or in part, by the World Bank.

### 6.2. 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. Costs Borne by Participants

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

### 7.2. 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 investigations, report generations, Compliance Program development, and Compliance Monitoring.