

The background of the page features a close-up photograph of industrial machinery. A large, dark metal component with a central circular opening is positioned in the upper left. A long, cylindrical metal rod extends diagonally from the upper right towards the center. In the lower left, a complex metal assembly with several curved, blade-like sections is visible. The surface the machinery rests on has a mottled, orange-brown texture. The overall lighting is warm, with a gradient from light yellow at the top to darker orange at the bottom.

WORLD BANK
VOLUNTARY
DISCLOSURE
PROGRAM (VDP)

Business Without Bribes

Be Part of the Solution

The World Bank Group supports the economic growth of developing and post-conflict countries through financial and technical assistance. The Bank also takes a leading role in addressing global challenges such as climate change, food security, communicable diseases or pandemics. In carrying out its mandate, the Bank takes great care in deploying its financial and human resources to have maximum impact on the ground.

Private sector and civil society organizations are critical partners in support of the Bank's development mandate. Large and small, local and international companies bid on contracts under Bank-financed or managed projects to build the infrastructure and human capacity aimed at putting countries on a sustainable path of growth. In the past, in order to win bids or attract business opportunities, the practice of paying bribes has long been tolerated as an unavoidable cost. However, increasingly, the enormous negative impact on development outcomes and on investment appetite has led the international community to outlaw the bribery of officials through new treaties, national laws and integrity pacts. The economic and financial crisis has given further impetus to the worldwide momentum against corruption.

The Bank Group has taken a leadership role, in cooperation with development partners, to help set the tone for creating a level playing field by sanctioning fraud and corruption in its projects. The Bank through its sanctions rules has imposed sanctions on a number of consultants and firms found to have engaged in fraudulent or corrupt practices. A list of debarred entities can be found on the Bank's websites.

In 2007, in response to a shared desire by the Bank and companies that want to help level the playing field and assure others adhere to internationally accepted standards of business conduct, the Bank launched a Voluntary Disclosure Program (VDP). The program is similar to programs in use in the European Union, several European countries, the United States, and Australia. The VDP is housed within the Bank's Integrity Vice Presidency.

Key Elements

Any firm receiving Bank funds is eligible to participate in the VDP, unless it is already under active investigation.

Participating firms provide a list of contracts related to projects financed or supported by the Bank Group that have been signed or were in effect within three years prior to the date of entering the program. The Bank then determines for which contracts it requires a full internal investigation and agrees with the participant on the investigation plan and timetable. Results of the investigation are reported to the Bank and subject to verification and review.

A participating firm's internal compliance program is monitored by the Bank for three years.

The Program

Firms, NGOs, individual consultants and contractors enrolled in the VDP disclose to the Bank the results of an internal investigation into past fraudulent, corrupt, collusive, or coercive acts in projects or contracts financed or supported by the Bank Group (IBRD, IDA, IFC, or MIGA). They must also commit to not engage in such misconduct in the future. Firms must implement a robust internal compliance program, monitored by a Bank-approved compliance monitor. Participants normally pay most of the costs associated with the VDP process.

Benefits for Participants

In exchange for their full cooperation, participants:

- reduce the risk of being the subject of an INT investigation
- avoid the reputational damage of a public debarment
- remain anonymous as part of the confidentiality agreement which they sign with the Bank
- may continue to compete for Bank Group-supported contracts
- strengthen their corporate brand, building on a solid best practice compliance policy
- are able to work in a constructive framework and responsibly deal with "inherited" problems resulting from previous corporate acquisitions

A Win-Win Proposition

Firms participating in the VDP:

- Create a solid self-governance and compliance mechanism that fosters a strong culture of responsible corporate citizenship
- Protect their brand and corporate image from potential reputational damage and financial loss as a result of a debarment or other sanction imposed by the Bank for past fraudulent or corrupt practices in Bank-financed projects
- Contribute to the establishment of a more level playing field for competing for Bank-financed contracts

For detailed information,
contact phaynes@worldbank.org
(+1 202) 458 8236

www.worldbank.org/vdp