

Exclusion System Summary

World Bank Group

Corporate Procurement



Note: The World Bank Group (“WBG”) consists of the International Bank for Reconstruction and Development (“IBRD”), the International Development Association (“IDA”), the International Finance Corporation (“IFC”), the International Centre for Settlement of Investment Disputes (“ICSID”), and the Multilateral Investment Guarantee Agency (“MIGA”). The WBG Corporate Procurement Framework governs how the WBG contracts with private vendors to provide goods and services directly to the WBG institutions.

I. Government-Wide Legal and Institutional Framework:

Government-Wide Exclusion Framework? Yes.

- Exclusion decisions are made independent of the procurement process and according to centralized regulations. Exclusions prohibit the supplier from contracting with any WBG institution as a vendor.

Governing Policy:

- The WBG [Vendor Eligibility Policy](#).
 - This Policy applies to corporate vendor contracts entered into between a private vendor and the WBG pursuant to the WBG’s Corporate Procurement Framework.
 - This Policy is distinct from the [WBG’s Sanctions System](#), which applies to the WBG’s operational lending and development activities.

Primary Legal Foundation:

- Administrative/Regulatory Law.

Decision-Maker: Centralized; Not Functionally Independent from Senior Procurement Officials.

- The Director, Strategy, Performance, and Administration (“SPADR”) decides whether to exclude corporate vendors.

Qualification:

- None explicitly stated in the Vendor Eligibility Policy.

Independence:

- Not functionally independent from senior procurement officials.

II. Functioning and Enforcement of the Government-Wide Exclusion System:

General Provisions:

Type of Procedures: Administrative.

Decision Deadline: No stated deadline for decision-maker to make a final determination.

Provisional Exclusions: Yes. The SPADR may suspend a vendor if there is a reasonable likelihood that further investigation will lead to a finding of non-responsibility. In practice, suspensions are imposed prior to every non-responsibility determination.

Commencement of Proceedings: Ability to Initiate an Exclusion Proceeding.

- The SPADR cannot initiate an exclusion proceeding without first receiving some evidence or information calling into question a vendor's responsibility.
- Non-governmental parties can submit complaints and/or evidence, although these complaints are usually submitted to the Chief Procurement Officer and not to the SPADR directly.

Notice Requirements & Opportunity to be Heard: Yes & Yes.

Notice of Proceedings:

- Suppliers receive notice when the SPADR decides that grounds exist.
- Notice of proceedings must contain the grounds for exclusion.
- Decision-maker must make reasoning available to the supplier (not the public).

Opportunity to be Heard:

- Suppliers are entitled to present a defense to the SPADR and may make a written submission.

Appellate Review of Exclusion Decisions: No.

- Determinations of the SPADR are "final and without appeal." (Vendor Eligibility Policy, para. 5.1) Excluded vendors can, however, request reconsideration or modification of their exclusion.

Legal Representation:

- A supplier **may** be represented by counsel.

Subsequent Modification of Exclusion Decision: Yes.

A supplier is entitled to an opportunity to seek a modification or early termination of exclusion after it goes into effect.

- A supplier **may** submit a written request for reduction or elimination of its exclusion period to the SPADR only after fifty percent (50%) of its exclusion has passed.
- The SPADR **may**, upon the supplier's written request, reduce or eliminate the period or extent of ineligibility for reasons such as:
 - Newly discovered material information;
 - Reversal of the conviction upon which the non-responsibility determination was based;
 - Bona fide change in ownership or management;
 - Measures taken by the supplier to become responsible; or
 - Other reasons the SPADR deems appropriate.

III. Substantive Grounds for Government-Wide Exclusion:

Automatic Exclusion: No.

Discretionary Exclusion: Yes.

Any of the following grounds can be proven by a supplier's criminal conviction in a court of competent jurisdiction or an administrative finding by the SPADR:

- Corruption;
- Fraud;
- Collusion and/or infringing competition;
- Coercion or intimidation;
- Obstruction of an investigation;
- Theft or embezzlement;
- Money laundering;
- Tax-related offenses;
- Labor-related offenses;
- Social harms;
- Terrorist offenses or offenses linked to terrorism;
- Commercial regulatory violations;
- Poor performance, non-performance, and/or failure to perform on public contracts.

Administrative Catch-all:

- "[A]ny other action that in the sole discretion of the World Bank Group is so serious or compelling in nature that it (i) affects the present responsibility of the vendor, including but not limited to attempting to influence a World Bank Group institution procurement decision, or (ii) could result in harm to the World Bank Group's reputation or image." (Vendor Eligibility Policy, para. 3.1(k))
- The SPADR may decide not to exclude the supplier when there are:
 - Remedial measures;
 - Settlement/ agreement;
 - Organizational interest;
 - Other sanction (finding of conditional responsibility).

Exclusion based on Bankruptcy and Cross-Debarment:

Bankruptcy: Bankruptcy is a **discretionary** exclusion ground under the Vendor Eligibility Policy.

Cross-Debarment:

Depends on the cross-debarment's source:

- The Vendor Eligibility Policy **automatically** cross-debars vendors that have been debarred or suspended by the WBG's Sanctions System in connection with operational activities. (Vendor Eligibility Policy, para. 3.1(h))
- The Vendor Eligibility Policy **automatically** cross-debars vendors identified on any Anti-Money Laundering/Combating the Financing of Terrorists sanctions lists, including the United Nations 1267 sanctions list, the United States Executive Order 13224 sanctions list, and the United Kingdom terrorist sanctions list. (Vendor Eligibility Policy, para. 3.1(i))

- The SPADR has **discretion** to determine whether to exclude a vendor that has been excluded by any WBG member government or other international organization. (Vendor Eligibility Policy, para. 3.2)

IV. Scope and Effect of Government-Wide Exclusion:

Types of Excluded Suppliers:

- Limited to corporate suppliers and individuals serving as sole proprietors or independent contractors.

Scope of Exclusion:

Extension to Other Agencies and Organizations:

- Exclusions prohibit the supplier from contracting directly with any WBG institution as a vendor.
- Vendor exclusions do **not**, however, automatically extend to the WBG's operational lending and development activities.
- No known countries or international organizations that automatically recognize and apply the WBG's vendor exclusions.

Effect on Ongoing Contracts:

- Ongoing contracts are **not** automatically cancelled.
- Subsequent modifications to ongoing contracts **are permitted** on a case-by-case basis.

Effect on Subcontracting:

- An excluded supplier **cannot** serve as a subcontractor.

Effect on Excluded Individuals:

- Individuals **can** be excluded as direct respondents **only** if they are vendors acting as sole proprietors or independent contractors.

Tailoring Exclusion:

- Yes. Exclusion **may** be limited to certain divisions, operating units, or business lines within the company, if the decision-maker so decides.

Effect on Affiliates:

Corporate Affiliates:

- Exclusions apply to all affiliates of the supplier (controlling, controlled, under common control), unless the decision provides otherwise. (Vendor Eligibility Policy, para. 5.4)
- A vendor and any specifically named affiliates will be advised in writing when they are suspended.

Extension to Affiliated Individuals:

- Exclusion of a corporate vendor **may** extend to other entities owned or controlled by the vendor's owners, executive officers, or managers. Thus, a vendor's exclusion may extend to any new companies established by the same owner(s).
- Affiliated individuals are **not** given a formal opportunity to contest the action. But if they reach out, WBG Corporate Procurement will likely provide the individuals with an explanation.

Duration of Exclusions:

Duration Specified in Legal Framework: None stated in the Vendor Eligibility Policy.

Duration Depends on Applicable Exclusion Ground? No.

- The default debarment period is three years, which varies depending on mitigating or aggravating factors.

Exceptions/Waivers to Exclusions: No.

- There is not a legal mechanism within the Vendor Eligibility Policy whereby a contract might still be awarded to an excluded vendor during its period of exclusion.

Other Sanctions:

- Terminations for convenience and/or default. All corporate vendors must also satisfy certain registration requirements to be eligible to receive vendor contracts.

V. Government-Wide Transparency and Exclusion List:

Official List of Excluded Suppliers? Yes, and it is publicly available.

- List of [Non-Responsible Vendors](#).
- Public list provides information on the grounds for each listed exclusion.

Procurement Checks: Yes.

- The WBG's vendor management team will screen new suppliers for exclusions, and any existing suppliers subject to an exclusion will be blocked in the system.

Reporting on Exclusions:

Number of Exclusions: On average, four exclusions per year.

Regular Reporting: No requirement for regular reporting on exclusions.

Other Transparency Mechanisms: None.

VI. Limited Scope Exclusion Systems:

Not applicable.