INTERNATIONAL BANK
FOR RECONSTRUCTION AND DEVELOPMENT
AND
INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL FINANCE CORPORATION AND
MULTILATERAL INSURANCE GUARANTEE AGENCY

SANCTIONS BOARD STATUTE

ARTICLE I

There is hereby established a Sanctions Board of the International Bank for Reconstruction and Development and the International Development Association (referred to collectively as the "Bank") and the International Finance Corporation ("IFC") and the Multilateral Insurance Guarantee Agency ("MIGA") (together with the Bank hereinafter referred to collectively as the "World Bank Group"), to be known as the World Bank Group Sanctions Board ("Sanctions Board").

ARTICLE II

1. For the purpose of this Statute, the following definitions will apply:

(a) "Respondent" has the meaning set out in the relevant Sanctions Procedures, as defined below;

(b) "Sanctions Procedures" means the Sanctions Procedures, as applicable and as may be amended from time to time, of: the Bank which is subject to the Bank's Procurement, Consultant and Anti-Corruption Guidelines; the Bank in relation to investment projects guaranteed by the Bank ("Bank Guarantee Projects"); IFC; and MIGA.

ARTICLE III

The Sanctions Board shall review and take decisions in sanctions cases and perform such other detailed functions and responsibilities as set forth in the Sanctions Procedures.

ARTICLE IV

In the event of a dispute as to whether the Sanctions Board has competence over a particular matter, the Sanctions Board shall decide whether it has the authority to handle such matter under this Statute.

ARTICLE V

1. The Sanctions Board shall be composed of seven (7) members. The members shall be governed by the Code of Conduct attached hereto, as may be amended from time to time.

2. Four (4) members of the Sanctions Board shall be appointed by the Executive Directors of the International Bank for Reconstruction and Development from a list of candidates drawn up by the President of the Bank after appropriate consultation. The candidates must not have previously held or currently hold any appointment to the staff of the Bank, IFC or MIGA and shall be familiar with procurement matters, law, dispute resolution mechanisms, or operations of development institutions.

3. For cases involving IFC, MIGA or Bank Guarantee Projects, two (2) alternate members of the Sanctions Board shall be appointed for each of IFC and MIGA by the Executive Directors from a list of candidates drawn up by the President after appropriate consultation. The candidates for such alternate positions must not have previously held or currently hold any appointment to the staff of the Bank, IFC or MIGA and shall be familiar with private sector cross-border lending and equity investments (for IFC Projects) or investment insurance operations (for MIGA Projects). For cases involving Bank Guarantee Projects, either the alternate members for IFC or MIGA, as appropriate under the circumstances, shall act as the Bank Guarantee Project external alternate members.

4. Three (3) members of the Sanctions Board shall be appointed by the President from among senior Bank staff with knowledge of Bank procurement and/or operational processes. For cases involving IFC or MIGA Projects, two (2) IFC alternates and two (2) MIGA alternates shall be appointed by the President from among senior IFC and MIGA staff, respectively. For cases involving Bank Guarantee Projects, either the alternate members for IFC or MIGA, as appropriate under the circumstances, shall act as the Bank Guarantee Project staff alternate members.

5. The members of the Sanctions Board shall be appointed for a period of three (3) years, subject to reappointment. Of the seven (7) members initially appointed, the terms of three (3) members, comprising two (2) members from outside the World Bank Group and one (1) World Bank Group staff member, shall expire at the end of two (2) years.

6. The term of each member's appointment shall commence as stipulated in the member's letter of appointment. A member appointed to replace another whose term of office has not expired shall hold office for the remainder of the predecessor's term.

7. The members of the Sanctions Board shall hold office until their replacement or earlier resignation or removal.

ARTICLE VI

1. The Sanctions Board Chair shall be selected by the Executive Directors, on recommendation by the President after appropriate consultation, from among the persons appointed as members of the Sanctions Board under Article V, Section 2. The person selected shall serve as Sanctions Board Chair for not more than a single three-year term.

2. The Sanctions Board Chair shall direct the work of the Sanctions Board; shall represent the Sanctions Board in all administrative matters; and shall preside at all sessions of the Sanctions Board.

3. If unable to act, the Sanctions Board Chair shall designate an acting Sanctions Board Chair.

ARTICLE VII

1. A quorum of five (5) members shall suffice to constitute the full Sanctions Board.

2. A plenary session may be convened by the Sanctions Board Chair when, in the opinion of the Sanctions Board Chair, the complexity of a case requires such a session or when it is necessary to deal with a question affecting the operation of the Sanctions Board including the application of the Conflict of Interest Guidelines and the rules on confidentiality, a question of its competence under Article IV, or any other matter warranting consideration by the full Sanctions Board. If the plenary session involves a case arising out of an IFC, MIGA or Bank Guarantee Project, the Board shall include at least three (3) IFC or MIGA alternates (as applicable), and the Sanctions Board Chair shall designate which of the other members they are replacing for such session.

3. Notice of the convening of a plenary session shall be given to the members of the Sanctions Board at least thirty (30) days in advance of the date of the opening of such a session.

4. No case shall be heard by the Sanctions Board except under the chairmanship of the Sanctions Board Chair or an acting Chair.

ARTICLE VIII

1. To deal with a particular case or cases, the Sanctions Board Chair may decide at any time that the Sanctions Board shall form a Panel comprising two (2) members of the Sanctions Board from outside the World Bank Group and one (1) Bank staff member. Attendance of all three Panel members is required to constitute a quorum. If a case involves an IFC, MIGA or Bank Guarantee Project, the Sanctions Board Chair shall select at least one of the IFC or MIGA alternates (as applicable) from outside the World Bank Group, and one of the IFC or MIGA staff alternates (as applicable), to serve on the Panel.

2. The Sanctions Board Chair shall determine the particular case or cases for which a Panel is formed.

3. The Sanctions Board Chair shall designate the Panel Chair from among the members of the Sanctions Board from outside the World Bank Group appointed under Article V, Section 2. If the Panel Chair is unable to act, the Sanctions Board Chair shall designate an acting Panel Chair.

4. The Panel Chair shall determine the dates of sessions of the Panel.

ARTICLE IX

A Secretary shall be appointed from among the staff of the Bank to assist the Sanctions Board. The Sanctions Board Chair shall supervise the work of the Secretary to the Sanctions Board. The Secretary, if unable to act, shall be replaced by another Bank staff member.

ARTICLE X

The expenses of the Sanctions Board shall be borne by the World Bank Group. Sanctions Board members from outside the World Bank Group shall receive such compensation as deemed appropriate by the World Bank Group.

ARTICLE XI

In all matters not addressed in this Statute, the Code of Conduct or the Sanctions Procedures or any formal guidelines issued by the Bank in respect of sanctions proceedings, the Sanctions Board shall follow the instructions of the Sanctions Board Chair for the operation of the Sanctions Board.

ARTICLE XII

1. The Sanctions Board shall hold sessions on dates to be fixed in accordance with Articles VII and VIII.

2. The Sanctions Board shall hold its sessions at the principal office of the Bank, unless it considers that the efficient conduct of the proceedings warrants holding sessions elsewhere.

3. Sanctions Board hearings will be in the form of oral proceedings. Sanctions Board sessions, including hearings, may be held by means of telephone conference or similar communication media, provided that all persons participating in the session can hear one another. Sanctions Board proceedings, including hearings and deliberations of the Sanctions Board, shall be confidential and shall not be open to the public.

ARTICLE XIII

1. The Sanctions Board shall take all decisions by a majority of the members present. In the event of a tie, the Sanctions Board Chair shall have the deciding vote.

2. Decisions of a Panel shall be taken by a majority of two (2) members and shall be deemed to constitute a decision of the Sanctions Board.

ARTICLE XIV

Decisions shall be final and without appeal. Each decision shall include a brief statement of the reasons on which it is based.

ARTICLE XV

1. The Sanctions Board members or alternates appointed pursuant to Article 5, Section 2 or 3 may be removed by Executive Directors upon recommendation by the President in the event of (i) incapacity, (2) material violation of the Code of Conduct, or (3) conduct unbecoming a Sanctions Board member.

2. The President, or the Sanctions Board Chair or other member of the Sanctions Board by written request to the President, shall have the right to initiate a proposal for removal.
3. The concerned Sanctions Board member shall be notified of the alleged grounds for the proposed removal and be afforded a reasonable opportunity to respond to the allegation(s). If there appear to be sufficient grounds for removal, the President shall refer the matter to the Executive Directors for decision.

4. The Sanctions Board members appointed pursuant to Article 5, Section 4 serve at the pleasure of the President and may be removed for cause after a reasonable opportunity to be heard.

ARTICLE XVI

This Statute may be amended by agreement between the Bank, IFC and MIGA.

(As revised as of September 15, 2010)

Attachment

CODE OF CONDUCT FOR MEMBERS OF THE SANCTIONS BOARD

This Code of Conduct applies to all members, including alternates, both from the staff of the World Bank Group and from outside the World Bank Group.

1. ***Fairness, Independence and Impartiality***. Each member of the Sanctions Board shall consider each case fairly, impartially and with due diligence, in accordance with the Sanctions Board Statute, the Sanctions Procedures and any other applicable rules and guidance established by the World Bank Group.

2. In considering cases, each member of the Sanctions Board shall act independently and shall not answer to or take instructions from Bank management, members of the Board of Executive Directors, member governments, Respondents or any other entity.

3. Each member of the Sanctions Board shall, in the discharge of his or her functions, be guided solely by the merits of the case without regard to any other considerations, including prospects for re-appointment to the Sanctions Board or employment elsewhere in the Bank.

4. No member of the Sanctions Board shall seek or accept any gift or compensation of any kind for the discharge of his or her functions except as provided in his or her letter of appointment.

5. ***Diligence***. Each member of the Sanctions Board shall act diligently and expeditiously in the performance of their duties and deliver their decisions without undue delay.

6. ***Conduct during Proceedings***. Each member of the Sanctions Board shall maintain order, act in accordance with commonly accepted decorum, and remain patient and courteous towards all participants. They shall avoid conduct or comments which are racist, sexist or otherwise degrading. The Chair shall, to the extent possible, ensure that any person participating in sanctions proceedings conducts themselves in like manner.

7. ***Conflict of Interest***. Prior to appointment and throughout his or her service, each member of the Sanctions Board shall have the obligation to promptly disclose to the Chair of the Sanctions Board and Bank Management, any circumstance which may give rise to reasonable doubts as to his or her impartiality or independence, including (but not limited to) all past and present professional, business, personal and other relationships with, or any financial or other interest in, any of the parties to the proceedings or affiliated parties, personal bias or prejudice concerning a party, or personal knowledge of disputed evidentiary facts concerning the proceeding. In making such disclosure, the member should take care not to reveal facts that may prejudice the consideration of a pending case; if meaningful disclosure is not possible without revealing such facts, the Chair may recuse himself from the case in question.

8. Members of the Sanctions Board shall recuse themselves from any case in which they have an actual conflict of interest either by notice to the Chair or at the request of the Chair prior to the commencement of proceedings or, if the conflict comes to light only during the proceedings, immediately upon it coming to light. Members shall seek written guidance from the Chair of the Sanctions Board for any matter in which they have an apparent or potential conflict of interest. The Chair will apprise Bank Management periodically as to the resolution of these actual, apparent and potential conflicts of interest.

9. Members of the Sanctions Board shall recuse themselves from participation in a sanctions proceeding involving a project, loan or any other transaction wherein they have, directly or significantly, participated, whether in their current position, a prior assignment or previous employment.

10. Notwithstanding the foregoing, a member may decline to disclose circumstances to the extent that such disclosure is prohibited by legally binding confidentiality restrictions, provided that they recuse themselves from any case in which they have an actual, apparent or potential conflict of interest arising from such circumstances.

11. ***Post-Service Activities***. A member of the Sanctions Board shall not, for two years after the end of the member's term, accept any kind of employment, consultancy or interest in any firm that has been a respondent in a sanctions proceeding in which the member has participated.

12. For a period of two years after the expiration or termination of the term of a member of the Sanctions Board, such member shall be disqualified to appear as an attorney, agent or representative of any respondent in a sanctions proceeding before the Sanctions Board.

13. ***Confidentiality***. A member shall be required to observe the confidentiality and sensitivity of information to which the member will have access as a member of the Sanctions Board, and shall not use or disclose to any third party any information obtained as a result of membership in the Sanctions Board, including through participation in a sanctions proceeding.

14. All members of the Sanctions Board shall respect and maintain the confidentiality of sanctions proceedings including any undertaking by the Bank in favor of a VDP participant.

15. ***Mandate of the World Bank Group***. The Sanctions Board's independence notwithstanding, a Sanctions Board member should act at all times in a manner consistent with the World Bank Group's mandate as set forth in its Articles of Agreement, with particular regard to the duty of the Bank to ensure that its financing is used for purposes intended.

16. ***Non-interference***. During a proceeding in which the members of the Sanctions Board sit in a Panel of less than seven members, any member who is not participating in that Panel shall not interfere with or seek to influence the work or decision of the members of the Panel.

17. ***Ex Parte Communications***. Member of the Sanctions Board shall not engage in ex parte communications with INT or the Respondent regarding the merits of a sanctions proceeding.

18. ***Conduct Unbecoming***. Members of the Sanctions Board shall conduct themselves in a manner befitting their status, whether in the course of their duties or otherwise. They will exercise their freedom of expression and association in a manner compatible with such status and does not affect or appear to affect their independence or impartiality. They shall not comment on pending cases and shall avoid expressing views which may undermine the standing or integrity of the World Bank Group, the Sanctions Board or the sanctions process.

Each member of the Sanctions Board shall agree to be bound by this Code of Conduct, as it may be amended from time to time, at the time of his or her appointment or re-appointment. For avoidance of doubt, this Code of Conduct constitutes an amendment to the Sanctions Board Conflict of Interest Guidelines for purposes of Article V, Section 1 of the Sanctions Board Statute.

Any material violation of this Code of Conduct is grounds for removal from the Sanctions Board, as set out in the Sanctions Board Statute. The Chair of the Sanctions Board shall report any violation of this Code that comes to his or her attention to Bank Management.