

AMENDMENTS TO STATUTE OF THE SANCTIONS BOARD

As approved by the Executive Directors as of February 17, 2009

A. Article VI(1) of the Statute of the Sanctions Board is amended to read as follows:

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.

B. Article VIII(3) of the Statute of the Sanctions Board is amended to read as follows:

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.

**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 Sanctions Board Conflict of Interest Guidelines 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.

ARTICLE VI

1. The Sanctions Board Chair shall be selected by the President from among the Bank staff appointed as members of the Sanctions Board under Article V, Section 4. 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. 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 Sanctions Board Conflict of Interest Guidelines, or the Sanctions Procedures, 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

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