MIGA SANCTIONS PROCEDURES

As adopted by MIGA as of June 28, 2013

ARTICLE I

INTRODUCTORY PROVISIONS

Section 1.01. Purpose of these Procedures.

These MIGA Sanctions Procedures (the "***Procedures***") set out the procedures to be followed in cases involving Sanctionable Practices:

(a) in connection with MIGA Projects;

(b) on the basis of which the Director, General Services Department ("***GSD***") has determined, in accordance with the World Bank Vendor Eligibility Policy, that the Respondent is non-responsible;

(c) arising from the violation of a Material Term of the Terms and Conditions of the Voluntary Disclosure Program[1]; and

(d) arising from a violation of Section 13.06 of these Procedures.

Section 1.02. Definitions and Interpretation.

(a) *Defined Terms.*

As used in these Procedures, the following terms have the following meanings:

"***Affiliate***" means any legal or natural person that controls, is controlled by, or is under common control with, the Respondent, as determined by MIGA.

"***Application***" has the meaning given to it in Section 9.03(c).

"***Bank***" means IBRD and IDA.

"***Bank Evaluation Officer***" has the meaning given to it in the Bank Sanctions Procedures.

[1] For information regarding the voluntary disclosure program, please go to www.worldbank.org/vdp.

"***Bank-Financed Project***" has the meaning given to it in the Bank Sanctions Procedures.

"***Bank Private Sector Evaluation Officer***" has the meaning given to it in the Bank Private Sector Sanctions Procedures.

"***Bank Private Sector Project***" has the meaning given to it in the Bank Private Sector Sanctions Procedures.

"***Bank Private Sector Sanctions Procedures***" means the procedures set out in the document entitled "*Bank Private Sector Sanctions Procedures*" as the same may be amended, supplemented or replaced from time to time.

"***Bank Sanctions Procedures***" means the procedures set out in the document entitled "*World Bank Sanctions Procedures*" as the same may be amended, supplemented or replaced from time to time.

"***day***" means a calendar day, unless stated otherwise.

"Effective Date" has the meaning given to it in Section 13.01(a).

"***Explanation***" has the meaning given to it in Section 4.02(b).

"***GSD***" has the meaning given to it in Section 1.01(b).

"***IBRD***" means the International Bank for Reconstruction and Development.

"***IDA***" means the International Development Association.

"***IFC***" means the International Finance Corporation and includes the Asset Management Company, a wholly owned subsidiary of IFC.

"***IFC Evaluation Officer***" has the meaning given to it in the IFC Sanctions Procedures.

"***IFC Project***" has the meaning given to it in the IFC Sanctions Procedures.

"***IFC Sanctions Procedures***" means the procedures set out in the document entitled "*IFC Sanctions Procedures*" as the same may be amended, supplemented or replaced from time to time.

"***INT***" means the Integrity Vice Presidency of the World Bank Group and the "***Integrity Vice President***" means the head thereof.

"***Integrity Compliance Officer***" has the meaning given to it in Section 9.03(a).

"***Material Term***" has the meaning given to it in the VDP Terms and Conditions.

"***MIGA***" means the Multilateral Investment Guarantee Agency.

"***MIGA Anti-Corruption Guidelines***" means the "*MIGA Anti-Corruption Guidelines*" as in effect as of October 15, 2006 and attached hereto as Annex A, as the same may be amended, supplemented or otherwise revised from time to time, or any similar instrument which may from time to time replace such guidelines.

"***MIGA Convention***" means the Convention Establishing the Multilateral Investment Guarantee Agency dated October 11, 1985, as amended.

"***MIGA Counterparty***" means, in relation to a MIGA Project, any individual or entity which is (i) a guarantee holder of a MIGA guarantee, (ii) a project enterprise (as defined in a MIGA guarantee) (iii) a project sponsor or guarantor, (iv) a co-insurer or reinsurer of a MIGA Project, (v) a broker or (vi) a service provider, consultant or counterparty in relation to MIGA technical assistance or a contract providing goods or services to MIGA.

"***MIGA Evaluation Officer***" means the individual MIGA staff member appointed by the President of MIGA to act in the capacity as evaluation and suspension officer for cases governed by these Procedures.

"***MIGA Project***" means (i) any project in respect of which MIGA has issued or proposes to issue a MIGA guarantee, (ii) technical assistance provided by MIGA and (iii) contracts for goods or services provided to MIGA.

"***Notice***" means a Notice of Sanctions Proceedings or a Notice of Temporary Suspension, as the case may be.

"***Notice of Sanctions Proceedings***" means the document containing INT's accusations of one or more Sanctionable Practices issued by the MIGA Evaluation Officer to a named entity or individual together with the sanction recommended by the MIGA Evaluation Officer in accordance with Section 4.01.

"***Notice of Temporary Suspension***" means the document containing INT's accusations of one or more Sanctionable Practices issued by the MIGA Evaluation Officer to a named entity or individual in accordance with Section 2.01.

"***Panel***" has the meaning ascribed to it in the Sanctions Board Statute.

"***Preliminary Explanation***" has the meaning given to it in Section 2.03.

"***Procedures***" has the meaning given to it in Section 1.01.

"***Reply***" has the meaning given to it in Section 5.01(b).

"***Request for Temporary Suspension***" has the meaning given to it in Section 2.01(a).

"***Respondent***" means a MIGA Counterparty alleged to have engaged in a Sanctionable Practice in connection with a MIGA Project or any other entity or individual alleged to have engaged with that MIGA Counterparty in a Sanctionable Practice in connection with such MIGA Project and, in either case, who also has been designated as such in a Notice or in a settlement agreement. In cases involving more than one such entity or individual, the term

"***Respondent***" as used herein refers, individually and collectively, to all such entities and individuals as the context requires.

"***Response***" has the meaning given to it in Section 5.01(a).

"***Sanctionable Practice***" means: (i) with respect to any case under Section 1.01(a), a corrupt, fraudulent, coercive, collusive or obstructive practice, as such terms are defined in the MIGA Anti-Corruption Guidelines under which such case is being brought; (ii) with respect to any case under Section 1.01(b), a corrupt, fraudulent, coercive, collusive or obstructive practice, as defined in the World Bank Vendor Eligibility Policy in connection with the World Bank Group's corporate procurement; (iii) with respect to any case under Section 1.01(c), a violation of a Material Term, as defined in the VDP Terms and Conditions; and (iv) with respect to any case under Section 1.01(d), a violation of Section 13.06 of these Procedures.

"***Sanctions Board***" means the World Bank Group Sanctions Board, and

"***Sanctions Board Chair***" means the person acting in the capacity as chair of the said board. In respect of cases where the Sanctions Board Chair has convened a panel pursuant to Articles VII or VIII of the Sanctions Board Statute, and unless the context otherwise requires, the term "***Sanctions Board***" means the Sanctions Board Panel so convened, and "***Sanctions Board Chair***" means the chair of the said panel.

"***Sanctions Board Statute***" means the document entitled "*Sanctions Board Statute"* establishing a sanctions board of IBRD, IDA, IFC and MIGA, as the same may be from time to time amended, updated, supplemented or replaced in accordance with its terms.

"***Statement of Accusations and Evidence***" has the meaning given to it in Section 2.01(a).

"***sufficient evidence***" means evidence sufficient to support a reasonable belief, taking into consideration all relevant factors and circumstances, that it is more likely than not that the Respondent has engaged in a Sanctionable Practice.

"***Voluntary Disclosure Program***" or "***VDP***" means the World Bank Group's voluntary disclosure program endorsed by the Executive Directors on August 1, 2006, as the same may be modified from time to time, or any successor program.

"***VDP Terms and Conditions***" means the document entitled "*Voluntary Disclosure Program Terms & Conditions*" as the same may be amended, supplemented or replaced from time to time, setting out the terms and conditions of the Voluntary Disclosure Program;

"***World Bank Group***" or "***WBG***" means, collectively, IBRD, IDA, IFC and MIGA, but does not include the International Centre for the Settlement of Investment Disputes.

"***World Bank Vendor Eligibility Policy***" means the policy so denominated in Annex B of the "*World Bank Group Corporate Procurement Policy and Procedures Manual*", dated February 2009, as amended, supplemented or otherwise revised from time to time, or any similar instrument which may replace such policy, under which a case may be brought in accordance with these Procedures.

(b) *Interpretation.*

(i) ***Use of Terms.*** Unless the context otherwise requires, any term used in these Procedures in the singular includes the plural, and the plural includes the singular; pronouns of a particular gender include the other gender.

(ii) ***References and Headings.*** The headings of articles, sections and sub-sections of these Procedures are for ease of reference only and do not constitute interpretations of the text hereof. Unless otherwise expressly indicated, references in these Procedures to articles, sections or sub-sections refer to articles, sections or sub-sections hereof.

(iii) ***Questions as to Proper Interpretation.*** These Procedures shall be interpreted and applied in accordance with the MIGA Anti-Corruption Guidelines. If any question arises as to the proper interpretation of any provision of these Procedures or of the MIGA Anti-Corruption Guidelines, the MIGA Evaluation Officer or the Sanctions Board may consult with the MIGA's General Counsel for advice.

(iv) ***Actions by MIGA.*** Whenever in these Procedures it is stipulated that an action or decision is to be taken by MIGA, it is understood that such action or decision shall be taken by the appropriate officer(s) of MIGA in accordance with its internal policies, practices and procedures.

ARTICLE II

TEMPORARY SUSPENSION PRIOR TO SANCTIONS PROCEEDINGS

Section 2.01. Issuance of a Notice of Temporary Suspension.

(a) ***Submission by INT.*** If, before INT concludes an investigation, the Integrity Vice President believes that there is sufficient evidence to support a finding of a Sanctionable Practice against a Respondent and that it is highly likely that the investigation will be successfully concluded and a statement of accusations and evidence (the "***Statement of Accusations and Evidence***") will be presented to the MIGA Evaluation Officer within a maximum period of one year, INT may present to the MIGA Evaluation Officer a request for temporary suspension consisting of the elements cited in Section 3.01(b), *mutatis mutandis* (the "***Request for Temporary Suspension***"). INT shall accompany any such Request for Temporary Suspension with a

description of the current progress of the ongoing investigation, including any evidence that remains to be gathered, together with a good faith estimate of the time required to complete its investigation and present a Statement of Accusations and Evidence to the MIGA Evaluation Officer in accordance with Section 3.01, which may not exceed one year. INT shall further represent to the MIGA Evaluation Officer that the investigation is being pursued with due diligence and dispatch.

(b) ***Contents of a Notice of Temporary Suspension.*** A Notice of Temporary Suspension shall contain the elements cited in Section 4.01(b)(ii) through (iv).

(c) ***Issuance of the Notice of Temporary Suspension.*** If the MIGA Evaluation Officer determines that:

> (i) there is sufficient evidence to support a finding that the Respondent has engaged in a Sanctionable Practice; and
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> (ii) had the accusations been included in a Statement of Accusations and Evidence, the MIGA Evaluation Officer would recommend, as an appropriate sanction for such Sanctionable Practice, debarment for a minimum period of no less than two (2) years;

then, the MIGA Evaluation Officer shall issue the Notice of Temporary Suspension to the Respondent and notify the persons specified in Section 10.02.[2]

(d) ***Withholding of Certain Evidence.*** The MIGA Evaluation Officer may, in his or her discretion and upon request by INT, withhold from the Respondent particular materials submitted in evidence upon a showing by INT that there is a reasonable basis to conclude that: (i) the disclosure of such evidence would have a material adverse effect on the investigation; and (ii) the Respondent would retain the ability to mount a meaningful response to the accusations against it notwithstanding the withholding of such evidence. The MIGA Evaluation Officer shall inform INT of his or her decision and allow INT an opportunity to request the withdrawal of the Request for Temporary Suspension if the MIGA Evaluation Officer determines that such materials should not be withheld.

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[2] The MIGA Evaluation Officer's issuance of a Notice of Temporary Suspension shall be subject to the statute of limitations set out in Section 4.01(d), with the term "Statement of Accusations and Evidence" in said section being read so as to refer to the "Request for Temporary Suspension".

Section 2.02. Effect of Temporary Suspension.

Upon issuance of the Notice of Temporary Suspension by the MIGA Evaluation Officer, the Respondent[3] shall be temporarily suspended from eligibility to become a MIGA Counterparty in any new MIGA Project, with the same effect as if it had been debarred under Section 9.01(c) below. The provisions of Sections 4.02(d) and 4.02(e) shall apply to temporary suspensions under this Article II.

Section 2.03. Respondent's Explanation in Opposition to Temporary Suspension.

Within thirty (30) days after the date of delivery of the Notice of Temporary Suspension, the Respondent may explain in writing to the MIGA Evaluation Officer why it believes that, notwithstanding the evidence set forth in the Notice of Temporary Suspension, such Notice should be withdrawn (the "***Preliminary Explanation***"). Within thirty (30) days after receipt by the MIGA Evaluation Officer of the Preliminary Explanation and upon consideration of the arguments and evidence presented therein, the MIGA Evaluation Officer may decide to withdraw the Notice upon concluding that there is manifest error or other clear basis for supporting a finding of insufficiency of evidence against the Respondent.

Section 2.04. Duration.

(a) ***Initial Duration and Extension.*** A temporary suspension under this Article II shall have an initial duration of six (6) months. Not later than five (5) months after the commencement of the temporary suspension, INT may request an extension thereof, for a further period not exceeding six (6) months, by submitting to the MIGA Evaluation Officer: (i) a description of the current progress of the ongoing investigation, including any evidence that remains to be gathered, together with a good faith estimate of the time required to complete its investigation; and (ii) a representation that the investigation of the Respondent is still ongoing and is being pursued with due diligence and dispatch. The MIGA Evaluation Officer shall inform the Respondent of any such extension not later than the last day of the initial period of suspension.

(b) ***Extension Pending Final Outcome of Sanctions Proceedings.*** Upon submission of a Statement of Accusations and Evidence to the MIGA Evaluation Officer under Section 3.01, a temporary suspension

[3] Any Affiliate of the Respondent for which the MIGA Evaluation Officer would recommend as an appropriate sanction a minimum period of debarment of no less than two (2) years shall likewise be subject to temporary suspension.

under this Article II shall be automatically extended pending the final outcome of sanctions proceedings, subject to the operation of Section 4.02.

(c) ***Expiration.*** If a Statement of Accusations and Evidence is not submitted to the MIGA Evaluation Officer prior to the end of the period of temporary suspension under this Article II, the suspension shall automatically expire.

(d) ***Early Termination.*** The MIGA Evaluation Officer may, at any time during the period of temporary suspension, terminate the temporary suspension if the MIGA Evaluation Officer determines, based on information which comes to the attention of the MIGA Evaluation Officer, that there was a manifest error in the Notice of Temporary Suspension or other clear basis for termination. To this end, at all times during the period of temporary suspension, INT shall present to the MIGA Evaluation Officer any exculpatory evidence that comes to light in the course of its investigation that bears upon the basis of the temporary suspension. The MIGA Evaluation Officer shall promptly notify the Respondent, the Sanctions Board Chair, and the Integrity Vice President of such termination and the reasons therefor.

ARTICLE III

REFERRALS TO THE MIGA EVALUATION OFFICER

Section 3.01. Referrals to the MIGA Evaluation Officer.

(a) INT may seek to initiate sanctions proceedings, if:

(i) as a result of an investigation by INT, the Integrity Vice President believes that there is sufficient evidence to support a finding of one or more Sanctionable Practices in connection with a MIGA Project;

(ii) after a determination by the Director, GSD of non-responsibility based on a Sanctionable Practice in connection with the World Bank Group's corporate procurement, the Integrity Vice President believes that sanctions proceedings are appropriate; or

(iii) the Integrity Vice President makes a preliminary determination that a Material Term of the VDP Terms and Conditions has been violated by a VDP participant.

(b) In order to initiate sanctions proceedings, INT shall submit to the MIGA Evaluation Officer a Statement of Accusations and Evidence including:

(i) INT's specific accusations of Sanctionable Practices;

(ii) INT's designation of each Respondent alleged to have engaged in such practices, as well as each Affiliate proposed to be sanctioned in accordance with Section 9.04;

(iii) INT's summary of the facts constituting the Sanctionable Practice and the grounds for sanctioning any designated Affiliates; and

(iv) the evidence in support of its accusations, together with any exculpatory or mitigating evidence, as required by Section 3.02.

Section 3.02. Disclosures of Exculpatory or Mitigating Evidence

In submitting a Statement of Accusations and Evidence to the MIGA Evaluation Officer, INT shall present all relevant evidence in INT's possession that would reasonably tend to exculpate the Respondent or mitigate the Respondent's culpability. If any such evidence comes into INT's possession subsequently, such evidence shall be disclosed by written submission to the MIGA Evaluation Officer or Sanctions Board, as the case may be.

ARTICLE IV

COMMENCEMENT OF PROCEEDINGS

Section 4.01. Issuance of Notice of Sanctions Proceedings.

(a) ***Issuance of Notice.*** The MIGA Evaluation Officer shall review the Statement of Accusations and Evidence and shall determine whether sanctions proceedings are appropriate. The review shall take into account whether there is sufficient evidence to support a finding that the Respondent engaged in the alleged Sanctionable Practice and any other considerations that the MIGA Evaluation Officer regards as relevant to the proceedings, including the likelihood of recovery in case of a claim paid by MIGA. The MIGA Evaluation Officer may, in its discretion, consult with the Respondent, as needed, in the process of making such determination. If the MIGA Evaluation Officer determines that sanctions proceedings are appropriate, the MIGA Evaluation Officer shall issue a Notice of Sanctions Proceedings to the Respondent, with copies to the Sanctions Board Chair and the Integrity Vice President.

(b) The Notice shall:

(i) set out the sanction(s) recommended by the MIGA Evaluation Officer in accordance with Section 4.01(c);

(ii) if applicable, inform the Respondent of its temporary suspension and the manner in which it may provide an Explanation (as such term is defined in Section 4.02(b));

(iii) inform the Respondent of the manner in which it may contest the accusations and/or the recommended sanction[4] in the Notice; and

(iv) append the Statement of Accusations and Evidence, together with copies of these Procedures and the Sanctions Board Statute, as in effect at the time of issuance of the Notice.

(c) ***Recommendation of Appropriate Sanction.*** The MIGA Evaluation Officer shall recommend in the Notice an appropriate sanction to be imposed on each Respondent, selected from the range of possible sanctions identified in Section 9.01 of these Procedures with due consideration of the factors in Section 9.02.[5] The MIGA Evaluation Officer may also recommend the imposition of sanctions on Affiliates of the Respondent in accordance with Section 9.04.

(d) ***Statute of Limitations.*** Notwithstanding the foregoing, the MIGA Evaluation Officer shall close the matter and shall notify the Integrity Vice President thereof if the accusations in the Statement of Accusations and Evidence pertain to a Sanctionable Practice that took place more than ten- (10) years prior to the date on which the Statement of Accusations and Evidence was submitted to the MIGA Evaluation Officer.[6]

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[4] The Respondent may not contest the recommended sanction in a case involving a violation of a Material Term of the VDP Terms and Conditions.

[5] In a case involving a violation of a Material Term of the VDP Terms and Conditions, the sanction is a mandatory ten- (10) year debarment.

[6] The date of a Sanctionable Practice shall be deemed to be the date on which the last constituent act or element of the Sanctionable Practice occurred. For cases involving alleged violations of a Material Term of the VDP Terms and Conditions, the MIGA Evaluation Officer shall close the matter and shall notify the Integrity Vice President accordingly if the Statement of Accusations and Evidence pertains to VDP Terms and Conditions which terminated more than ten (10) years prior to the date on which the Statement of Accusations and Evidence was submitted to the MIGA Evaluation Officer.

Section 4.02. Temporary Suspension.

(a) ***Effect of Temporary Suspension.*** In cases where the MIGA Evaluation Officer recommends a sanction including a minimum period of debarment exceeding six (6) months, the Respondent[7], effective from the date of issuance of the Notice until the date of the final outcome of the sanctions proceedings, shall be temporarily suspended from eligibility to become a MIGA Counterparty in any new MIGA Project, with the same effect as if it had been debarred under Section 9.01(c) below.[8]

(b) ***Respondent's Explanation.*** Within thirty (30) days after delivery of the Notice, the Respondent may provide a written explanation (the "***Explanation***") to the MIGA Evaluation Officer as to why the Notice should be withdrawn or the recommended sanction revised by the MIGA Evaluation Officer pursuant to Section 4.03. The Explanation shall consist of a single document not exceeding twenty (20) single-sided pages, unless the MIGA Evaluation Officer approves a longer submission, and shall present arguments by the Respondent and attach any credible evidence in support thereof. The provisions of Sections 5.02(a) and (b) and Section 5.03 shall apply, *mutatis mutandis*, to the Explanation.[9] The MIGA Evaluation Officer shall provide the Integrity Vice President and the Secretary to the Sanctions Board with a copy of any Explanation received.

(c) ***Termination of Temporary Suspension.*** Within thirty (30) days after receipt of the Explanation, and upon consideration of the arguments and evidence presented therein, the MIGA Evaluation Officer may decide to terminate the temporary suspension. The MIGA Evaluation Officer shall promptly notify the Respondent, the Sanctions Board Chair and the Integrity Vice President of such termination and the reasons therefor.

(d) ***Application of Temporary Suspension to other World Bank Group Operations.*** Temporary suspensions imposed by the MIGA

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[7] Any Affiliate of the Respondent for which the MIGA Evaluation Officer recommends a sanction including a minimum period of debarment exceeding six (6) months shall likewise be subject to temporary suspension.

[8] The temporary suspension shall not apply to a case involving an alleged violation of a Material Term of the VDP Terms and Conditions. However, in lieu of an Explanation, the Respondent may provide the MIGA Evaluation Officer with the reasons it believes that the MIGA Evaluation Officer should withdraw the Notice.

[9] For the purposes of this Section 4.02(b), references to the "Sanctions Board" or "Sanctions Board Chair" in Sections 5.02(a) and (b) or in Section 5.03 shall be deemed references to the "MIGA Evaluation Officer" and the reference in Section 5.03 to "Response" shall be deemed a reference to the "Explanation".

Evaluation Officer shall apply to the operations of the IFC, and to Bank-Financed Projects and Bank Private Sector Projects, in each case with the same effect as a temporary suspension as provided for under the IFC Sanctions Procedures, the Bank Sanctions Procedures, and the Bank Private Sector Sanctions Procedures, respectively. A temporary suspension imposed by the Bank Evaluation Officer, the IFC Evaluation Officer or the Bank Private Sector Evaluation Officer, shall apply in respect of MIGA Projects in the same way as if such temporary suspension had been made by the MIGA Evaluation Officer in accordance with these Procedures. To this end, the MIGA Evaluation Officer shall notify the persons specified in Section 10.02.

(e) ***Posting of Temporary Suspensions.*** Temporary suspensions shall be posted on the Bank's Client Connection website.

Section 4.03. Other Actions Subsequent to Submission of an Explanation.

(a) ***Withdrawal of Notice; Revision of Recommended Sanction.*** Within thirty (30) days after the date of the submission of an Explanation, the MIGA Evaluation Officer may:

(i) withdraw the Notice upon concluding that there is insufficient evidence to support a finding that the Respondent engaged in a Sanctionable Practice; or

(ii) revise the recommended sanction in light of evidence or arguments as to mitigating factors presented by the Respondent.

(b) ***Notice of Closure of Proceedings.*** The MIGA Evaluation Officer shall notify the Respondent, the Integrity Vice President, the Sanctions Board Chair and the Secretary to the Sanctions Board of a withdrawal or revision pursuant to Section 4.03(a) and the reasons therefor. In the case of a withdrawal, the proceedings shall be closed.

(c) ***Resubmission of Notice.*** In the event a Notice is withdrawn under Section 4.03(a), INT may submit a revised Statement of Accusations and Evidence on the basis of additional information not contained in the original Notice, in which case the matter shall proceed in accordance with the procedures set forth in this Article IV.

Section 4.04. Sanctions in Uncontested Proceedings. If the Respondent does not contest the accusations or the sanction recommended[10] by the MIGA Evaluation Officer in the Notice within

[10] For cases involving the alleged violation of a Material Term of the VDP Terms and Conditions, the mandatory sanction is a ten- (10) year debarment.

ninety (90) days after the delivery of the Notice in accordance with Section 5.01(a), the sanction(s) recommended by the MIGA Evaluation Officer in the Notice shall enter immediately into force. The MIGA Evaluation Officer shall promptly notify the Respondent, the Secretary to the Sanctions Board and the Integrity Vice President thereof.

ARTICLE V

REFERRAL TO THE SANCTIONS BOARD

Section 5.01. Written Submissions to the Sanctions Board.

(a) ***Respondent's Response to Notice of Sanctions Proceedings.*** Within ninety (90) days after the delivery of the Notice, the Respondent may contest the case by submitting to the Sanctions Board, through the Secretary to the Sanctions Board, a written response to the accusations and/or the recommended sanction contained in the Notice (the "***Response***"), including written arguments and evidence. The Secretary to the Sanctions Board shall notify the Sanctions Board Chair, the MIGA Evaluation Officer and the Integrity Vice President of the receipt of such Response, together with a copy thereof, and the matter shall be referred to the Sanctions Board for its review and decision pursuant to the Sanctions Board Statute and these Procedures.

(b) ***INT's Reply in Support of the Notice of Sanctions Proceedings.*** Within thirty (30) days after the Secretary to the Sanctions Board delivers the Response to INT, INT may submit to the Sanctions Board, through the Secretary, a written reply to the arguments and evidence contained in the Response (the "***Reply***").

(c) ***Submission of Additional Materials.*** In the event that additional material evidence becomes available to INT or to the Respondent after the applicable deadlines for the submission of written materials have passed, but prior to the conclusion of any hearing to be held on the matter, the Sanctions Board Chair may, as a matter of discretion, authorize such additional evidence to be submitted, together with a brief argument predicated upon such evidence. The Sanctions Board Chair may also authorize either INT or the Respondent to submit, within a reasonable timeframe, additional arguments and evidence in response to the evidence and arguments contained in the additional materials presented by the other party. The Secretary to the Sanctions Board shall provide the other party to the proceeding, whether INT or the Respondent, with a copy of any such additional materials.

Section 5.02. Formal Requirements for Written Submissions.

(a) ***Language.*** All written materials submitted to the Sanctions Board shall be submitted in English, except that exhibits shall be in the original language with the pertinent parts translated into English. The Sanctions Board Chair may require, either *sua sponte* or on request by the other party to the proceeding, that such other parts or the entirety of an exhibit be translated into English, as the Sanctions Board Chair may deem appropriate.

(b) ***Extensions of Time Periods for Filing Submissions.*** Upon request by INT or the Respondent, a reasonable extension of any time period for the filing of submissions may be granted, as a matter of discretion, by the Sanctions Board Chair, by notice to both parties.

(c) ***Length.*** The Sanctions Board Chair shall set reasonable limits for the length of written submissions to the Sanctions Board.

Section 5.03. Admissions of Culpability.

In its Response, the Respondent may admit all or part of any accusation set forth in the Notice. The Respondent may also present evidence and arguments of mitigating circumstances[11] or other facts relevant to the decision of the Sanctions Board concerning an appropriate sanction. Such evidence and arguments shall be submitted in accordance with the schedule for written submissions set forth in these Procedures.

Section 5.04. Distribution of Written Materials.

(a) ***Distribution of Materials to INT and the Respondent.*** The Secretary to the Sanctions Board shall provide to INT and the relevant Respondent, in a timely manner, copies of all written submissions and evidence, and any other materials received or issued by the Sanctions Board relating to the proceedings against said Respondent not previously provided by the MIGA Evaluation Officer, except as otherwise provided in this Section 5.04.

(b) ***Distribution of Materials to Other Respondents in Sanctions Proceedings.*** The Secretary to the Sanctions Board may, at any time and upon approval of the Sanctions Board, make materials relating to sanctions proceedings against a particular Respondent available to other Respondents in sanctions proceedings involving related accusations,

[11] Except for a case involving a violation of a Material Term of the VDP Terms and Conditions, where the sanction is a mandatory ten- (10) year debarment.

facts or matters.[12] In determining whether to approve the disclosure of such materials, the Sanctions Board shall consider, among other factors, the standard for withholding sensitive materials set forth in Section 5.04(c).

(c) ***Distribution of Sensitive Materials.*** The Sanctions Board may, in its discretion and upon request by INT, agree to the withholding of particular evidence submitted to the MIGA Evaluation Officer or the Sanctions Board upon a determination that there is a reasonable basis to conclude that revealing the particular evidence might endanger the life, health, safety or well-being of a person or constitute a violation of any undertaking by the World Bank Group in favor of a VDP participant. In the event that the Sanctions Board denies INT's request, INT shall have the option to withdraw such evidence from the record or to request the withdrawal of the Notice.

(d) ***Redaction of Materials.*** Notwithstanding the provisions of paragraphs (a) and (b) above, INT, in its sole discretion, may redact particular parts or pieces of evidence presented to the Respondent or the Sanctions Board, by: (i) removing references to World Bank Group staff; and (ii) removing references to other third parties (together with other material that would permit such third parties to be identified), in cases where the identity of such parties is either not relevant or not germane to the case. The Respondent may challenge such redaction in its Response under Section 5.01(a), in which case the Sanctions Board shall review the unredacted version of such evidence to determine whether the redacted information is necessary to enable the Respondent to mount a meaningful response to the allegations against it. In the event that the Sanctions Board determines that the redacted information is necessary, the unredacted version of the evidence in question will be made available to the Respondent in accordance with paragraph (e) below, and the Respondent shall be afforded an opportunity to comment thereon in an additional submission under Section 5.01(c).

(e) ***In Camera Review of Certain Materials.*** Upon request by INT, the Sanctions Board may provide that certain pieces of evidence be made available to the Respondent solely for review at a designated Bank or MIGA country office or such other place as the Sanctions Board Chair may designate for such purpose. The Respondent may request the Sanctions Board Chair, in consultation with INT, to designate another place upon a showing that review at such location would present an undue burden. Such materials shall be available for review during normal business hours, for as long as the Respondent may reasonably

[12] For the avoidance of doubt, materials subject to disclosure under Section 5.04(b) do not include settlement agreements entered into under Article XI or any related materials.

request, but the Respondent shall not be authorized to make copies of such materials.

ARTICLE VI

HEARINGS

Section 6.01. Applications for a Hearing.

Upon request by the Respondent in its Response or by INT in its Reply, or upon a decision by the Sanctions Board Chair, the Sanctions Board will hold a hearing on the accusations against the Respondent. The Secretary to the Sanctions Board, after consulting with the Sanctions Board Chair, shall provide the Respondent and the Integrity Vice President reasonable notice of the date, time and location of the hearing. If no hearing is held, the Sanctions Board shall review the case and render its decision on the basis of the existing record, in accordance with Section 8.02(a).

Section 6.02. Representation at Hearings.

INT shall be represented in a sanctions proceedings by one or more representatives who may or may not be employees of the World Bank Group. A Respondent may be self-represented or represented by an attorney or any other individual authorized by the Respondent, at the Respondent's own expense.

Section 6.03. Conduct of Hearings.

(a) ***Attendance.*** The representatives of INT, the Respondent and the Respondent's representatives may be present throughout the hearing. The hearing shall remain confidential and shall not be open or available to the public. Neither the representatives of INT nor the Respondent nor the Respondent's representative shall be present for, or participate in, the deliberations of the Sanctions Board.

(b) ***Presentations by the Parties.*** Presentations to the Sanctions Board shall be subject to the following rules:

(i) *Order.* INT shall present its case first. The Respondent or the Respondent's representative shall present the Respondent's case second. INT shall be permitted to reply to the Respondent's case.

(ii) *Length.* The Sanctions Board shall set a reasonable period of time for each presentation.

(iii) *Form.* Presentations shall be informal. They shall be limited to arguments and evidence contained in the written submissions filed with the MIGA Evaluation Officer and/or the Sanctions Board, and may rely upon or refute individual items of evidence.

(iv) *Live Testimony.* No live witness testimony shall be taken, except that one or more witnesses may be called and questioned by the members of the Sanctions Board only. The Respondent, or its authorized representative, may make a statement during the hearing. There shall be no cross-examination, although rebuttal evidence may be presented during the hearing.

(v) *Matters Relating to the Sanction.* INT and the Respondent may present evidence of mitigating or aggravating factors relating to the appropriateness of a particular sanction.[13]

(c) ***Response to Questions.*** The representative of INT and the Respondent or the Respondent's representative shall be subject to questions by the members of the Sanctions Board. A party's refusal to answer, or failure to answer truthfully or credibly, may be construed against that party.

ARTICLE VII

EVIDENCE

Section 7.01. Forms of Evidence.

Any kind of evidence may form the basis of arguments presented in a sanctions proceeding and conclusions reached by the MIGA Evaluation Officer or the Sanctions Board. The MIGA Evaluation Officer and the Sanctions Board shall have discretion to determine the relevance, materiality, weight and sufficiency of all evidence offered. Hearsay evidence or documentary evidence shall be given the weight deemed appropriate by the MIGA Evaluation Officer or the Sanctions Board. Without limiting the generality of the foregoing, the MIGA Evaluation Officer and the Sanctions Board shall have the discretion to infer purpose, intent and/or knowledge on the part of the Respondent, or any other party, from circumstantial evidence. Formal rules of evidence shall not apply.

[13] Except in a case involving a violation of a Material Term of the VDP Terms and Conditions, where the sanction is a mandatory ten- (10) year debarment.

Section 7.02. Privileged Materials.

Communications between an attorney, or a person acting at the direction of an attorney, and a client for the purpose of providing or receiving legal advice, and writings reflecting the mental impressions, opinions, conclusions or legal theories of an attorney in connection with a legal representation shall be privileged and exempt from disclosure.

Section 7.03. No Discovery.

Except as expressly provided for in these Procedures, the Respondent shall have no right to review or obtain any information or documents in MIGA's possession.

ARTICLE VIII

DECISIONS BY THE SANCTIONS BOARD

Section 8.01. Sanctions Board Decisions.

The Sanctions Board shall determine, based on the record, whether or not it is more likely than not that the Respondent engaged in one or more Sanctionable Practices; and:

(a) if the Sanctions Board determines that it is not more likely than not that the Respondent engaged in a Sanctionable Practice, the proceedings shall be terminated; or[14]

(b) if the Sanctions Board determines that it is more likely than not that the Respondent engaged in one or more Sanctionable Practices, it shall impose an appropriate sanction or sanctions on the Respondent, which sanction(s) shall be selected from the range of possible sanctions identified in Section 9.01. In determining the appropriate sanction(s), the Sanctions Board shall not be bound by the recommendation of the MIGA Evaluation Officer.

In either case, the Sanctions Board shall issue a written decision setting forth a recitation of the relevant facts, its determination as to the culpability of the Respondent, any sanction to be imposed on the Respondent and its Affiliates and the reasons therefor.

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[14] At any time thereafter, however, subject to the time limits set forth in Section 4.01(d), INT may submit an amended Statement of Accusations and Evidence to the MIGA Evaluation Officer in accordance with Section 3.01, if evidence not available at the time of submission of the Statement of Accusations and Evidence is subsequently received or obtained by INT.

Section 8.02. Determinations by the Sanctions Board.

(a) ***Record as Sole Basis for Determinations.*** The review and deliberation of the Sanctions Board shall be restricted to the record consisting of the Notice, the Explanation (if any), the Response, the Reply, all other related written submissions of arguments and evidence, and all arguments presented at any hearing before the Sanctions Board. The record shall be confidential and not be available to the public.

(b) ***Standard and Burden of Proof.***

(i) *Standard of Proof.* The Sanctions Board shall determine whether the evidence presented by INT, as contested by the Respondent, supports the conclusion that it is more likely than not that the Respondent engaged in a Sanctionable Practice. "More likely than not" means that, upon consideration of all the relevant evidence, a preponderance of the evidence supports a finding that the Respondent engaged in a Sanctionable Practice.

(ii) *Burden of Proof.* INT shall have the burden of proof to present evidence sufficient to establish that it is more likely than not that the Respondent engaged in a Sanctionable Practice in connection with a MIGA Project. Upon such a showing by INT, the burden of proof shall shift to the Respondent to demonstrate that it is more likely than not that the Respondent's conduct did not amount to a Sanctionable Practice.

Section 8.03. Entry into Force and Final Nature of Sanctions Board Decisions.

The decision of the Sanctions Board shall be final and without appeal, and shall be binding on the parties to the proceedings. The decision shall take effect immediately.

ARTICLE IX

SANCTIONS

Section 9.01. Range of Possible Sanctions.

(a) ***Reprimand.*** The sanctioned party is reprimanded in the form of a formal "Letter of Reprimand" of the sanctioned party's conduct.

(b) ***Conditional Non-Debarment.*** The sanctioned party is required to comply with certain remedial, preventative or other conditions as a condition to avoid debarment from World Bank Group projects. Conditions may include (but are not limited to) verifiable actions taken to improve business governance, including the adoption, or improvement and implementation, of an integrity compliance program, restitution and/or disciplinary action against or reassignment of employees.

(c) ***Debarment.*** The sanctioned party is declared ineligible, either indefinitely or for a stated period of time, as the MIGA Evaluation Officer or the Sanctions Board (as the case may be) deems appropriate under the circumstances, to become a MIGA Counterparty in any new MIGA Project. For cases involving a violation of a Material Term of the VDP Terms and Conditions, the sanctioned party shall be declared ineligible to become a MIGA Counterparty for a period of ten (10) years.

Debarment imposed by the MIGA Evaluation Officer or the Sanctions Board, as the case may be, shall apply to the operations of the IFC, and to Bank-Financed Projects and Bank Private Sector Projects, in each case with the same effect as a debarment as provided for under the IFC Sanctions Procedures, the Bank Sanctions Procedures and the Bank Private Sector Sanctions Procedures, respectively. Debarment arising out of a Bank-Financed Project, IFC Project or Bank Private Sector Project shall render the sanctioned party ineligible to become a MIGA Counterparty in any new MIGA Project.

(d) ***Debarment with Conditional Release.*** The sanctioned party is subject to ineligibility as outlined in Section 9.01(c) and is released from debarment only if the sanctioned party demonstrates compliance with certain remedial, preventative or other conditions for release, after a minimum period of debarment. Conditions may include (but are not limited to) verifiable actions taken to improve business governance, including the adoption or improvement and implementation of an integrity compliance program, restitution and/or disciplinary action against, or reassignment of, employees. Debarment with conditional release shall also result in extension across the operations of the World Bank Group as outlined in Section 9.01(c).

(e) ***Restitution or Remedy.*** The sanctioned party is required to make restitution to a party or parties, or take actions to remedy the harm done by its misconduct.

Section 9.02. Factors Affecting the Sanction Decision.

Except for cases involving violation of a Material Term of the VDP Terms and Conditions for which there is a mandatory ten- (10) year debarment,

the MIGA Evaluation Officer or the Sanctions Board, as the case may be, shall consider the following factors in determining an appropriate sanction:

(a) the severity of the misconduct;

(b) the magnitude of the harm caused by the misconduct;

(c) interference by the sanctioned party in the World Bank Group's investigation;

(d) the sanctioned party's past history of misconduct as adjudicated by the World Bank Group or by another multilateral development bank in cases governed by Article XII;

(e) mitigating circumstances, including where the sanctioned party played a minor role in the misconduct, took voluntary corrective action or cooperated in the investigation or resolution of the case, including through settlement under Article XI;

(f) breach of the confidentiality of the sanctions proceedings as provided for in Section 13.06;

(g) in cases brought under Section 1.01(b) following a determination of non-responsibility, the period of ineligibility decided by the Director, GSD;

(h) the period of temporary suspension already served by the sanctioned party; and

(i) any other factor that the MIGA Evaluation Officer, or the Sanctions Board, as the case may be, reasonably deems relevant to the sanctioned party's culpability or responsibility in relation to the Sanctionable Practice.

Section 9.03. Compliance with Conditions for Non-Debarment and Release from Debarment.

(a) ***Notification of Conditions.*** As soon as practicable after a sanction of conditional non-debarment or debarment with conditional release is imposed by the MIGA Evaluation Officer or the Sanctions Board, the World Bank integrity compliance officer (the "***Integrity Compliance Officer***") shall contact each sanctioned party to advise them as to the requirements for meeting the conditions, including, where applicable, the adoption or improvement and implementation of an integrity compliance program acceptable to the World Bank Group.

(b) ***Monitoring of Compliance.*** The Integrity Compliance Officer shall have the right to monitor compliance by each sanctioned party with the conditions for release or non-debarment. The Integrity Compliance Officer may impose on the sanctioned party such requirements as may be reasonably necessary, including (but not limited to) periodic reporting by the sanctioned party, the appointment of an independent monitor, external auditing and inspection of the books and records of the sanctioned party.

(c) ***Application.*** No earlier than one hundred and twenty (120) days prior to: (i) any deadline for compliance with conditions for non-debarment under Section 9.01(b); or (ii) the last day of the minimum period of debarment under a debarment with conditional release under Section 9.01(d), but no later than any such deadline for compliance with conditions for non-debarment under Section 9.01(b), the sanctioned party may submit to MIGA an application (the "***Application***") setting forth arguments for, and evidence of, its compliance with the requirements set by the Integrity Compliance Officer. The Application shall include, among other things, a detailed report on the sanctioned party's adoption or improvement and implementation of any integrity compliance program agreed with the Integrity Compliance Officer, details relating to remedial actions taken in response to the misconduct for which the sanctioned party was sanctioned as well as any other misconduct detected during the period of debarment or conditional non-debarment, any debarment of the sanctioned party by another international financial institution, and any criminal, civil or regulatory conviction or decision based on conduct of the type of a Sanctionable Practice.

(d) ***Decision by Integrity Compliance Officer.*** Within thirty (30) days after receipt of the Application, MIGA, acting through the Integrity Compliance Officer, shall begin its review thereof to determine, based on the arguments and evidence set forth in the Application and any other factors he or she may deem relevant, whether or not the sanctioned party has complied with the conditions for non-debarment or release from debarment. Before making such determination, the Integrity Compliance Officer, or an agent designated by the Integrity Compliance Officer, may verify the arguments and evidence contained in the Application. The sanctioned party shall cooperate fully with any such verification, including by permitting the Integrity Compliance Officer (or such agent) access to relevant books and records. The Integrity Compliance Officer shall conclude his or her verification and make his or her determination as soon as practicable, and thereafter promptly notify the sanctioned party of such determination and the basis therefor. In the case of a determination by the Integrity Compliance Officer of non-compliance with conditions for non-debarment, a debarment with

conditional release (the conditions for release being those originally stipulated for non-debarment) would automatically become effective for a period of time established by the MIGA Evaluation Officer or the Sanctions Board, as the case may be, with such debarment also resulting in debarment across the World Bank Group as outlined in Section 9.01(c). In the case of a determination of non-compliance with conditions for release, the Integrity Compliance Officer shall specify a continuation of the period of debarment, for a period not to exceed one (1) year, after which the sanctioned party may again apply for release in accordance with paragraph (c) above. A written determination of non-compliance, with reasons therefor, will be issued to the sanctioned party. In the case of a determination by the Integrity Compliance Officer that the sanctioned party has complied with all conditions for non-debarment or conditions for release from debarment, as applicable, the sanctioned party shall, from the date of such determination or such other date as the Integrity Compliance Officer may specify, be released from further obligation under the terms of the conditional non-debarment or under the terms of the debarment with conditional release, as the case may be.

(e) ***Appeals of Compliance Determinations.*** Determinations of non-compliance by the Integrity Compliance Officer may be appealed by a sanctioned party as follows:

(i) No later than thirty (30) days after a determination of non-compliance by the Integrity Compliance Officer, the sanctioned party may request in writing that the Sanctions Board review such determination. Any such request shall set forth the reasons why the sanctioned party believes that in making his/her determination the Integrity Compliance Officer committed an abuse of discretion. The sanctioned party shall append to its request the Application and the Integrity Compliance Officer's determination of non-compliance. The sanctioned party's request for review may be accompanied by additional evidence and arguments in response to the stated grounds for the determination of non-compliance.

(ii) Within ninety (90) days after receipt of such request, and upon consideration of the arguments and evidence presented therein, the Sanctions Board shall decide whether the Integrity Compliance Officer committed an abuse of discretion in the determination of non-compliance. The Sanctions Board may consult with the Integrity Compliance Officer in making any such decision.

(iii) In the event that the Sanctions Board determines that the Integrity Compliance Officer committed an abuse of discretion in the determination of non-compliance, such determination shall be

rescinded and the conditions for non-debarment or the conditions for release from debarment, as the case may be, shall be deemed complied with by the sanctioned party. However, in the event that the Sanctions Board determines that the Integrity Compliance Officer did not commit an abuse of discretion, the determination of non-compliance shall remain in effect as provided in paragraph (d) above.

(iv) For the purpose of this paragraph (e), the Integrity Compliance Officer commits an `abuse of discretion' in making a determination of non-compliance if the determination: (1) lacks an observable basis or is otherwise arbitrary; (2) is based on disregard of a material fact or a material mistake of fact; or (3) was taken in material violation of the procedures set out in this Section 9.03.

(f) ***Default by the Sanctioned Party.*** In the event that a sanctioned party: (i) fails to timely submit an Application with respect to conditions for non-debarment or conditions for release from debarment; or (ii) fails to fully cooperate with any verification of compliance conducted under Section 9.03(d), the sanctioned party shall be deemed not to have complied with the relevant conditions for non-debarment or for release; *provided, however*, that the Integrity Compliance Officer may, in his or her sole discretion, agree to accept an Application within a reasonable period after the deadline therefor upon a showing by the sanctioned party of sufficient reasons for its late submission. A determination of non-compliance by reason of default shall not be subject to review.

Section 9.04. Scope of Sanctions.

(a) ***Select Sanctioning of Divisions of a Sanctioned Party***. When a sanction is imposed on an entity, the Sanctions Board or the MIGA Evaluation Officer, as the case may be, may decide, based on arguments and evidence in the record, to limit the application of the sanction to a particular division or other business unit thereof.

(b) ***Imposition of Sanctions on Affiliates.*** When a sanction is imposed on a Respondent, appropriate sanctions may also be imposed on any Affiliate of the Respondent. If the MIGA Evaluation Officer temporarily suspends and/or recommends the imposition of a sanction on an Affiliate of the Respondent that controls or is under common control with the Respondent, the MIGA Evaluation Officer shall provide such Affiliate with a copy of the relevant Notice in accordance with the provisions of Section 13.05. Such Affiliate(s) shall have procedural rights hereunder equivalent to those of the Respondent, except that any Preliminary Explanation, Explanation, Response or other formal submission shall be consolidated with that of the Respondent unless the

MIGA Evaluation Officer or the Sanctions Board, as the case may be, determines, as a matter of discretion, to permit an independent submission.

(c) ***Successors and Assigns.***

Any sanction imposed shall apply to the sanctioned party's successors and assigns, as determined by MIGA. Such determination may be appealed by the party(ies) affected thereby in accordance with Section 9.03(e), *mutatis mutandis; provided, however*, that no such appeal shall stay or otherwise affect determinations of eligibility taken by MIGA and/or the applicable WBG entity prior to a decision by the Sanctions Board.

ARTICLE X

DISCLOSURE

10.01. Disclosure to the Public.

(a) ***Disclosure of Sanctions.*** Information concerning the identity of each sanctioned party and the sanctions imposed shall be publicly disclosed.

(b) ***Publication of Sanctions Board Decisions and MIGA Evaluation Officer Determinations.*** The full text of the decisions of the Sanctions Board, as well as the determinations of the MIGA Evaluation Officer in uncontested proceedings, shall be publicly disclosed.

(c) ***Law Digests.*** The Sanctions Board will publish and update, on a periodic basis, a digest of such aspects of its decisions that it deems illustrative of the legal principles it has applied in reaching its decisions.

Section 10.02. Sharing of Materials with Third Parties.

(a) ***Sharing of Materials with Other Organizations or Agencies.*** MIGA may, at any time, make materials submitted by INT or the Respondent to the MIGA Evaluation Officer and/or the Sanctions Board available to another multilateral development bank or other international or multinational organization, or to national development agencies or the investigative or prosecuting authorities of its member countries, if MIGA determines that doing so would be in the best interests of MIGA; *provided* the recipient of such materials agrees to keep them confidential on terms and conditions acceptable to MIGA.

(b) ***Sensitive Materials; Withholding of Certain Information.*** In determining whether to approve the sharing of information under this Article X, MIGA shall consider, among other factors, the standard for withholding sensitive materials set forth in Section 5.04(c). MIGA shall withhold information if it determines that sharing such information would violate any undertaking by MIGA in favor of a VDP participant.

(c) ***No Prejudice to Administration or Operations.*** Nothing in this Section 10.02 or elsewhere in these Procedures limits, prejudices or qualifies any rights or privileges MIGA may have to provide information to assignees, co-investors, counterparties, reinsurers or insurers under MIGA's Cooperative Underwriting Program or other participants in any MIGA project or transaction, or in the course of dispute resolution, or otherwise in the course of administration or operation of its projects and transactions.

Section 10.03. Sharing of Investigative Materials.

For the avoidance of doubt, nothing in this Article X shall prohibit or otherwise restrict the ability of MIGA to share information obtained by the World Bank Group in the course of an investigation with parties identified in Section 10.02 if such information sharing is permitted by its policies and procedures.

ARTICLE XI

SETTLEMENTS

Section 11.01. Stays of Proceedings.

(a) At any time during sanctions proceedings, INT and one or more Respondents, acting jointly, may request the MIGA Evaluation Officer for a stay of proceedings for the purpose of conducting settlement negotiations.

(b) An initial stay of proceedings may be granted for no longer than sixty (60) days, but may be extended upon request by INT and the Respondent, acting jointly, together with written confirmation by both parties that they continue to be actively engaged in settlement negotiations. The stay may be extended any number of times, provided that the total length of the stay does not exceed ninety (90) days.

(c) Requests for a stay of proceedings shall be granted as a matter of course.

(d) All time periods specified in these Procedures shall be tolled during the pendency of a stay of proceedings.

Section 11.02. Submission and Review of Settlements.

(a) At any time prior to or during sanctions proceedings and prior to the issuance of a decision by the Sanctions Board under Section 8.01, whether or not a stay has previously been granted, INT and one or more Respondents may submit a signed copy of any settlement agreement to which they are parties to the MIGA Evaluation Officer for review, together with a certification by both parties that the Respondent(s) entered into said agreement freely and fully informed of the terms thereof, and without any form of duress. Such submission shall automatically stay sanctions proceedings then pending with respect to any case or cases so specified in the settlement agreement, including any proceedings before the Sanctions Board.

(b) The MIGA Evaluation Officer shall review the settlement agreement to ensure that the terms of the agreement do not manifestly violate Sections 9.01 or 9.02 or any guidance issued by MIGA in respect thereof.

(c) Upon confirmation by the MIGA Evaluation Officer that the terms of the settlement agreement do not manifestly violate Sections 9.01 or 9.02 or any guidance issued by MIGA in respect thereof, the MIGA Evaluation Officer shall impose the sanction therein stipulated and promptly inform INT and the Respondent(s) thereof, whereupon the agreement shall become effective immediately or as of any other such date specified in said agreement.

(d) If the MIGA Evaluation Officer finds that the terms of the settlement agreement manifestly violate Sections 9.01 or 9.02 or any guidance issued by MIGA in respect thereof, or that, notwithstanding the certification provided under Section 11.02(a), any Respondent did not enter into the settlement agreement freely and fully informed of its terms, and without any form of duress, the MIGA Evaluation Officer shall promptly inform INT and the Respondent(s) thereof, whereupon the agreement shall be terminated without prejudice to any party thereto.

Section 11.03. Effect of Settlement Agreements.

(a) If the settlement agreement provides for the definitive disposition, in whole or in part, of the case, subject to sanctions proceedings, the case (or such part thereof as the agreement may specify) shall be closed as of the effective date of the agreement or any other such date specified in said agreement, on such terms, including the imposition of such sanctions on the Respondent, as may be stipulated in the agreement.

(b) If the settlement agreement provides for the deferral of proceedings for a period of time pending compliance by the Respondent with specified conditions, proceedings shall be deemed stayed for the period specified in the agreement, so long as the Respondent remains in compliance with such conditions. Unless the agreement otherwise expressly provides, upon expiration of the deferral period and compliance by the Respondent with all conditions specified therefor in the agreement, the case shall be closed. All statute of limitations and other time periods specified in these Procedures shall be tolled during the pendency of such deferral.

(c) Unless the settlement agreement otherwise expressly provides, compliance by the Respondents with the terms and conditions thereof shall be deemed conditions for release from debarment or conditions for non-debarment, as the case may be.

(d) If a settlement agreement is to become effective prior to the commencement of sanctions proceedings, the terms of the agreement shall have the same effect as if sanctions proceedings had been commenced and concluded with the outcome, including the imposition of such sanction(s) on the parties thereto, as may be specified in the agreement.

(e) Any other term of the settlement agreement shall be given such effect as may be specified in the agreement.

Section 11.04. Compliance with Settlement Agreements.

Unless the settlement agreement expressly provides otherwise, all determinations as to the compliance by the Respondent(s) with the terms and conditions of the settlement agreement, and any controversy between the parties as to the interpretation or performance thereof, shall be taken by INT, subject to a right of appeal in accordance with the provisions of Section 9.03(e), *mutatis mutandis*. In the case of settlement agreements providing for a deferral of proceedings under Section 11.03(b), if INT determines that any Respondent has violated the settlement agreement, the case shall be re-opened and resume at the point at which it had been deferred.

ARTICLE XII

ENFORCEMENT OF DEBARMENT DECISIONS BY OTHER MULTILATERAL DEVELOPMENT BANKS

Section 12.01. Multilateral Development Bank Mutual Enforcement Agreement.

MIGA may enforce debarment decisions taken by other multilateral development banks in accordance with its applicable policies and procedures.

Section 12.02. Effect of Enforcement.

Any decision by MIGA to enforce the debarment decision of another multilateral development bank shall have the same effect as if the entity(ies) or individual(s) debarred by said institution had been debarred by the MIGA Evaluation Officer or the Sanctions Board in the manner described in Section 9.01(c) or Section 9.01(d), as applicable.

Section 12.03. Dissemination of Enforcement Decisions.

The decision to enforce debarment by another multilateral development bank shall be disseminated in the manner prescribed in Section 10.01.

ARTICLE XIII

ADDITIONAL PROVISIONS

Section 13.01. Effective Date.

(a) These Procedures are effective as of the date first above written (the "***Effective Date***") and shall apply to:

(i) all proceedings for which a Notice is issued by the MIGA Evaluation Officer on or after the Effective Date;

(ii) any settlement in respect of which a request for a stay or a settlement agreement is submitted to the MIGA Evaluation Officer on or after the Effective Date;

(iii) any decision in respect of compliance by a sanctioned party with conditions for release from debarment or for non-debarment taken on or after the Effective Date; and

(iv) any decision taken in respect of the application of sanctions to Affiliates or successors or assigns on or after the Effective Date.

(b) For the avoidance of doubt, the decisions referred to in Sections 13.01(a)(iii) and (iv) above include any and all such decisions in respect of sanctions that were imposed prior to the Effective Date.

Section 13.02. Amendments.

MIGA, by the authority of its Director and General Counsel, may amend, supplement or otherwise revise these Procedures at any time, with or without notice. Any such revision will be effective as of the date of approval thereof by the appropriate authority and will apply to proceedings for which a Notice is issued after such date.

Section 13.03. No Rights or Privileges Conferred.

These Procedures are intended to assist in facilitating the reasonable exercise of discretion by the Sanctions Board, the MIGA Evaluation Officer, and MIGA officials in cases subject to these Procedures and do not in themselves confer any rights or privileges.

Section 13.04. No Waiver of Privileges and Immunities.

Nothing in these Procedures, and nothing revealed during proceedings under these Procedures, shall be considered to alter, abrogate or waive MIGA's status, immunities and privileges as set forth in the MIGA Convention or other provisions of national or international law.

Section 13.05. Issuance and Delivery.

(a) ***Issuance and Delivery of Notices and other documents.*** A Notice, Reply or any other document shall be deemed issued to the Respondent on the date it is deposited in the mail or with a courier service by the MIGA Evaluation Officer or Secretary to the Sanctions Board. MIGA may issue rules regulating the delivery, including constructive delivery, of Notices, Replies and other materials to the Respondent.

(b) ***Submission of Explanations and Responses.*** Explanations, Responses and other materials shall be deemed submitted to the MIGA Evaluation Officer or Sanctions Board on the date they are actually received by the MIGA Evaluation Officer or the Secretary to the Sanctions Board, as the case may be.

(c) ***Means of delivery or submission.*** Documents may be delivered or submitted by mail or courier, or in person. The MIGA Evaluation

Officer or the Secretary to the Sanctions Board may, in his or her discretion, accept submission of materials by electronic means.

(d) ***Determination of date of delivery or submission.*** If there is any doubt as to the date as of which a document should be deemed as delivered or submitted, the MIGA Evaluation Officer or the Secretary to the Sanctions Board, as the case may be, shall decide. His or her determination shall be final and unappealable, and shall be binding on all parties to the proceedings.

Section 13.06. Confidentiality. Neither the Respondent (including any Affiliate thereof) nor MIGA shall disclose to, or discuss with, any third party any part of the record, or information relating thereto, except as follows:

(a) The Respondent may disclose any part of the record in its possession in accordance with these Procedures: (i) to legal counsel engaged for the purpose of representing or advising the Respondent in the proceedings to which the record relates, and discuss the case with such counsel, *provided* that such counsel agrees that it shall not disclose to, or discuss with, any third party any part of the record, or information relating thereto; (ii) as required by an order of any court of competent jurisdiction, including pursuant to any procedure for the discovery of documents in proceedings before such court; (iii) pursuant to any law or regulation having the force of law to which the Respondent is subject; or (iv) otherwise, only with the prior written consent of the relevant WBG entity. Except as provided in (i) and (iv) above, the Respondent shall provide INT and the MIGA Evaluation Officer or the Sanctions Board, as the case may be, with reasonable prior notice of any such disclosure.

(b) MIGA may disclose materials and other information in accordance with Article X or as otherwise permitted by its policies and procedures.

A violation of this Section 13.06 (whether by a Respondent and/or any of its Affiliates, or by legal counsel thereto) shall be: (i) an aggravating factor in determining an appropriate sanction if the violation is brought to the attention of the MIGA Evaluation Officer or the Sanctions Board during sanctions proceedings; and (ii) a separate basis for sanction, if the violation comes to light after the conclusion of sanctions proceedings.

Section 13.07. Cases involving MIGA Projects and other World Bank Group Projects.

In the event that INT submits a Request for Temporary Suspension or a Statement of Accusations and Evidence and such request or statement relates to a MIGA Project as well as (an)other World Bank Group project(s), the MIGA Evaluation Officer may, in its discretion, consult

with the Bank Evaluation Officer and/or the Bank Private Sector Evaluation Officer and/or the IFC Evaluation Officer (as the case requires) prior to issuing a Notice of Temporary Suspension or a Notice of Sanctions Proceedings with respect to INT's request or statement. Notwithstanding any such consultation, the MIGA Evaluation Officer shall not be bound, nor in any other way restricted, by such consultation(s) in determining whether to issue a Notice with respect to a MIGA Project pursuant to these Procedures. For the avoidance of doubt, if any of the MIGA Evaluation Officer, the Bank Evaluation Officer, the Bank Private Sector Evaluation Officer or the IFC Evaluation Officer goes forward with a Notice in such case, then each such evaluation officer shall apply its respective sanctions procedures to such case.

ANNEX A

MIGA's Anti-Corruption Guidelines
(as in effect on October 15, 2006)

The purpose of these Guidelines is to clarify the meaning of the terms "Corrupt Practices", "Fraudulent Practices", "Coercive Practices", "Collusive Practices" and "Obstructive Practices" in the context of MIGA operations.

CORRUPT PRACTICES

A "Corrupt Practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another person.

Interpretation

1. Corrupt Practices are understood as kickbacks and bribery. The conduct in question must involve the use of improper means (such as bribery) to violate or derogate a duty owed by the recipient in order for the payor to obtain an undue advantage or to avoid an obligation. Antitrust, securities and other violations of law that are not of this nature are excluded from the definition of Corrupt Practices.

2. It is acknowledged that foreign investment agreements, concessions and other types of contracts commonly require investors to make contributions for bona fide social development purposes or to provide funding for infrastructure unrelated to the project. Similarly, investors are often required or expected to make contributions to bona fide local charities. These practices are not viewed as Corrupt Practices for purposes of these definitions, so long as they are permitted under local law and fully disclosed in the payor's books and records. Similarly, an investor will not be held liable for Corrupt or Fraudulent Practices committed by entities that administer bona fide social development funds or charitable contributions.

3. In the context of conduct between private parties, the offering, giving, receiving or soliciting of corporate hospitality and gifts that are customary by internationally-accepted industry standards shall not constitute Corrupt Practices unless the action violates applicable law.

4. Payment by private sector persons of the reasonable travel and entertainment expenses of public officials that are consistent with existing practice under relevant law and international conventions will not be viewed as Corrupt Practices.

5. The World Bank Group does not condone facilitation payments. For the purposes of implementation, the interpretation of "Corrupt Practices" relating to

facilitation payments will take into account relevant law and international conventions pertaining to corruption.

FRAUDULENT PRACTICES

A "Fraudulent Practice" is any action or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a person to obtain a financial benefit or to avoid an obligation.

Interpretation

1. An action, omission, or misrepresentation will be regarded as made recklessly if it is made with reckless indifference as to whether it is true or false. Mere inaccuracy in such information, committed through simple negligence, is not enough to constitute a "Fraudulent Practice" for purposes of World Bank Group sanctions.

2. Fraudulent Practices are intended to cover actions or omissions that are directed to or against a World Bank Group entity. It also covers Fraudulent Practices directed to or against a World Bank Group member country in connection with the award or implementation of a government contract or concession in a project financed by the World Bank Group. Frauds on other third parties are not condoned but are not specifically sanctioned in IFC[15], MIGA, or PRG[16] operations. Similarly, other illegal behavior is not condoned, but will not be sanctioned as a Fraudulent Practice under the World Bank sanctions program as applicable to IFC, MIGA and PRG operations.

COERCIVE PRACTICES

A "Coercive Practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any person or the property of a person to influence improperly the actions of a person.

Interpretation

1. Coercive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.

2. Coercive Practices are threatened or actual illegal actions such as personal injury or abduction, damage to property, or injury to legally recognizable interests, in order to obtain an undue advantage or to avoid an

[15] "IFC" means the International Finance Corporation, a member of the World Bank Group.

[16] "PRG" means the Partial Risk Guarantee operations conducted by the Project Finance Group of the International Bank for Reconstruction and Development.

obligation. It is not intended to cover hard bargaining, the exercise of legal or contractual remedies or litigation.

COLLUSIVE PRACTICES

A "Collusive Practice" is an arrangement between two or more persons designed to achieve an improper purpose, including to influence improperly the actions of another person.

Interpretation

Collusive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.

OBSTRUCTIVE PRACTICES

An "Obstructive Practice" is: (a) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making of false statements to investigators, in order to materially impede a World Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice and/or threatening, harassing or intimidating any person to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or (b) acts intended to materially impede MIGA's access to contractually required information in connection with a World Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice.

Interpretation

Any action legally or otherwise properly taken by a person to maintain or preserve its regulatory, legal or constitutional rights such as the attorney-client privilege, regardless of whether such action had the effect of impeding an investigation, does not constitute an Obstructive Practice.

General Interpretation

A person should not be liable for actions taken by unrelated third parties unless the first person participated in the prohibited act in question.