

12th IACC
Workshop Short Report Form

Number and Title of Workshop: Workshop 6.4 Multilateral Development Banks Mechanisms to Investigate and Sanction Corruption in Its activities - Coordinator: Steve Zimmerman (IADB)

Date and Time of Workshop: Friday November 17 1130am – 200pm

Moderator: Steve Zimmerman (Inter-American Development Bank)

Rapporteur: Roberto de Michele (Inter-American Development Bank)

Panelists:

Eddie Ouko (African Development Bank)

Michael Stevens (Asian Development Bank)

Lee Marler (European Bank for Reconstruction and Development)

Steve Zimmermann (Inter-American Development Bank)

Glenn Ware (World Bank)

Main Issues Covered

Each panelist made a 10 minute presentation on the main issues related to the investigation of fraud and corruption in their institutions.

The main issues covered by the panel were:

1. The Role of Multilateral Development Banks (MDBs) in investigating fraud and corruption.
2. The legal framework supporting investigations by MDBs into fraud and corruption in the operations financed by these institutions
3. The history and background of the MDBs fiduciary obligations and investigative responsibilities.
4. Similarities and differences among the MDBs anticorruption frameworks
5. Results of investigative activities of the MDBs
6. Types of sanctions imposed by MDBs, debarment, cross debarment and referral of matters to national authorities.

Main Outcomes / outputs

The main outcomes and or outputs of this workshop are:

1. An increased dissemination of the investigative functions of the MDBs.
1. An increased awareness of the relationship between the investigative functions of the MDBs as a complementary role to national authorities with the responsibility to investigate fraud and corruption under national law
2. Panelists indicated that the MDBs have developed the practice of exchanging information, formally and informally, on their investigative functions. This practice has led to the improvement of policies and practices within each institution.
3. Based on these exchanges, MDBs have invested significant efforts in moving to harmonized definitions of fraud and corruption, as well as common guidelines for investigations. The former is work in progress, while the latter came to fruition with the adoption of the Principles and Guidelines for Investigations endorsed by the **International Financial Institutions (IFI) Anti-Corruption task force**.

Recommendations, Follow-up

1. The public expressed concern on the level of awareness at the country level of the investigatory functions of the MDBs. Indicating that it would be valuable to adopt a more robust communication strategy
2. Panelists mentioned the importance of combining investigative results with prevention, both internally and toward supporting country level capacity to prevent corruption. In this area, it was suggested that MDBs could improve the dissemination of case studies and lessons learned.
3. Not all MDBs make public disclosure of sanctions. Those MDBs who don't, provided explanations supporting this approach. In general, the public favored disclosure of sanctions as well as information on the investigative functions of the MDBs
4. Panelists agreed that the ultimate goal is to transfer lessons learned to countries, to improve their capacity to prevent fraud and corruption, beyond the projects financed by the MDBs