



## **European Bank for Reconstruction and Development**

The EBRD's Enforcement Policy and Procedures (EPPs) set out the Bank's procedures for processing allegations of fraud, corruption, collusion or coercion (each a Prohibited Practice) in relation to activities and projects financed from the Bank's ordinary capital resources (including the purchase of the goods, works or services for the Bank) or from Special Funds resources, or from cooperation funds administered by the Bank. Different procedures apply in the event of a receipt of a judgment of a judicial process in a member country of the EBRD that an individual or entity has engaged in a Prohibited Practice or receipt of a Debarment Decision from another of the MDBs. The full text of the EPPs is available at <http://www.ebrd.com/downloads/integrity/epp.pdf>.

### **Complaint Screening**

Upon receipt of an allegation of a suspected Prohibited Practice the EBRD's Chief Compliance Officer (CCO) carries out a preliminary assessment to determine the applicability of the EBRD's EPPs, the reliability of the information received and the prima facie relevance and seriousness of the alleged Prohibited Practice for the EBRD.

If following the completion of the preliminary assessment the CCO determines that the allegations(s) require(s) a more detailed and comprehensive investigation, the CCO will appoint one or more investigation officers (internal and /or external to the EBRD) to assist the CCO to conduct a further investigation.

### **Investigations**

All further investigations are undertaken by the CCO (assisted by one or more investigation officers as the circumstances may warrant) having regard to the International Financial Institutions Principles and Guidelines for Investigations. To the extent possible, the investigative findings are presented to the person(s) and /or entity(ies) allegedly responsible for the commission of the Prohibited Practice for explanation/ clarification of events before they are finalised. If the further investigation establishes that there is sufficient evidence to support a finding of the alleged Prohibited Practice, the matter is submitted to the EBRD's Enforcement Committee for the institution of Enforcement Proceedings against the persons and /or entities responsible for the commission of the alleged Prohibited Practice (the Respondent(s)). The failure or refusal of the Respondents to have commented on the investigative findings will not prevent the completion of the

further investigation; nor will it prevent or preclude the Respondents from submitting a response to the EBRD's Enforcement Committee should Enforcement Proceedings be instituted.

Based on the documents submitted and oral representations, if any, made by the parties and any other information available in the public domain, the Enforcement Committee is responsible to determine whether the evidence supports the conclusion that it is more likely than not ( i.e. on a balance of probabilities) that the Respondents committed the alleged Prohibited Practice.

## Sanctions

Based on the findings and recommendations of the Enforcement Committee, the President of the EBRD decides which Enforcement Action(s) to impose.

The Enforcement Action(s) may include one or more of the following:

- Rejection of a proposal for award of contract to the responsible person(s) and or entity(ies) in respect of a procurement of goods, works or services;
- Cancellation of a portion of Bank finance allocated to the person(s) and or entity(ies) but not yet disbursed in respect of a contract for the procurement of goods, works or services;
- Reprimand: the responsible person(s) and or entity(ies) receives a formal "Letter of Reprimand".
- Debarment: the responsible person(s) and or entity(ies) and its (their) Affiliate(s) is (are) declared ineligible, either indefinitely or for a stated period of time, to become a Bank Counterparty in any new Bank Project.
- Conditional Non-Debarment: the responsible person(s) and or entity(ies) and its (their) Affiliate(s) is (are) required to comply, within stated time periods, with certain remedial, preventative or other measures as a condition to avoid debarment. In the event the prescribed conditions are not complied with within the time periods established, a debarment would automatically become effective for a period of time.
- Debarment with Conditional Release: the responsible person(s) and or entity(ies) and its (their) Affiliate(s) is (are) declared ineligible for a stated period of time subject to conditional reinstatement pursuant to which the period of debarment is reduced or terminated if the specified conditions, such as the introduction and/or implementation of corporate compliance or ethics programs, are duly complied with.
- Restitution: the responsible person(s) and or entity(ies) is (are) ordered to make restitution of diverted funds to any other party.

The Enforcement Actions are intended to assist the responsible person(s) and or entity(ies) and its (their) Affiliate(s) to address deficiencies in control or compliance functions that may have contributed to the occurrence of the Prohibited Practice(s) and/or to reduce the Bank's operational and reputational risks in the carrying out of Bank Projects with the person(s) and or entity(ies) or any of its/their Affiliates.