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ACRONYMS

AsDB Banque asiatique de développement
CHIS Corporate Information Technology Services Department
SNPB Programming and Budget Department
EBRD European Bank for Reconstruction and Development
PGCL Office of General Counsel and Legal Services Department
PIAC Office of Integrity and Anti-Corruption
IDB Inter-American Development Bank
IFI International Financial Institutions
BMD Multilateral Development Banks
SNFI Fiduciary and Financial Management, Inspection and Procurement Policy Department
SAB Sanctions Appeals Board
BSAB Secretariat to the Sanctions Appeals Board
SNSO Sanctions Office
SC Sanctions Commissioner
SP Sanctionable Practice
SSO Secretary to the Sanctions Office
ST Temporary Suspension
A WORD FROM THE SANCTIONS COMMISSIONER

When on 5 July 2012, the Board of Directors of the Bank adopted the recommendations to establish a two-tier sanctions process, and created the Sanctions Office and the Sanctions Appeals Board, the institution opted for the innovative approach of having an external Sanctions Commissioner and Alternate Sanctions Commissioner who are not Bank staff. This was an approach none of the other Multilateral Development Banks had adopted at the first tier level. This approach by the Bank had first been put into place on a trial basis for three years. The decision by the Board of Directors in May 2016, to maintain the same principle for a further three years period till May 2019 confirms the Bank’s intention to put in place a sanctions regime that brings with it independence and all the guarantees of fairness and due process, regardless of the fact that it still remains an administrative proceeding.

At the time of the establishment of the Bank Group Sanctions System, most of the signatories of the Cross-debarment Agreement of 9 April 2010, i.e. the World Bank, the Inter-American Development Bank and the Asian Development Bank, had already put in place a sanctions process. Consequently, upon our appointment and swearing in, myself, as the first Sanctions Commissioner and Mr. Mahmoud BOUSBIA-SALAH, as the Alternate Sanctions Commissioner, and later the Sanctions Secretary approached these institutions to familiarize ourselves with the processes, get an understanding of their procedures and systems, and learn from best practices.

I am glad to say that the Bank and the other Multilateral Development Banks have since continued their cooperation by yearly meetings and frequent exchanges. The efficiency of this process has seen the increased need to have these formal meetings, as the consequence of a decision taken against any party by one Bank can have far reaching consequences on the relationship between the party in question and the other participants to the Cross-debarment Agreement. There is therefore the necessity for constant benchmarking of the processes among these International Financial Institutions.

The reform of the sanctions process in the Bank caused the fine tuning of the Department in charge of investigations. The first months were thus devoted to a concerted approach that was to determine the new modus operandi in view of the Sanctions Procedures, as well as an understanding on the practicalities of how to proceed. This permitted the Department whose staffing and expertise had the bias in favour of investigation, to rapidly adjust to the requirements of legal drafting and procedural constraints. There is a need for the Bank to support PIAC by the allocation of jurists with drafting expertise so as to free the investigators and allow them to deal with the huge task of investigations.

The past annual reports of the Sanctions Office’s activities were elaborated jointly with the Secretariat to the Sanctions Appeals Board and presented as the “Annual Report of the Sanctions System”. This year we decided to introduce a different format, featuring exclusively the activities of the Sanctions Office that allows the clear demarcation of the different tiers of the sanctions process. The present report presents the activities of the past year as well as an overview of what has transpired in the five years of existence of the Sanctions Office. Six Annexes contain inter alia a global view of the sanctions process, a list of all matters examined as well as a classification in terms of the nature and places of occurrence of Sanctionable conducts.
As I move on after tendering my resignation, I must express my gratitude to the President and the Members of the Board to have associated me in this pioneer project. I would also like to thank the Sanctions Secretary and colleagues of the Sanctions Office without whom I could not have performed my duties. As a Barrister of forty years standing this year who has been closely involved and worked in the area of anti-corruption and good governance, I have not hesitated in pointing out to this initiative by the Bank as an example of the zero tolerance approach to corruption which still remains the premier obstacle to the economic, social and political progress of Africa.

Akere Tabeng MUNA
INTRODUCTION

1. The Sanctions Office ("SNSO") is part of the African Development Bank Group’s Sanctions System ("the Bank Group" or the "Bank") established by resolution B/BD/2012/06 adopted by the Board of Directors on 5 July 2012. The system was established pursuant to the fiduciary and legal obligations of the Bank's Group to ensure that the resources mobilised and allocated to finance development projects are used for the purposes for which they are intended and not diverted through corruption, fraud and other related practices.

2. The Sanctions System is a two-tier administrative process, composed of the Sanctions Office ("SNSO") at the first level and, the Sanctions Appeals Board ("SAB") at the second and final level. It is governed by a document adopted by the Board of Directors and entitled “Proposal for the Implementation of a Sanctions Process within the African Development Bank Group”\(^1\) and by the Sanctions Procedures of 18 November 2014.\(^2\)

3. The Sanctions Office is an independent body that acts solely on referral by the Bank Group's Office of Integrity and Anti-Corruption ("PIAC"). It decides on allegations of corruption, fraud, collusion, coercion and obstruction (collectively referred to as "Sanctionable Practices") in Bank-financed activities. The Sanctions Office imposes sanctions against entities and individuals whose responsibility has been proven through adversarial procedures, ensuring that the accused parties receive fair treatment and that their right to defence is exercised. SNSO does not have jurisdiction to consider allegations of Sanctionable Practices against Bank staff. The Sanctions Office has been operational since August 2013.

4. SNSO is composed of a Sanctions Commissioner, an Alternate Sanctions Commissioner, a Sanctions Secretary and an Administrative Assistant. The Sanctions Commissioners are external experts chosen for their competence in the legal field and the fight against corruption. They are appointed by the Bank’s Board of Directors for a period of three years, renewable once. The structure, duties and operating rules of the Sanctions System bodies are set out in Annex I of this document.

5. The 2017 Annual Report was prepared pursuant to paragraph 2(h) of the Terms of Reference of the Sanctions Commissioner (see Annex III below) as provided for in the Proposal for the Implementation of a Sanctions Process within the Bank, which requires the Sanctions Commissioner to submit to the Board of Directors an annual report on SNSO activities. This report presents the activities carried out by the Sanctions Office from 1 January to 31 December 2017 (I). In addition, on 31 December 2017, the Sanctions Office completed five (5) years of activities. On this occasion, SNSO deemed it useful to present an overview of its first five years of activity (II).


\(^2\) The Sanctions Procedures were issued on 12 August 2013. They were subsequently amended on 18 November 2014.

Sanctions Office – 2017 Annual Report
I. SANCTIONS OFFICE ACTIVITIES IN 2017

6. In keeping with its mandate, SNSO reviewed the formal sanctions procedures (A) and negotiated settlement agreements (B) submitted by PIAC. The Sanctions Office also organized seminars for Bank staff and took part in exchange missions (C).

A. Consideration of Formal Sanctions Procedures

7. As part of the review of the formal sanctions procedures, the Sanctions Commissioner assesses the evidence supporting the Sanctionable Practices which PIAC alleges against the alleged wrongdoer (the “Respondent”). If the Sanctions Commissioner determines that PIAC’s file (referred to as "Findings of Sanctionable Practices" or "FoSP") is not supported by sufficient evidence, he or she will issue a Determination of Insufficient Evidence that will end the procedure. PIAC may, however, submit a revised FoSP with additional evidence. (See Annex II of this Annual Report).

8. If the Sanctions Commissioner considers that the evidence is sufficient, he or she will issue a Notice of Sanctions Proceedings (“Notice”) to the Respondent and will invite the Respondent to present their arguments in defense (the "Response") within sixty (60) days. Upon receipt of the Response, the Sanctions Commissioner will review the entire file and will determine, based on the preponderance of evidence, whether it is more likely than not that the Respondent is guilty of the alleged misconduct. If the answer is negative, the Sanctions Commissioner will withdraw the Notice. Otherwise, the Sanctions Commissioner renders a Sanctions Decision and imposes to the Respondent one or more of the sanctions defined in the Sanctions Procedures and summarized in Annex I below. The Sanctions Decision is final and binding unless the Respondent appeals to the SAB.

9. In 2017, SNSO reviewed twelve (12) sanctions proceedings, two (2) of which were carried over from the previous year. Nine (9) new cases were submitted by PIAC, and one of these cases was resubmitted by PIAC, after being rejected by the Sanctions Commissioner, increasing the number of cases submitted in 2017 to ten (10). In this regard, the number of cases submitted in 2017 rose, compared to the annual average of 4 to 5 cases in previous years.

10. Examination of these cases resulted in the following actions:

- seven (7) Notices of sanctions proceedings;
- three (3) Requests for Clarifications sent to PIAC;
- four (4) Determination of Insufficient Evidence;
- one (1) Withdrawal of a Notice of sanctions proceedings;
- two (2) Sanctions decisions. The Respondents were declared ineligible to participate in activities financed and managed by the Bank Group for periods of one (1) and three (3) years. Respondents will also have to adopt and implement an integrity compliance programme for their staff.

11. One of the cases had to be closed due to the death of the individual Respondent and the dissolving of the Respondent firm, the one-person business owned by him.

12. As of 31 December 2017, four (4) cases were pending, awaiting the submission of the Respondents’ Response. Of these twelve cases handled in 2017, one (1) included acts of fraud, corruption and collusion; seven (7) cases related to fraud and four (4) cases were related to collusion. An overview of the cases examined is presented in the table below.
### Table of Formal Sanctions Cases Considered in 2017

<table>
<thead>
<tr>
<th>Sanctions Cases</th>
<th>Alleged Sanctionable Practice(s)</th>
<th>Respondents</th>
<th>Prima facie Determination</th>
<th>Final Determination</th>
<th>Observations</th>
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<td>Fraud - Submission of false Bank guarantees</td>
<td>A firm &amp; an individual</td>
<td>Notice of Sanctions Proceedings</td>
<td>Case closed</td>
<td>Death of the Respondent &amp; dissolution of the firm</td>
</tr>
<tr>
<td>Case SN/2016/03</td>
<td>Fraudulent, Corrupt, Collusive practices during a tender process</td>
<td>Two firms</td>
<td>Determination of Insufficient Evidence</td>
<td>Case closed</td>
<td></td>
</tr>
<tr>
<td>Case SN/2017/01</td>
<td>Fraud - Misrepresentation of facts-overstating work experience in the Bank Consultant Database</td>
<td>An individual</td>
<td>Notice of Sanctions Proceedings</td>
<td>Withdrawal of Notice of Sanctions Proceedings</td>
<td>Case closed</td>
</tr>
<tr>
<td>Case SN/2017/02</td>
<td>Fraud - Misrepresentation of facts-Providing erroneous contract references in connection with a prequalification process for road construction works</td>
<td>A firm</td>
<td>Notice of Sanctions Proceedings</td>
<td>1 year debarment for the Respondent and the completion of an integrity training for the firm’s staff</td>
<td>Case closed</td>
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<tr>
<td>Case SN/2017/03</td>
<td>Fraud - Submission of false Bank guarantees</td>
<td>A firm</td>
<td>Notice of Sanctions Proceedings</td>
<td>3 years debarment for the Respondent and the completion of an integrity-training for the firm’s staff</td>
<td>Case closed</td>
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<tr>
<td>Case SN/2017/04</td>
<td>Collusion - Arrangement in connection with a tender for the rehabilitation and construction of hydraulic Installations</td>
<td>A firm</td>
<td>Determination of Insufficient Evidence</td>
<td>Case closed</td>
<td></td>
</tr>
<tr>
<td>Case SN/2017/05</td>
<td>Collusion - Arrangement in connection with a tender for the rehabilitation and construction of hydraulic Installations</td>
<td>Two firms</td>
<td>Determination of Insufficient Evidence</td>
<td>Case closed</td>
<td></td>
</tr>
<tr>
<td>Case SN/2017/06</td>
<td>Fraud - Submission of false references during a tender process for the realization of studies</td>
<td>A firm</td>
<td>Determination of Insufficient Evidence</td>
<td>FoSP Revised and Resubmitted</td>
<td></td>
</tr>
<tr>
<td>Case SN/2017/07</td>
<td>Collusion in connection with a re-tender for the award of an engineering, procurement and construction contract</td>
<td>A firm &amp; and individual</td>
<td>Notice of Sanctions Proceedings</td>
<td>Case pending</td>
<td></td>
</tr>
<tr>
<td>Case SN/2017/08</td>
<td>Fraud by distorting the prominence of his role and contribution to the design of a Program and the production of the project Appraisal Report</td>
<td>An individual</td>
<td>Notice of Sanctions Proceedings</td>
<td>Case pending</td>
<td></td>
</tr>
<tr>
<td>Case SN/2017/09</td>
<td>Collusion in connection with a re-tender for the award of an engineering, procurement and construction contract</td>
<td>A firm</td>
<td>Notice of Sanctions Proceedings</td>
<td>Case pending</td>
<td></td>
</tr>
<tr>
<td>Case SN/2017/06 - Rev</td>
<td>Fraud - Submission of false references during a tender process for the realization of studies</td>
<td>A firm</td>
<td>Notice of Sanctions Proceedings</td>
<td>Case pending</td>
<td></td>
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B. Consideration of Negotiated Settlement Agreements

13. In the face of allegations of Sanctionable Practices, PIAC and the Respondent may enter into a negotiated settlement agreement, but are required to submit the Agreement to SNSO for review and approval. The role of the Sanctions Commissioner in this context is to ensure the fairness, transparency and credibility of the agreement and, in particular, to ensure that the Respondent has entered into the agreement freely, with full knowledge of the facts and without constraint. The agreement ratified by the Sanctions Commissioner comes into force and becomes binding for both parties.

14. In 2017, SNSO registered three (3) Negotiated Settlement Agreements, all relating to fraud cases. Two of these agreements were endorsed by the Sanctions Commissioner upon the first review, while the third was rejected by the Sanctions Commissioner and resubmitted by PIAC before being ratified.

15. The sanctions imposed resulted in two temporary debarments for relatively short periods of 12 and 15 months and in a conditional non-debarment for a period of 36 months. Sanctioned companies will also have to implement an integrity compliance programme or training for their staff. No financial penalty has been imposed.

<table>
<thead>
<tr>
<th>Case</th>
<th>Sanctionable Practice</th>
<th>Respondents</th>
<th>Sanctions</th>
</tr>
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</table>
| Road sector support Project IV in Uganda (Kigumba-Bulima-Kabwoya road upgrading) | Fraudulent practice: Submission of erroneous contract reference in order to surpass the qualification criteria during a prequalification process | Sinohydro Corporation Limited | • Conditional non debarment for a period of 36 months  
• Implementation of an integrity Compliance Program  
• Cooperation and assistance in Investigations |
| Transaharian Road Project - Bridge construction works on the Niger River, in Niger | Fraudulent practice: False statements about the circumstances that led to the replacement of key personnel identified in the technical offer. | Germs Consulting | • 12 months and 1 day debarment  
• Training in ethics for the Management  
• Reparation for a particular victim |
| Statistics and Public Finance Institutional Support Project in DRC | Fraudulent Practice : Falsification of past experience in order to qualify for the tender and failure to disclose a potential conflict of interest | GH Management and Mr. HANIN | • 15 months debarment with conditional release  
• Ethics Training for the Managing Director |

16. The review of the formal sanctions procedures and negotiated settlement agreements resulted in two (2) trips to Abidjan by the Sanctions Commissioner, two (2) missions to the Headquarters by the Alternate Sanctions Commissioner, and one mission to Yaoundé, place of residence of the Sanctions Commissioner by the Sanctions Secretary. Certain steps in some cases were reviewed or finalized remotely by the Sanctions Commissioner and the Alternate Sanctions Commissioner.
C. Other Sanctions Office Activities

1. Information seminars on the Sanctions System for staff members of the Bank

On 6 and 10 July 2017, the Sanctions Secretary and the Secretary of the Sanctions Appeals Board jointly organized information seminars on the Sanctions System for staff members of the Bank’s country offices in Mozambique and Madagascar. The purpose of these seminars was to engage staff members, particularly those in charge of operations, to familiarise themselves with the sanctions regime and identify and prevent wrongful practices in projects and activities financed by Bank Group resources.

2. Collaboration with parties involved in the Bank’s Sanctions System

On the initiative of the Sanctions Office, a meeting was held on 5 April 2017 between the parties involved in the sanctions regime, namely PIAC, BSAB and SNSO’s Management and staff. Chaired by the Sanctions Commissioner, this meeting was a platform for discussions with a view to improving working practices. The discussion focused on the presentation of procedural documents submitted by PIAC to SNSO.

3. Collaboration with the organs of the MDB Sanctions System and participation in international meetings

On 14 September 2017, the Sanctions Commissioner and Sanctions Secretary participated in the Fourth Colloquium on Suspension and Debarment in Washington DC, organized by the World Bank’s Office of Suspension and Debarment. During the colloquium, the Sanctions Commissioner and his counterparts from the World Bank, the Inter-American Development Bank (IDB) and the European Bank for Reconstruction and Development (EBRD) participated as panelists to a panel discussion on “Moving Forward: Suspension and Debarment in the Development Context”.

In addition to the afore-mentioned colloquium, the Sanctions Commissioner and Sanctions Secretary took part in the annual meeting of the first-tier offices of the Sanctions System of the institutions that signed the Cross Debarment Agreement, which was held on 13 September 2017, at the World Bank. This forum enabled the Bank team to interact with peers from the World Bank, the IDB and the EBRD on topics of common interest, including issues related to negotiated settlement agreements with Respondents and financial penalties imposed under these agreements.

Regarding international meetings, the Sanctions Commissioner participated in the 2017 Ibrahim Governance Weekend, organized by the Mo Ibrahim Foundation, from 7-9 April 2017 in Marrakech, Morocco. He also took part in the Bank Group Annual Meetings that took place from 22-26 May 2017 in Ahmedabad, India.

4. Participation in Audit of Investigation and Debarment Management

The Sanctions Office participated in the audit of the investigation and debarment management initiated in December 2016 by the Bank’s Office of the Auditor General. The purpose of this exercise was to assess the adequacy of existing control mechanisms and the efficiency of the investigation and sanctions system. This audit involved PIAC, SNSO and BSAB. Communicated in July 2017, the audit report recommended, with regard to the sanctions regime, the merging of the Secretariats of the Sanctions Commissioner and the Sanctions
Appeals Board, for reasons of cost efficiency, given the low number of cases settled by the SAB. This recommendation was rejected by Senior Management and the Audit and Finance Committee of the Board of Directors who decided that preserving the independence of the two secretariats is essential to avoid conflicts of interest and risks to the Bank’s reputation and, as such, takes precedence over cost-cutting needs.

23. In a partial conclusion, it should be noted that in 2017, SNSO examined twelve (12) formal sanctions procedures and its work resulted in two (2) Sanctions Decisions, a Withdrawal of a Notice of Sanctions Proceedings and four (4) Decisions of Insufficient Evidence. SNSO also examined three (3) negotiated settlement agreements. In addition, actions to improve collaboration among the various actors in the sanctions regime (PIAC, SNSO and BSAB) have been initiated. Finally, staff communication actions were carried out in two of the Bank’s country offices to raise awareness of the Sanctions System.


24. The activity report proposed here is summarized as a statistical analysis of the various files examined by the Sanctions Office during its first five years of activity. This report describes the case considered by the Sanctions Commissioner (A) and classifies them according to the type of alleged Sanctionable practices, the activity sector, the type of company involved and the place of occurrence of the Sanctionable Practices (B).

A. Sanctions Cases reviewed

I. Formal sanctions procedures

25. From 19 August 2013, date of receipt of the first cases, to 31 December 2017, twenty-four (24) formal sanctions procedures were reviewed by SNSO. This total refers to the twenty-two (22) FoSPs received by SNSO, plus two (2) Revised FoSPs that were resubmitted by PIAC following the formal rejection of the initial FoSPs by the Sanctions Commissioner. The summary table of these procedures is attached to this report in Annex IV. It mentions the alleged Sanctionable practices, the circumstances under which they were committed, the decision taken by the Sanctions Commissioner, the country in which the project was implemented, the investment sector, the number, type and origin of the entities involved and finally, whether the project was in the public or private sectors.

26. It should be pointed out that most of the companies whose actions have been sanctioned by the Sanctions Commissioner in formal proceedings are small- and medium-sized enterprises (SMEs), in particular those with headquarters in the Bank’s Regional Member Countries.

27. Of these cases, nine (9) Sanctions Decisions were issued; seven (7) cases were dismissed for insufficient evidence; two (2) Notices of sanctions proceedings were withdrawn by the Sanctions Commissioner; four (4) cases were closed for various reasons (death of the Respondent, dissolution of the Respondent firm, unavailability of the Respondent's address and inappropriate presentation of the file); and four (4) cases were under review as of 31 December 2017. (See graph below).
28. The total number of sanctioned entities following formal sanctions procedures is fifteen (15), including eight (8) legal entities and seven (7) individuals. The sanctions imposed are mainly debarments with conditional release, ranging from one to five years as detailed below. These sanctions usually include the Respondent’s obligation to comply with an Integrity Compliance Programme or to undergo ethics training.

29. Of the nine (9) Sanctions Commissioner’s Sanctions Decisions, three (3) were the subject of appeals before the Sanctions Appeals Board. For the first case, the SAB held the Respondent guilty while reducing the initial sanction from two years to one year of debarment. The second appeal was dismissed by the SAB because of the Respondent’s non-compliance with the forms and deadlines of the appeal. Finally, concerning the third appeal, the SAB confirmed the decision taken by the Sanctions Commissioner.

2. **Negotiated Settlement Agreements**

30. Twelve (12) Negotiated Settlement Agreements submitted to the Sanctions Commissioner were cleared. As with the formal sanctions procedures, the table in Annex V specifies the Sanctionable Practices, the context in which they occurred and the sanctions agreed upon by the parties. The country in which the project was implemented, the investment sector, the number, type and origin of the entities involved, and whether the project was a public- or private-sector project are also specified.

31. The total number of entities sanctioned through negotiated settlement agreements is twenty (20) including seventeen (17) legal entities and three (3) individuals. Penalties agreed to by parties range from reprimand letters to conditional debarments of less than one year to three years, including conditional non-debarment as detailed below.

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**Sanctions Office – 2017 Annual Report**
32. Sanctions also include financial compensation for seven entities, or 35% of the Respondents, reimbursement of the cost of investigations, the obligation to implement an integrity compliance programme and to cooperate in related investigations. Although the first negotiated agreements gave rise to the payment of financial reparations, the most recent ones were limited to debarments.

33. It should be noted that the companies that concluded negotiated settlement agreements with the Bank are mostly companies from non-Regional Member Countries of the Bank. They are large companies incorporated under American, Canadian, Japanese, Chinese, Dutch and French law. Only one negotiated settlement agreement was concluded with a company incorporated in Niger. It should be noted that negotiations for a settlement agreement with a Liberian company were initiated in 2016, but ultimately failed.

B. Classification/trend of the sanctions cases reviewed

34. This section will include a trend analysis again based on the tables presented in Annexes IV and V of this report, but overall, without distinguishing between the allegations in terms of formal sanctions proceedings or negotiated settlement agreements. In addition, the analysis is based on all cases submitted to SNSO by PIAC, whether or not the prohibited acts resulted in sanctions.

35. As regards the nature of allegations, seventeen (17) cases concern fraud; nine (9) cases relate to corruption; four (4) cases relate to collusion; three (3) cases relate to both fraud and collusion; and one (1) case to fraud, corruption and collusion. As a result, 70.8% of allegations of Sanctionable Practices relate to allegations of fraud. In addition, over 75% of fraud cases were committed during the procurement process.
36. Table 1 of Annex VI of this report provides further details on the context in which these acts were committed, that is, during the procurement process or during contract performance. It should also be noted that as of 31 December 2017, the Sanctions Commissioner had not yet had the opportunity to examine cases of coercion or obstruction in the context of an investigation.

37. It is also to be observed that most of the Sanctionable Practices were committed in East Africa and West Africa and each accounts for eleven (11) cases out of thirty-two (32) cases of sanctions.

38. The details of the allegations by project country are provided in Table 2 of Annex VI mentioned above. The two Regional Member Countries that had the highest number of allegations of Sanctionable Practices are Uganda and Nigeria, with four (4) cases each.

39. Finally, almost all the sanctions cases relate to investment projects, twenty-eight (28) of which relate to the public sector and five (5) to the private sector. Only two (2) cases concern corporate procurement. The investment sector with the highest number of allegations of Sanctionable Practices is energy, with eight (8) projects, followed by the road, water and sanitation sectors with five (5) cases each.

40. To summarize, it should be noted that in five years, SNSO has issued nine (9) Sanctions Decisions out of twenty-four (24) formal sanctions proceedings considered and has endorsed twelve (12) Negotiated Settlement Agreements. Most of these cases involve cases of fraud during the procurement process and are found in East and West Africa.
41. Admittedly, the number of cases examined to date is relatively small and is not representative of the prohibited acts that are committed in the context of Bank-financed operations. Ultimately, however, this type of analysis may allow the Bank to target locations and sectors in which wrongful acts are committed in order to take appropriate preventive and corrective action.

CONCLUSION

42. At the end of these first five years of operation, the overview of the Sanctions Office’s activities can be deemed generally positive, taking into account the fact that its mandate stems from a new function within the institution.

43. During the first year, SNSO faced some difficulties related to the fact that the Sanctions Office was receiving and processing its first sanctions cases, even though the Office was not yet established in administrative terms, and that the internal legal instruments that were supposed to govern its functioning were not yet finalized. In addition, the implementation of the sanctions regime revealed certain deficiencies in the August 2013 Sanctions Procedures, which were corrected by the November 2014 review. However, improvements are still needed and the Sanctions System’s bodies will propose changes in the coming years that are necessary to ensure proper and hitch-free functioning of the sanctions process.

44. One of the lessons learned from these years of practice is that sound case presentation and the strength of the evidence provided in support of allegations of Sanctions Practices are essential to the effectiveness of SNSO’s activities. The shortcomings at this level have slowed processing times of some cases and justify the relatively high number of cases dismissed by the Sanctions Commissioner for insufficient evidence. Collaboration between SNSO and PIAC has, however, led to some improvements that will certainly continue, with PIAC’s envisaged increase in workforce.

45. Despite these few difficulties in the first years, SNSO has managed to function harmoniously, with adapted and coordinated working methods to ensure cases are processed effectively, efficiently, equitably and promptly. The number of cases submitted to the Sanctions Office is increasing, from an average of four to five cases per year in previous years to twelve cases in 2017. The average processing time from receipt to the final decision by the Sanctions Commissioner is fifteen (15) days for negotiated settlement agreements and six (6) months for formal sanctions procedures.

46. However, SNSO will have to enhance its visibility and better communicate on its activities, inside and outside the Bank. The collaboration with BSAB led to an information and training seminar for staff at the Bank’s Headquarters and in two country offices. Ideally, these communication actions, which are also intended to be actions aimed at informing staff of the risks associated with the commission of Sanctionable Practices should be associated with the PIAC’s prevention activities.
ANNEX I

GENERAL PRESENTATION OF THE SANCTIONS SYSTEM OF THE AFRICAN DEVELOPMENT BANK GROUP

The Sanctions System is governed by the Boards’ document titled “Proposal for the Implementation of a Sanctions Process within the Bank” and by the Sanctions Procedures of 18 November 2014.

Structure of the Sanctions System

The Sanctions System is a two-tier administrative process. It is composed of the Sanctions Office (“SNSO”) at the first level, and the Sanctions Appeals Board (“SAB”) at the second and final level.

SNSO is composed of two external experts, the Sanctions Commissioner (SC), the Alternate SC, and two staff member, the Sanctions Secretary and the Administrative Assistant. The SC and the Alternate SC are assisted by a Sanctions Secretary who is responsible for the day to day management of the Sanctions Office.

The SAB is made up of four external members, two substantives, two alternates, and two internal members, one substantive and one alternate. The SAB internal members are appointed by the Bank’s President from among senior management. The SAB is assisted by secretariat headed by an Executive Secretary. The SAB external members are appointed by the Board of Directors, on recommendation of the President of the Bank Group.

All external actors of the Sanctions System are appointed by the Bank’s Board of Directors on the recommendation of the Bank’s President, for a period of three years, renewable once. They are chosen for their competence in the legal and anti-corruption fields. They are required to discharge their functions independently and must respect and maintain the confidentiality of the sanctions proceedings. They must consider each case fairly, impartially and with due diligence and shall recuse themselves or may be recused from any case in which they have actual, potential or perceived conflict of interest.

Role of the Sanctions System

The Sanctions System has authority to impose sanctions on firms and individuals who have engaged in corrupt, fraudulent, collusive, coercive and obstructive practices carried out in connection with the Bank Group’s corporate procurement or Bank Group financed or administered projects.

Specifically, SNSO considers:
- Formal sanctions procedures received from the Integrity and Anti-Corruption (PIAC) and counter-evidence and arguments submitted by the alleged wrongdoer in order to determine whether there is sufficient evidence to support the allegations, and if so, impose sanctions;
- Requests for temporary suspension presented by PIAC;
- Negotiated settlement agreements presented by PIAC, to ensure fairness, transparency and credibility of such agreements.

The SAB is mandated to consider appeals lodged against decisions made by the SC’s and make final decisions. The SAB carries out a full "de novo" review of the matter and makes decisions on the basis of a written record without a hearing. However, the SAB may, at its discretion, organize hearings as it deems necessary.
Scope of the Sanctions System

The sanctions procedure covers only the following practices, referred to collectively as “Sanctionable Practices”, carried out in connection with a Bank Group financed activities.

- **Corrupt practice**: The offering, giving, receiving or soliciting, directly or indirectly, of anything of value to improperly influence the actions of another party.

- **Fraudulent practice**: Any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

- **Collusive practice**: An arrangement between two or more parties designed to achieve an improper purpose, including to improperly influence the actions of another party.

- **Coercive practice**: Impairing or harming, or threatening to directly or indirectly impair or harm any party or the property of the party, in order to improperly influence the actions of a party.

- **Obstructive practice**: (i) Deliberately destroying, falsifying, altering, or concealing of evidence material to the investigations or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (ii) Acts intended to materially impede the exercise of the Bank’s inspection and audit rights under the Procurement Rules or other Financing Agreement.

Range of Sanctions

The main sanction is debarment pursuant to which sanctioned entities or individuals are ineligible to participate in any Bank Group financed or administered activities. The baseline sanction is a 3-year debarment period that can be increased or reduced based on the existence of aggravating or mitigating factors. The following sanctions may be imposed:

- **Letter of reprimand**: Formal letter of censure for the Respondent’s actions. The letter notifies the Respondent that subsequent violations may result in a higher penalty.

- **Conditional non-debarment**: The Respondent is required to take certain remedial or preventive within a specified period to avoid debarment by the Bank.

- **Temporary Debarment**: The Respondent is debarred for a specific period of time.

- **Debarment with conditional release**: The Respondent is debarred for a specific period and will be released from debarment after the debarment period lapses and only when the Respondent has demonstrated that the conditions for release are met.

- **Debarment for a fixed or indefinite period**: The Respondent is debarred permanently.

- **Restitution of funds and/or and other financial remedies**: The Respondent will refund or will pay fines.

- **Other sanctions**: The Respondent will reimbursed totally or partially the costs associated with investigation or proceeding.
Cross Debarment

Cross Debarment is a key feature of Multilateral Development Banks (MDB)’s Sanctions Systems. From 2006, MDBs decided to adopt a unified and coordinated approach to fight against corruption. Building on this momentum, the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the World Bank Group signed on 9 April 2010, the Agreement for Mutual Enforcement of Debarment Decisions. This Agreement establishes a framework under which each participating institution will apply debarment sanctions taken by other signatory institutions in accordance with the terms and conditions set by the Agreement.

Key Principles of the Sanctions Procedures

- The sanctions process and sanctions decisions are administrative in nature;
- The standard of proof: the preponderance of evidence is determined by whether “it is more likely than not” that the alleged wrongdoer engaged in a Sanctionable Practice;
- The sanctions process complies with due process requirements;
- The sanctions decisions are made by independent bodies;
- Sanctions cases are considered with impartiality and due diligence;
- The confidentiality of the sanctions proceedings is protected;
- Actors of the Sanctions System must recuse themselves or may be recused in case of actual, potential or perceived conflict of interest;
- The final sanctions decisions are publicly disclosed

SOME KEY DATES

July 5, 2012: Approval of the establishment of the Sanctions System by the Board of Directors
February 13, 2013: Appointment of the first Sanctions Commissioner and Alternate Sanctions Commissioner
May 14, 2013: Swearing of the first Sanctions Commissioner and Alternate Sanctions Commissioner
August 12, 2013: Adoption of the Sanctions Procedures of the Bank
August 19, 2013: Reception of the first formal sanctions cases
March 12, 2014: Reception of the first negotiated settlements agreements
March 17, 2014: First Sanctions Decision
November 18, 2014: Adoption of the revised Sanctions Procedures
FLOWCHART OF THE SANCTIONS PROCESS OF THE AFRICAN DEVELOPMENT BANK GROUP

TEMPORARY SUSPENSION-SNSO (Before investigations are concluded)

The Office of Integrity and Anti-Corruption (PIAC) submits a Request for Temporary Suspension (TS) to the Sanctions Commissioner (SC).

The SC reviews the Request to determine if the requirements for TS are fulfilled and if there is sufficient evidence to support a finding of Sanctionable Practice (SP) and a debarment decision of 1 year or longer.

- If the requirements are fulfilled and the evidence sufficient, the SC issues a Notice of Temporary Suspension to the Respondent for a period of 12 months.
- If the requirement are fulfilled and the evident is not sufficient, the SC will not issue the Notice of TS. PIAC may submit a revised Request for TS.

Respondent may contest the TS by submitting an Objection to the TS within 40 days of receipt to the SC.

- If the SC decides to uphold the TS, the Respondent cannot appeal that decision.
- If the SC decides to uphold the TS, the issue is closed. PIAC cannot appeal the decision.

PIAC may present to the SC, an Application for Renewal of TS no later than 1 month before the end of the TS. The SC considers the Application within 10 days of receipt. SC’s decision may not be appealed against.

1st Tier – SNSO SANCTIONS PROCEEDINGS

PIAC submits a Finding of Sanctionable Practices (FoSP) to the SC.

SC reviews FoSP to determine whether evidence is sufficient to support prima facie finding of SP.

- If SC determines that evidence is sufficient, SC issues a Notice of Sanctions Proceedings (NSP) to the Respondent.
- If SC determines that evidence is not sufficient, SC issue a Determination of Insufficient Evidence. The Case is closed. PIAC may submit a revised FoSP to the SC.

Respondent may contest the allegations by submitting a Response to the SC within 60 days of receipt of the FoSP.

If Respondent does not submit a Response, SC makes a determination solely on the basis of evidence provided by PIAC and imposes a sanction on the Respondent.

If Respondent submits a Response, SC determines, within 30 days, on the basis of evidence and arguments presented, whether it is more likely than not that Respondent engaged in the alleged SP.

If PIAC does not submits an Application for Renewal of the TS, the suspension lapse at the end of the period prescribed in the Notice of TS.
If evidence is sufficient, SC takes a Sanctions Decision and imposes one or more sanctions to Respondent.

If evidence is not sufficient, or if there is manifest error, SC withdraws the Notice. The Case is closed. PIAC may submit a revised FoSP.

Respondent refers the matter before the Sanctions Appeals Board (SAB) within 25 days of notification. The Sanctions Decision will not enter into force.

Respondent does not refer the matter before the Sanctions Appeals Board (SAB) within 25 days of notification. The Sanctions Decision is final and will enter into force.

The respective sanctions, the identity of the sanctioned party, the SP sanctioned and a summary of the Sanctions Decisions will be published.

The case is brought before SAB by the Appeal presented to the Secretary to the Sanctions Appeals Board (BSAB).

BSAB forwards the Appeal to PIAC within 5 days of receipt or within reasonable time, in exceptional circumstances.

PIAC may submit a Reply within 30 days of receipt of the Appeal.

BSAB forwards PIAC’s Reply to the Respondent within 5 days of receipt or within reasonable time, in exceptional circumstances

Respondent may submit a Rebuttal within 15 days of receipt of the Reply if PIAC provides new evidence or arguments in the Reply.

SAB may consider the Case on the basis of the Record. Parties have no right to an oral hearing. However, SAB may decide to hold a hearing.

SAB holds closed deliberations

If evidence is sufficient to conclude that it is more likely than not that Respondent engaged in the alleged SP, SAB takes a Final Decision and imposes sanction(s) on the Respondent. The Decision is final and binding on the parties.

If the evidence is not sufficient, BSAB prepares a written document recording SAB’s finding and the closure of the proceedings and delivers it to the parties

The respective sanctions, the identity of the sanctioned party, the SP sanctioned and a summary of the Sanctions Decisions will be published.
1. General Responsibilities

The Sanctions Commissioner (“SC”) shall be the head of the Sanctions Office (the “SNSO”) and shall exercise its functions independently. As a pilot phase for the initial three (3) years, the SC and the alternate SC shall be external experts appointed by the Executive Directors of the Bank on the recommendation of the President. The SNSO is a critical component in ensuring an efficient, effective and fair sanctions process. The SC has authority to issue Notices of Sanctions Proceedings to Respondents and to impose sanctions.

2. Operational Responsibilities

(a) The SC shall be assisted by a Secretary to the Sanctions Office at PL4 level and an administrative assistant.

(b) The SC reviews the evidence of a Sanctionable Practice as presented by PIAC and determines, upon consideration of all the facts and arguments presented whether there is sufficient evidence to support PIAC’s finding.

(c) The SC will then notify PIAC on whether or not there is sufficient evidence to support a finding that the Respondent is engaged in a Sanctionable Practice.

(d) If the SC determines that the evidence is sufficient to support the finding of a Sanctionable Practice, then he/she shall issue a Notice of Sanctions Proceedings (the “Notice”) to the Respondent and notify the Chair of the Sanctions Appeals Board (SAB) and the Director of PIAC. The Respondent may contest the allegations in a written Response. The SC will issue a Decision after consideration of the facts and arguments presented.

(e) If the Respondent informs the SAB through the Sanctions Appeals Board Secretary (BSAB) that it desires to contest the allegations and/or the sanction prescribed by the SC in the Decision, the matter will be referred to the SAB for its review and final decision.

(f) If the Respondent does not inform the SAB that it desires to contest the allegations or the sanction decided by the SC, the SC’s Decision shall become final and the sanction will be imposed.

(g) The SC shall respect and maintain the confidentiality of the sanctions proceedings and shall be recused in cases where the SC may have an actual or perceived conflict of interest.

(h) The SC shall report annually to the Board of Directors on the work of the SNSO.

(i) Rules and Procedure and the Code of Conduct for the SNSO shall be developed by the Bank in consultation with the SC.

(j) The SC shall be held harmless from any losses, costs, damages or liability to which the SC may be subject as a result of claims by third parties resulting from any function exercised within the scope of the present terms of reference and his/her assignment contract, except those resulting from the gross negligence or willful misconduct by the SC.
3. **Selection Criteria**

The external candidate for the SC must not have previously held or currently hold any appointment as governors, directors, alternates, officers or employees of the Bank. He/She should:

(a) be a national of either a member country of the Bank or State Participant in the Fund;

(b) have extensive knowledge of Africa and Bank operations, or related or similar experience working with similar institutions, including in the area of the procurement;

(c) have knowledge of and experience in the conduct of investigations, standards of proof and evidence, and legal and policy issues relating to the operations of the Bank or related or similar institutions;

(d) have managerial capacity to plan and direct the use of resources, implement an efficient case management system and exercise independent judgment;

(e) be of proven expertise, competence, independence, and integrity and

(f) have a minimum of fifteen (15) years relevant experience, competencies and an advanced degree in law.
TERMS OF REFERENCE FOR THE SANCTIONS OFFICE SECRETARY

1. General Responsibilities

The Secretary to the Sanctions Office (the “SSO”) shall exercise her/his functions independently. She/he shall be appointed by the President of the Bank and report functionally to the Sanctions Commissioner (“SC”) and administratively to the First Vice-President/COO. The SSO shall be appointed from among the staff of the Bank to assist the SC. The SC shall supervise the work of the SSO.

2. Operational Responsibilities

The SSO shall be assisted by an administrative assistant. The SSO:

(a) Will receive findings as evidence of the Sanctionable Practice from PIAC.
(b) Will prepare such evidence and will brief the SC on all aspects of a case;
(c) Will be responsible for transmitting all documents and making all notifications required in connection with the case.
(d) Will make for each case a dossier which shall record all actions taken in connection with such case and the dates thereof.
(e) Shall respect and maintain the confidentiality of the sanctions proceedings.

3. Selection Criteria

The SSO should:

(a) have extensive knowledge of the operations and operational policies, including in the area of the procurement, of the Bank or related or similar institutions;
(b) have knowledge of and experience in the conduct of investigations, standards of proof and evidence, and legal and policy issues relating to the operations of the Bank or related or similar institutions;
(c) have managerial capacity to plan and direct the use of resources, implement an efficient case management system and exercise independent judgment;
(d) have proven competence, independence and integrity; and
(e) have a minimum of seven (7) years relevant experience, competencies and an advanced degree in law or other related field.
BIOGRAPHY OF THE SANCTIONS OFFICE ACTORS

Mr. Akere Tabeng MUNA, Sanctions Commissioner

Mr. Akere MUNA is a Cameroonian national and Barrister-at-Law with 40 years of experience in the multifaceted practice of law and possesses various other skills and experiences. He is founder and former President of Transparency International (TI) Cameroon. In 2007-2008, he was a member of the independent High-Level Audit Panel of the African Union. From 2008 to 2014 he was President of the African Union’s Economic, Social and Cultural Council. He is a former President of the Pan African Lawyers Union (2005-2014) and former President of the Cameroon Bar Association. He is a former member of the International Monetary Fund Advisory Group for Sub-Saharan Africa. In January 2010, he was elected as member of the Panel of Eminent Persons, which oversees the African Peer Review process, and thereafter, he was appointed Chairperson of the Panel. He is a Member of the Governing Board of the Africa Governance Institute and a Member of the High Level Panel on Illicit Financial Flows from Africa. He was actively involved in the TI working group that helped draft the AU Convention on Preventing and Combating Corruption, and authored a guide to the Convention. He was elected Vice-Chair of TI’s Board in 2005 and again in 2008 and 2011. From 2014 to 2017, he served as Chair of the International Anti-Corruption Conference Council.

Mr. Mahmoud BOUSBIA-SALAH, Alternate Sanctions Commissioner

Mr. BOUSBIA-SALAH is an Algerian national, a Lawyer, Consultant and Expert in Investment and Public Procurement Law, with over 40 years of experience; he is also a Member of Algeria’s Chamber of Commerce and Industry. He is the Managing Partner of one of Algeria’s premier law firms specialized in advising on foreign investments and market entry into Algeria and in the past he has been the Advisor to the Algerian Prime Minister charged with overseeing the drafting of legal instruments necessary for enhancing Algeria’s economic reform. Maître BOUSBIA-SALAH was also a Secretary General in the Algerian Ministry of Transport and a Director at the Algerian Presidency of the Republic.

Ms. Marie Lydie BILE-AKA, Secretary to the Sanctions Office

Marie Lydie BILE-AKA holds this position since December 2013. Prior to her appointment, she performed in various capacities in the Bank: Board Proceedings Officer in the General Secretariat (PSEG), Acting Secretary to the Staff Appeal Committee (SNAC), and Legal Consultant for the Legal Services Department (PGCL). Before joining the Bank, she worked with the Law Firm Adjé-Assi-Métan and as Chief of Cabinet of the Ministry of Economic Infrastructure in Abidjan. Ms. BILE-AKA holds a Maîtrise en Droit Privé from the University of Abidjan, and a Master in International and Comparative Law (LL.M.) from The George Washington University, Washington, D.C. She is an Ivorian national.
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<tbody>
<tr>
<td>2013</td>
<td>1</td>
<td>Case No. 1/Report/1 (one firm and one individual)</td>
<td>Fraud - Submission of forged Bank guarantees to influence the execution of contract</td>
<td>Insufficient Evidence</td>
<td>Uganda</td>
<td>Fisheries</td>
<td>SME/ Uganda</td>
<td>Public</td>
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<td>2013</td>
<td>2</td>
<td>Case No. 2/Report/1 (one individual)</td>
<td>Fraud - Submission of forged diplomas in order to influence the procurement process for the recruitment of consultant</td>
<td>Case closed/Incorrect address</td>
<td>Corporate (ATR)</td>
<td>Communication</td>
<td>Individual Consultant/ Mali</td>
<td>Corporate Procurement</td>
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<td>2013</td>
<td>3</td>
<td>Case No. 3/Report/1 (one firm and two individuals)</td>
<td>Corruption - Offering of a job to a public official in order to improperly influence his actions in a procurement process</td>
<td>Five years debarment with Conditional release (CR)/ Compliance Program</td>
<td>Angola</td>
<td>Agriculture</td>
<td>SME/ South Africa</td>
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<td>2013</td>
<td>4</td>
<td>Case No. 4/Report/1 (one firm and one individual)</td>
<td>Fraud - Misrepresentation of facts in order to acquire consulting services by a non-competitive process</td>
<td>Case closed/Incorrect address/ refusal to collect the parcel</td>
<td>Angola</td>
<td>Fisheries</td>
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<td>2014</td>
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<td>Case No. 1/Report/2 (one firm and one individual)</td>
<td>Fraud - Submission of forged Bank guarantees to influence the execution of contract</td>
<td>Three years debarment w/CR Compliance Program</td>
<td>Uganda</td>
<td>Fisheries</td>
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<td>2014</td>
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<td>Case No. SN/2014/01 (one firm)</td>
<td>Corruption - Offering of a gifts and other favours to Bank staff to influence their decisions on disbursement and payment</td>
<td>Case closed/PIAC could not provide revised FoSP</td>
<td>Madagascar</td>
<td>Water and sanitation</td>
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<td>2014</td>
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<td>Case No. SN/2014/02 (one firm)</td>
<td>Fraud - Submission of incorrect information and invalid VAT Registration Certificate to influence a procurement process</td>
<td>Two years debarment</td>
<td>Uganda</td>
<td>Agriculture</td>
<td>SME/ Uganda</td>
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<td>2014</td>
<td>8</td>
<td>Case No.SN/2014/03 (two firms and one individual)</td>
<td>Fraud and Collusion - Misrepresentation of capacity and qualifications to perform a contract assignment - Fraudulent alteration of contracts with assistance of a staff</td>
<td>Insufficient Evidence</td>
<td>Corporate (ATR)</td>
<td>Information Security Services</td>
<td>SME/ UK,UK,Nigeria</td>
<td>Corporate Procurement</td>
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<td>2014</td>
<td>9</td>
<td>Case No. SN/2014/04 (two firms)</td>
<td>Fraud and Collusion - Misrepresentation of intention to assign a contract to a subcontractor which did not qualify to bid</td>
<td>Insufficient Evidence</td>
<td>West African Monetary Zone (Gambia, Guinea, Sierra Leone, Liberia)</td>
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<td>2015</td>
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<td>Case No. SN/2015/01 (two firms and two individuals)</td>
<td>Corruption - Offering of money and gift to a construction project supervisor to influence the execution of a contract</td>
<td>Five years debarment/ Withdrawal of Notice/ Two years debarment w/CR/ Ethics Training</td>
<td>Liberia</td>
<td>Water and sanitation</td>
<td>Consultant/ SME/ SME/ Ghana,Ghana Liberia,Liban</td>
<td>Public</td>
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<td>2015</td>
<td>11</td>
<td>Case No. SN/2015/02 (one firm and one individual)</td>
<td>Fraud - Submission of false references in order to qualify for a bid and be awarded a contract</td>
<td>One year &amp; six months debarment w/CR/ Integrity Compliance Program/Ethics Training</td>
<td>Ghana</td>
<td>Gender Development</td>
<td>SME/ Ghana</td>
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<td>2016</td>
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<td>Case No. SN/2016/01 (one firm and one individual)</td>
<td>Fraud - Submission of an inaccurate declaration attesting to the absence of conflict of interest to qualify for a tender to organize an Investment Forum</td>
<td>Three years debarment w/CR/ Ethics Training</td>
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<td>2016</td>
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<td>Case No. SN/2016/02 (one firm and one individual)</td>
<td>Fraud - Submission of forged Bank guarantees</td>
<td>Case closed/Death of the individual and dissolution of the firm</td>
<td>Liberia</td>
<td>Agriculture</td>
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<td>2016</td>
<td>14</td>
<td>Case No. SN/2016/03 (two firms)</td>
<td>Fraud/Corruption/and Collusion: Inaccurate declaration of non-payment of commissions; promise to pay a sum of money to a Bank's staff in exchange for advice; collusion between bidders to increase the cost of the contract</td>
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<td>2017</td>
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<td>Case No. SN/2017/01 (one individual)</td>
<td>Fraud - Misrepresentation of facts - Overstating professional experience in the Bank Consultant Database</td>
<td>Withdrawal of Notice</td>
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<td>Case No. SN/2017/05 (two firms)</td>
<td>Collusion - Arrangement in connection with a tender for the rehabilitation and construction of hydraulic Installations</td>
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<td>Fraud - Submission of false references during a tender process for the realisation of studies</td>
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<td>Fraud - Distortion of the role played and contribution to the design of a Program and the production of the project Appraisal Report</td>
<td>Pending</td>
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<td>Statistical systems</td>
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<td>Collusion - Arrangement with a tender for the award of an engineering, procurement and construction contract</td>
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<tr>
<td>2014</td>
<td>1</td>
<td>One firm</td>
<td>Corruption - Illicit payments to</td>
<td>Government officers to secure their assistance in obtaining Engineering, Procurement/ Construction</td>
<td>Three years debarment with Conditional release (CR) for 3 subsidiaries/financial penalty: USD 6.28 million</td>
<td>Nigeria</td>
<td>Energy</td>
<td>Large Company/ USA</td>
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<td>One firm</td>
<td>Corruption - Illicit payments to</td>
<td>Government officers to secure their assistance in obtaining Engineering, Procurement/ Construction</td>
<td>Debarment above/financial penalty: USD 5,306,667</td>
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<td>Energy</td>
<td>Large Company/ France</td>
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<tr>
<td>2014</td>
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<td>One firm</td>
<td>Corruption - Illicit payments to</td>
<td>Government officers to secure their assistance in obtaining Engineering, Procurement/ Construction</td>
<td>Debarment above/financial penalty: USD 5,211 million</td>
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<td>Energy</td>
<td>Large Company/ Japan</td>
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<td>2014</td>
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<td>One firm</td>
<td>Corruption - Illicit payments to</td>
<td>Government officers to secure their assistance in obtaining Engineering, Procurement/ Construction</td>
<td>Debarment above/financial penalty: USD 5,715 million</td>
<td>Nigeria</td>
<td>Energy</td>
<td>Large Company/ Netherlands</td>
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<tr>
<td>2014</td>
<td>5</td>
<td>One firm and two individuals</td>
<td>Fraud - Failure to disclose</td>
<td>previous relationship with the Consultant and misrepresented the amount paid to its agent</td>
<td>Two years &amp; six months debarment and 364 days w/CR/ Compliance Program</td>
<td>Eritrea</td>
<td>Education</td>
<td>SME/ United Kingdom</td>
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<tr>
<td>2014</td>
<td>6</td>
<td>One firm</td>
<td>Fraud/ Collusion - Submission of</td>
<td>falsified documents and assistance in the preparation of a competitor’s bid</td>
<td>Three years debarment w/CR &amp; financial penalty: USD 18,860,000</td>
<td>DRC</td>
<td>Road</td>
<td>Large Company/ China</td>
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<tr>
<td>2015</td>
<td>7</td>
<td>One firm</td>
<td>Fraud - Lack of oversight that</td>
<td>resulted in a misrepresentation of the absence of conflict of interest</td>
<td>Reprimand letter/implementation of Compliance Program</td>
<td>DRC</td>
<td>Road</td>
<td>Large Company/ China</td>
</tr>
<tr>
<td>2015</td>
<td>8</td>
<td>One firm</td>
<td>Corruption - Payment of bribes to</td>
<td>companies with political connections, to ensure political support for the award of a contract.</td>
<td>Conditional non - debarment for two years &amp; ten months/financial penalty: CAD 1.5 million</td>
<td>Uganda/ Mozambique</td>
<td>Road</td>
<td>Large Company/ Canada</td>
</tr>
<tr>
<td>2016</td>
<td>9</td>
<td>One firm and one individual</td>
<td>Corruption - Offering of money and</td>
<td>gift to a construction project supervisor to influence the procurement process and the execution</td>
<td>No Decision - Negotiations failed</td>
<td>Liberia</td>
<td>Water and Sanitation</td>
<td>SME/ Liberia</td>
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<tr>
<td>2017</td>
<td>10</td>
<td>One firm</td>
<td>Fraud - Submission of erroneous</td>
<td>contract reference in order to surpass the qualification criteria during a prequalification process</td>
<td>Conditional non - debarment for thirty six months/ Compliance Program and cooperation with investigations</td>
<td>Uganda</td>
<td>Road</td>
<td>Large Company/ USA</td>
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<tr>
<td>2017</td>
<td>11</td>
<td>One firm</td>
<td>Fraud - False statements about</td>
<td>the circumstances that led to the replacement of key personnel identified in the technical offer.</td>
<td>Twelve months debarment w/CR/ Ethics Training for Management/ Reparation for a victim</td>
<td>Niger</td>
<td>Bridge</td>
<td>SME/ Niger</td>
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<tr>
<td>2017</td>
<td>12</td>
<td>One firm and one individual</td>
<td>Fraud - Falsification of past</td>
<td>experience in order to qualify for the tender and failure to disclose a potential conflict of interest</td>
<td>Fifteen months debarment w/CR/ Ethics Training for the Managing Director</td>
<td>DRC</td>
<td>Statistics</td>
<td>SME/ Belgium</td>
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</table>
### TABLE 1 – TYPOLOGY OF ALLEGATIONS

<table>
<thead>
<tr>
<th>SANCTIONABLE PRACTICE</th>
<th>TIME OF OCCURRENCE OF THE SANCTIONABLE PRACTICE</th>
<th>NUMBER OF CASES</th>
<th>TOTAL NUMBER OF CASES</th>
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<tbody>
<tr>
<td><strong>FRAUD</strong></td>
<td>During procurement process</td>
<td>13</td>
<td>17</td>
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<tr>
<td></td>
<td>During contract execution</td>
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<tr>
<td></td>
<td>During procurement process and contract execution</td>
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<tr>
<td><strong>CORRUPTION</strong></td>
<td>During procurement process</td>
<td>6</td>
<td>9</td>
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<td></td>
<td>During contract execution</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>During procurement process and contract execution</td>
<td>2</td>
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<tr>
<td><strong>COLLUSION</strong></td>
<td>During procurement process</td>
<td>4</td>
<td>4</td>
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<td>During contract execution</td>
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<tr>
<td></td>
<td>During procurement process and contract execution</td>
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<tr>
<td><strong>FRAUDE/COLLUSION</strong></td>
<td>During procurement process</td>
<td>3</td>
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<td>During procurement process and contract execution</td>
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<td><strong>FRAUD/CORRUPTION COLLUSION</strong></td>
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<td>1</td>
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