

Revisions have been made in the May 2004 Consultant Guidelines. They refer to the paragraphs dealing with Eligibility, and Fraud and Corruption (other paragraphs and sub-paragraphs remain unchanged).

The revisions are similar to those made in the Procurement Guidelines.

The proposed revisions appear in bold in the text below.

Consultant Guidelines

Eligibility

1.11 (e) A firm declared ineligible by the Bank in accordance with subparagraph (d) of paragraph 1.22 of these Guidelines **or in accordance with the World Bank Group Anti-Corruption policies**¹⁵ shall be ineligible to be awarded a Bank-financed contract during such period of time as the Bank shall determine.

Fraud and Corruption

1.22 It is the Bank's policy to require that Borrowers (including beneficiaries of Bank loans), as well as consultants **and their sub-consultants** under Bank-financed contracts, observe the highest standard of ethics during the selection and execution of such contracts.¹⁶ In pursuance of this policy, the Bank:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

- (i) **“corrupt practice”¹⁷ is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;**
- (ii) **“fraudulent practice”¹⁸ is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;**
- (iii) **“collusive practices”¹⁹ is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;**

¹⁵ For purposes of this sub-paragraph, the relevant World Bank Group Anti-Corruption policies are set forth in the Guidelines On Preventing and Combating Fraud and Corruption in Projects financed by IBRD Loans and IDA Credits and Grants, and in the Anti-corruption Guidelines for IFC, MIGA, and World Bank Guarantee Transactions.

¹⁶ In this context, any action taken by a consultant or a sub-consultant to influence the selection process or contract execution for undue advantage is improper.

¹⁷ For the purpose of these Guidelines, “another party” refers to a public official acting in relation to the selection process or contract execution]. In this context, “public official” includes World Bank staff and employees of other organizations taking or reviewing selection decisions.

¹⁸ For the purpose of these Guidelines, “party” refers to a public official; the terms “benefit” and “obligation” relate to the selection process or contract execution; and the “act or omission” is intended to influence the selection process or contract execution.

- (iv) “coercive practices”²⁰ is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- (v) “obstructive practice”²¹ is
- (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation 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
 - (bb) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under paragraph 1.22(e) below.
- (b) will reject a proposal for award if it determines that the consultant recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, **or obstructive** practices in competing for the contract in question;
- (c) will cancel the portion of the Loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the Loan were engaged in corrupt, fraudulent, collusive, coercive, **or obstructive** practices during the selection process or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to **address such practices when they occur**;
- (d) will sanction a consultant, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that the consultant has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, **or obstructive** practices in competing for, or in executing, a Bank-financed contract; and
- (e) will have the right to require that, in contracts financed by a Bank loan, a provision be included requiring consultants to permit the Bank to inspect their accounts and records and other documents relating to the submission of proposals and contract performance and to have them audited by auditors appointed by the Bank.

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¹⁹ For the purpose of these Guidelines, “parties” refers to participants in the selection process (including public officials) attempting to establish contract prices at artificial, non competitive levels.

²⁰ For the purpose of these Guidelines, “party” refers to a participant in the selection process or contract execution.

²¹ For the purpose of these Guidelines, “party” refers to a participant in the selection process or contract execution insofar as a perpetrator of wrongdoing is concerned, as well as any entity or person subject to obstructive practice.