

The Integrity Imperative: Unpacking the African Development Bank's Sanctions System for Efficient Resource Protection – By Dr. Faustin Ntezilyayo¹

Abstract

Africa faces a significant financial gap, making the integrity imperative—the careful safeguarding of development resources—an absolute necessity for achieving its structural transformation goals. To protect its vital resources invested annually, the African Development Bank (AfDB) has established a comprehensive Sanctions System as a critical mechanism for resource protection and governance.

This article unpacks the AfDB's sanctions framework, which maintains a zero-tolerance policy against sanctionable practices, including fraud, corruption, collusion, coercion, and obstruction. It details the Bank's internal governance structure, which ensures rigorous accountability through the enforcement of penalties like debarment. Furthermore, the analysis highlights the system's global reach, emphasizing the AfDB's crucial participation in the MDB cross-debarment agreement, which significantly amplifies the deterrent effect by aligning enforcement with other Multilateral Development Banks.

Ultimately, the AfDB's commitment to publishing sanction decisions and continuously adapting its integrity efforts—including leveraging data analytics and Artificial Intelligence (AI) for enhanced detection and monitoring—positions the sanctions system as a core strategic tool. This rigorous accountability is essential for ensuring development finance reaches its intended beneficiaries, thereby maximizing the impact of investments in Africa's sustainable economic growth.

1. Introduction

Africa's structural transformation and sustained development are critically hampered by a persistent financial gap. The scale of this challenge is immense; achieving the Sustainable Development Goals (SDGs) by 2030 is estimated to cost approximately \$1.3 trillion annually, a figure equivalent to 42% of the continent's 2023 GDP. The African Development Bank (AfDB) further underscores this, estimating infrastructure needs alone at \$181–\$221 billion per year from 2023 to 2030. [1]

In light of this significant financial barrier, Multilateral Development Banks (MDBs) like the AfDB recognize the absolute necessity of safeguarding the resources in projects they finance. To this end, and among other tools on its disposal, the AfDB has set up the

¹ Dr. Faustin Ntezilyayo is an Independent Arbitrator | Mediator, and the Director of the Centre for Integrity Resolution & Ethics (www.integrityresolution.net)

sanctions system. This system is not a mere regulatory formality, but a vital tool designed to deter malpractices, such as fraud and corruption, and ensure that every investment from the Bank and its partners is used with maximum efficiency and integrity. This system is aligned with those of other key MDBs, including the World Bank, highlighting a shared commitment to financial probity and to ensure that development financing is used transparently and effectively. In 2024, the AfDB's financial approvals reached UA²8.4 billion, with disbursements totaling UA5.09 billion.³

This article explores the integrity imperative at the African Development Bank, focusing on its sanctions system as a critical mechanism for the efficient protection of its resources. The article is structured to provide a comprehensive look at the AfDB's integrity measures, beginning with The Integrity Framework and Typology of Sanctionable Practices, where we will clearly define the specific behaviors targeted by the sanctions system. Following this foundational section, we provide an Overview of the AfDB's Sanctions System itself, breaking down its structure and process step-by-step. Next, we delve into A Framework of International Collaboration for Enhanced Integrity, explaining the system's vital international impact and cooperation with other development institutions. Finally, the article offers a Conclusion to present the key takeaways on the system's crucial and continuing role in fostering sustainable African development.

2. Overview of the African Development Bank Group's Sanctions System

The AfDB's sanctions system is fundamentally rooted in its mandate and fiduciary duty. As a multilateral development bank, the AfDB mobilizes and allocates resources to foster sustainable economic development and social progress in its regional member countries.⁴ Flowing directly from this mandate, the Bank has a fiduciary and legal duty to ensure that all funds it manages or administers are utilized exclusively for their intended purposes. The sanctions system is the key administrative and quasi-judicial mechanism by which

² The AfDB uses a unit of account (UA) equivalent to the International Monetary Fund's Special Drawing Right (SDR) as its reporting currency. The value of the SDR at 31 December 2024 was USD1.30413 and EUR1.25482

³ African Development Bank Group 2024 Annual Report Highlights, <https://www.afdb.org/en/documents/african-development-bank-group-annual-report-2024-highlights> [24 September 2025]

⁴ African Development Bank Group 2024 Annual Report, <https://www.afdb.org/en/documents/annual-report-2024> [Accessed on 25 September 2025]

the Bank enforces this duty, protecting its resources and maintaining the integrity of its development operations against misconduct.

The jurisdiction and scope of application of the sanctions system are defined broadly to cover any operation or activity financed or administered by the AfDB Group. This expansive scope means that the system applies to both firms and individuals (including contractors, consultants, and suppliers) who participate in these Bank Group-financed activities. By tying the sanctions jurisdiction directly to the use of its funds, the AfDB ensures that any sanctionable practice—such as corruption, fraud, collusion, coercion or obstruction—committed at any stage of a project falls under the Bank's authority, regardless of the location or the entity involved.

The AfDB Group's sanctions system is guided by several essential principles. The process is fundamentally an administrative process, meaning both the proceedings and the ultimate sanctions decisions are administrative in nature, not criminal. The required standard of proof used is the preponderance of the evidence—a finding is made if it is determined that "it is more likely than not" that the alleged wrongdoer committed a sanctionable practice. Ensuring fairness, due process requirements are strictly observed throughout the sanctions process. Cases are reviewed with independence and impartiality by external experts who are independent and apply due diligence. To uphold the integrity of the proceedings, the confidentiality of the sanctions process is protected. Furthermore, all actors within the Sanctions System must adhere to strict conflict of Interest rules; they must recuse themselves, or may be recused, if an actual, potential, or perceived conflict of interest arises. Finally, for transparency, public disclosure is a core principle, where the final sanctions decisions are publicly disclosed, and sanctioned entities and individuals are added to the list of debarred entities available on the Bank Group's website.⁵

⁵ 2024 Annual Report of the Sanctions Office, Annex I, IV .

The subsequent part of this section will examine the typology of sanctionable practices (2.1); the institutional structure and adjudication process (2.2); and (iii) the range of sanctions and enforcement mechanisms (2.3).

2.1. Typology of Sanctionable Practices

The AfDB defines sanctionable practices as a set of prohibited actions that are investigated and can result in penalties for individuals or firms. These definitions are harmonized with other major MDBs to ensure a consistent approach to combating fraud and corruption in development projects.

The AfDB's Sanctions Procedures apply to five specific categories of misconduct, referred to collectively as "Sanctionable Practices." These practices are prohibited when carried out in connection with a Bank Group-financed or administered project, the Bank's corporate procurement, or an investigation, audit, or sanctioning proceeding.

The malpractices are defined as follows:⁶

(a) A corrupt practice is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to improperly influence the actions of another party.

(b) A fraudulent practice is 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.

(c) A collusive practice is an arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another party.

⁶ See Whistleblower Policy 2023, p. 6, chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.afdb.org/sites/default/files/2023/06/08/afdb_-_whistleblowing_policy_2023.pdf [Accessed on 25 September 2025]

(d) A coercive practice is directly or indirectly impairing or harming, or threatening to impair or harm any party or the property of that party in order to improperly influence the actions of such a party.

(e) Obstructive practice means:

- i. Deliberately causing directly or indirectly, or otherwise enabling the destruction, falsification, alteration, or concealment of evidence material to an investigation, or making false statements to an investigator in order to 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 an investigation or from pursuing an investigation, or
- ii. Acts intended to materially impede the exercise of the Bank's inspection and audit rights.

In 2024, the sanctions cases (formal proceedings and settlement agreements) considered by the Sanctions Commissioner are related in majority to fraudulent practices, with 69% involving only fraud cases, 11% corruption cases, 6% collusion and 1% for obstruction, and 13% involving fraud and other sanctionable practices.

The high percentage of fraudulent practices which occur primarily during the procurement process, is explained by the fact that this type of practice is relatively easy to detect and to prove.⁷

The AfDB upholds a zero-tolerance policy against prohibited malpractices, which underpins its entire integrity framework. To enforce this policy, the Bank has established a clear institutional structure and adjudicative process designed to ensure the essential separation of the investigative and adjudicative functions.

⁷ 2024 Annual Report of the Sanctions Office, p. 8

2.2. Institutional Structure and Adjudication Process

The categorization of the five prohibited practices—corrupt, fraudulent, collusive, coercive, and obstructive—necessitates a robust and independent framework for enforcement. To ensure fairness and due process when determining whether a sanctionable practice has occurred, the AfDB maintains a formal, two-tiered administrative sanctions system, which operates on quasi-judicial principles. This structure is designed to separate the investigative function from the adjudicative process, thereby safeguarding the impartiality and integrity of all sanctions proceedings.

2.2.1. The Investigative Function: The Integrity and Anti-Corruption Department

The integrity framework at the AfDB is a comprehensive system designed to protect the Bank's resources from misuse, thereby fulfilling the AfDB's objectives of fostering economic growth and social progress in Africa. It is structured around three key pillars: prevention, detection, and enforcement. This multi-pronged approach assures that integrity is a core consideration throughout the entire project cycle, from initial planning to completion.

A key element in the Bank's integrity framework is the Integrity and Anti-Corruption Department (IACD), also referred to as the Office of Integrity and Anti-Corruption.⁸ IACD is an independent investigative body responsible for preventing, deterring, and investigating sanctionable practices, such as fraud and corruption, in AfDB-financed projects and its corporate activities. Furthermore, IACD works with internal and external stakeholders to combat fraud and corruption in the development sphere.

IACD's primary role is to protect the integrity of the AfDB's resources by conducting independent administrative investigations. It operates with full autonomy from the Bank's management to ensure objectivity and impartiality. Its work is crucial for fulfilling the

⁸ The Department is often referred to by its French acronym PIAC (Pôle d'Intégrité et Anti-Corruption)

bank's fiduciary duty to its shareholders and the African people, ensuring that development funds are used for their intended purpose.

IACD's functions are divided into two main areas, namely, investigation and prevention. With regard to investigation, as an investigative body, the Office receives and investigates all credible allegations of sanctionable practices in AfDB-financed projects and corporate procurement. The Bank employs various monitoring tools and project supervision missions to detect red flags and irregularities. In addition, the Bank provides a secure, confidential channel for individuals to report allegations of fraud or corruption. Indeed, the Bank has a robust whistleblower system to encourage and protect individuals who report misconduct within the Bank or its financed projects. This system is a critical component of the Bank's broader integrity framework.⁹

The key features of the whistleblower system are primarily, confidentiality and anonymity. The AfDB's system is designed to protect a whistleblower's identity. Individuals can report allegations anonymously and the Bank is committed to protecting their confidentiality. The identity of whistleblowers will only be disclosed with their explicit consent or as required by law.

The Bank also ensures that whistleblowers are protected against retaliation and has a zero-tolerance policy in that effect. Any form of retaliation, including harassment, intimidation, or adverse employment actions, is strictly prohibited. The AfDB's integrity policy provides specific protections for staff, contractors, and other individuals who report misconduct in good faith. If a whistleblower experiences retaliation, he/she can file a complaint with the Bank's Ethics Committee.¹⁰

With regard to reporting channels, the whistleblower system utilizes several secure methods for reporting concerns about fraud, corruption, or other misconducts, including dedicated email addresses for submitting information, a confidential hotline for verbal reports, and a secure online reporting form for detailed submissions. These channels

⁹ AfDB, Whistleblower Protection, <https://www.afdb.org/en/about-us/organisational-structure/integrity-and-anti-corruption/whistleblower-protection> [22 September 2025]

¹⁰ Idem.

allow for the reporting of a wide range of misconduct, which includes but is not limited to fraud and corruption in bank-financed projects; abuse of power or position; theft or misuse of bank assets; conflicts of interest; and any violation of the Bank's code of conduct or policies.¹¹

The system is overseen by the IACD, which is responsible for investigating allegations of wrongdoing. The IACD assesses all reports and, if credible, initiates a formal investigation. The whistleblower's report serves as the initial step in the process, helping the Bank detect and address malpractices effectively.

As for prevention, beyond investigations, the IACD also focuses on proactive measures to deter corruption. This includes conducting integrity risk assessments on projects, providing anti-corruption training to AfDB staff and clients, and raising awareness about the Bank's zero-tolerance policy. This preventative work aims to address potential risks before they materialize, strengthening the overall integrity of the bank's operations.

The AfDB's formal sanctions process is initiated when the IACD refers its Findings of Sanctionable Practices and investigative reports to the Sanctions Office with recommendation that the Sanctions Commissioner imposes sanctions on Respondents alleged to have engaged in one or more sanctionable practices.¹²

2.2.2. The Adjudicative Process (Two-Tier System)

Sanctions proceedings are conducted through an independent, two-tiered adjudicative structure, consisting of the Sanctions Commissioner (First Tier) and the Sanctions Appeals Board (Second Tier).

¹¹ Idem.

¹² Sanctions Procedures of the African Development Bank Group, 18 November 2014, chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.afdb.org/sites/default/files/2019/05/10/afdb_sanctions_procedures_-_november_2014.pdf [Accessed on 25 September 2025]

(i) **First Tier - The Sanctions Commissioner**

The Sanctions Office (SNSO), which serves as the first tier of the AfDB's two-tiered adjudicative structure, comprises the Sanctions Commissioner and an Alternate Sanctions Commissioner. It initiates proceedings upon receiving an investigative report from the Integrity and Anti-Corruption Department (IACD).

The process formally begins when the IACD refers its Findings of Sanctionable Practices (FoSP) and investigative reports to the Sanctions Office, along with a recommendation for sanctions. The Sanctions Commissioner first reviews the evidence to assess whether the allegations are supported by *prima facie* evidence. At this initial stage, the Sanctions Commissioner may impose a temporary suspension on a respondent if the evidence suggests a prohibited practice warranting at least a one-year debarment, or if the respondent's continued eligibility poses a financial or reputational risk to the Bank.¹³

If the evidence is determined to be insufficient, a Determination of Insufficient Evidence is issued, and the proceedings are terminated.

If the evidence is deemed sufficient, the Sanctions Commissioner issues a Notice of Sanctions Proceedings (the "Notice") to the Respondents, formally notifying them and inviting them to present their defense (the "Response"). The case is processed through an administrative procedure that complies with due process, involving written exchanges between IACD and the Respondents.¹⁴

The Respondent is given 60 days to contest the allegations in writing.

After receiving the Response, the Sanctions Commissioner re-evaluates the case file. If the preponderance of the evidence—the "more likely than not" standard—does not support the misconduct allegations, the Notice is withdrawn, terminating the proceedings. Otherwise, the Sanctions Commissioner issues a final Sanctions Decision and imposes

¹³ Sanctions Procedures of the African Development Bank Group, p. 5.

¹⁴ 2024 Annual Report of the Sanctions Office, p. 10

one or more appropriate sanctions¹⁵—most commonly, debarment from AfDB-financed activities.¹⁶

This decision by the Sanctions Commissioner is the final first-tier determination, unless it is appealed to the Sanctions Appeal Board (Second Tier).¹⁷

(ii) Second-Tier - The Sanctions Appeals Board

The Sanctions Appeal Board (SAB) serves as the second and final adjudicative tier in the African Development Bank (AfDB) sanctions system. It comprises six members (four external and two AfDB staff). A respondent has the right to appeal the Sanctions Commissioner's decision to the SAB within 60 days. The appeal process involves the submission of the appeal, a reply from the Office of Integrity (IACD), and a potential rebuttal from the respondent.

The SAB conducts a full *de novo* review of the case, meaning it reviews the evidence freshly without deferring to the First Tier's findings. The Board applies the "more likely than not" standard (preponderance of the evidence), basing its decision primarily on the written record. While there is no right to an oral hearing, the SAB may hold one at its discretion. The SAB's decision is the final, unappealable, and enforceable determination in the AfDB's sanctions process, though a matter may be reopened based on newly discovered evidence.¹⁸

It should be noted that among the 38 sanctions decisions issued by the Sanctions Commissioner, 13 were challenged before the SAB. Of these appeals, 11 cases were subject to review, while the remaining two were deemed invalid for not being filed in accordance with the requirement of the Sanctions Procedure. In all eleven cases, the SAB upheld the responsibility of the Respondents in the commission of the sanctionable

¹⁵ Sanctions Procedures of the African Development Group, p. 12.

¹⁶ *Idem*, pp. 6-7.

¹⁷ *Idem*, p. 8

¹⁸ *Idem*, p.9

practices. It is noteworthy that all but one of the SAB's final decisions reduced the debarment periods imposed by the Sanctions Commissioner.¹⁹

(iii) Negotiated Settlement Agreements

In addition to formal sanctions cases, the IACD also refers to the Sanctions Commissioner for consideration, negotiated agreements concluded with Respondents to settle cases involving sanctionable practices. The Sanctions Commissioner's role in this context is to ensure that such agreements are credible, fair and transparent. Once these three criteria are met, the Sanctions Commissioner clears the agreements, which become binding and enforceable.²⁰

The IACD determines whether the Respondents complied with the terms and conditions of the Settlement Agreements at the end of the implementation period. If the Respondents believe that the IACD has abused its discretion in this matter, the Respondents may file an appeal before the Sanctions Commissioner.²¹

A summary of any settlement is published to the AfDB website along with the name of the respondent or respondents.

Following their review of suspected sanctionable practices, the Sanctions Commissioner and the Sanctions Appeal Board may impose sanctions against firms and individuals when the evidence warrants such action.

2.3. Sanctions and Enforcement Mechanisms

2.3.1. Range of Sanctions

The African Development Bank (AfDB) imposes sanctions on entities (individuals and firms) through two distinct processes: formal sanctions proceedings or negotiated

¹⁹ 2024 Annual Report of the Sanctions Office, p.11

²⁰ Sanctions Procedure of the African Development Bank Group, p. 17

²¹ 2024 Annual Report of the Sanctions Office, pp. 4-5

settlement agreements. These sanctions encompass a range of penalties, from severe exclusionary measures to various remedial and financial penalties.²²

The most significant sanctions are exclusionary measures (debarment). The most severe is debarment for a fixed or indefinite period, which bans a respondent permanently or for a set time (e.g., 2 or 5 years in 2024 formal cases). A more common exclusionary sanction is debarment with conditional release, where a ban ends only after a stipulated period (ranging from 9 months to 5 years) and the fulfillment of specified conditions. A lesser measure, conditional non-debarment, allows a party to avoid a ban altogether by taking specific remedial actions within a set timeframe.

The AfDB also utilizes financial and other measures. These include financial penalties such as restitution and/or remedy, which requires respondents to make refunds or voluntary contributions to fight corruption, and the reimbursement of investigation costs. Finally, a letter of reprimand serves as a formal warning.

The AfDB's 2024 data revealed that 73 entities were sanctioned with some form of debarment with conditional release, though the overall mix of sanctions varied significantly between the two processes.

In formal proceedings, sanctions predominantly resulted in debarment with conditional release (54 entities) for periods most commonly ranging from 1 to 3 years. A smaller number of entities also received a straight debarment (4 entities) or a Letter of Reprimand (4 entities).

Negotiated settlement agreements showed greater variety. While eighteen entities received debarment with conditional release (mostly for less than three years), three faced longer or convertible debarment terms. Settlements also featured a greater emphasis on remedial measures, with six entities receiving conditional non-debarment. Furthermore, financial measures were more prominent, with seven entities facing

²² 2024 Annual Report of the Sanctions Office, p. 11

financial penalties and two required to reimburse investigation costs, in addition to three entities receiving a Letter of Reprimand.²³

In 2024, the sanctions cases (formal proceedings and settlement agreements) considered by the Sanctions Commissioner are related in majority to fraudulent practices, with 69% involving only fraud cases, 11% corruption cases, 6% collusion and 1% for obstruction, and 13% involving fraud and other sanctionable practices.

The high percentage of fraudulent practices which occur primarily during the procurement process, is explained by the fact that this type of practice is relatively easy to detect and to prove.²⁴

With regard to sanctions cases per business sector, the majority of allegations of sanctionable practices are connected to public sector investment initiatives, with the energy sector having the highest number of allegations, followed by the water and sanitation and road infrastructure sectors.²⁵

2.3.2. Enforcement Mechanisms

The enforcement mechanism for the decisions of the Sanctions Commissioner and the Sanctions Appeal Board (SAB) within the African Development Bank (AfDB) sanctions system primarily relies on the contractual agreements and internal administrative measures of the Bank Group. Decisions, which may include debarment (ineligibility to participate in Bank-financed projects), are immediately binding on the AfDB and the sanctioned entity or individual once rendered by the Sanctions Commissioner, unless appealed. If an appeal is lodged, the SAB's ruling becomes the final administrative decision of the Bank. The AfDB's management is responsible for implementing these decisions, mainly through listing the debarred entities on the Bank's website and notifying member countries.

²³ 2024 Annual Report of the Sanctions Office, p. 11

²⁴ 2024 Annual Report of the Sanctions Office, p. 8

²⁵ Idem, p. 9

Within the AfDB's operations, enforcement is also achieved by contractual clauses in Bank-financed projects that allow the Bank to declare a misprocurement, cancel funding, or require a borrower to terminate a contract with a sanctioned party, making the financial and reputational consequences of non-compliance substantial.

The AfDB commonly conditions release from debarment on the implementation of an appropriate integrity compliance program. This is also a typical condition in settlement agreements with the AfDB. A division of IACD is responsible for assessing an entity's implementation of an effective integrity compliance program. The AfDB has adopted the Integrity Compliance Guidelines,²⁶ which outline expectations for a company's ethics and compliance program. IACD directly engages with companies to ensure that they meet debarment conditions and implement appropriate compliance programs. It also makes the final determination on whether a respondent has met its obligations to be released from debarment.

Most importantly, the effectiveness and reach of these sanctions are significantly amplified through mutual recognition and enforcement with other Multilateral Development Banks (MDBs), such as the World Bank Group, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian Development Bank. This MDB cross-debarment agreement ensures that an entity sanctioned by the AfDB is typically also ineligible for projects financed by the other participating MDBs, underscoring the vital role of international collaboration in establishing a unified front for enhanced integrity across the global development financing landscape.

3. Framework of International Collaboration for Enhanced Integrity

Effective integrity and the protection of development funds from fraud and corruption cannot be achieved by any single institution alone; they require a coordinated, global effort among major financial institutions. To this end, the AfDB actively participates in a

²⁶ See the Guidelines at [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generi-c-Documents/AfDB_-_Integrity_Compliance_Guidelines.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generi-c-Documents/AfDB_-_Integrity_Compliance_Guidelines.pdf) [25 September 2025]

robust framework of international collaboration with its peers. This partnership is anchored by the mutual commitment of MDBs—including the World Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Inter-American Development Bank—to harmonize their anti-corruption policies and procedures. This collective action significantly enhances the deterrent effect against malfeasance and strengthens the integrity of all MDB-funded projects.

The cornerstone of this framework is the Agreement for Mutual Enforcement of Debarment Decisions²⁷ (often referred to as the cross-debarment agreement). This important, formalized tool ensures that a debarment sanction imposed by the AfDB is automatically recognized and upheld by other signatory MDBs, and vice versa. By mutually enforcing sanctions, the MDBs prevent entities found guilty of sanctionable practices (such as fraud, corruption, coercion, or collusion) from simply moving to another MDB-funded project. This collective action transforms a single institution's sanction into an international exclusion, dramatically increasing the financial and reputational cost of misconduct and ensuring consistent consequences across the international financing community.

Beyond the cross-debarment mechanism, the MDBs collaborate on several other tools designed to ensure greater integrity. The primary tool is the harmonization of their respective sanctions systems. Following the World Bank's pioneering efforts, all major MDBs have refined similar two-tiered, quasi-judicial sanctions regimes based on common, harmonized principles. This ensures that the foundational definitions of sanctionable practices and the core stages of the investigation and adjudication process are consistent across the institutions. This procedural alignment facilitates the mutual reliance needed for cross-debarment and provides clear, strict guidelines for all participants in MDB-funded projects. This shared approach fosters greater efficiency,

²⁷ MDBs, Agreement for Mutual Enforcement of Debarment Decisions, chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://documents1.worldbank.org/curated/en/930221468337472036/pdf/550000BR0SecM2101Official0Use0Only1.pdf [Accessed on 25 September 2025]

reduces forum shopping, and projects a unified front against financial crime in development work.²⁸

4. Conclusion

The African Development Bank Group's sanctions system is an essential cornerstone of its commitment to integrity and good governance, delivering a tangible impact on development outcomes. By sanctioning firms and individuals for prohibited practices—which include fraud, corruption, collusion, coercion, and obstruction—the system directly ensures better project outcomes across the continent. Specifically, imposing sanctions like debarment deters misconduct, safeguards development funds, and enhances project quality and transparency. If rigorously enforced, the sanctions system is positioned to protect resources and ensure their direction toward AfDB-financed projects and their intended beneficiaries, underscoring that the integrity of development finance hinges on this rigorous accountability.

To uphold this commitment, the AfDB maintains a public record of sanctioned entities. Its official website regularly publishes Summaries of Sanctions Decisions made by the Sanctions Commissioner and the Sanctions Appeal Board, as well as an updated list of debarred entities²⁹ who are ineligible to participate in Bank Group-financed contracts. This public list includes entities sanctioned by the AfDB itself and those cross-debarred by other Multilateral Development Banks (MDBs) under the Agreement for Mutual Enforcement of Debarment Decisions, reinforcing global accountability.

However, combating fraud, corruption, and other prohibited practices remains an ongoing challenge for the AfDB, necessitating continuous adaptation of its sanctions system. Focus must continue to be put on strengthening the Bank's integrity efforts through both proactive and reactive capabilities. This includes adapting to evolving corruption by improving investigative techniques to detect complex forms of misconduct, particularly

²⁸ For an overview of common aspects of the MDB sanctions system, see Strategic considerations for sanctions processes at leading multilateral development banks, pp. 4-5

²⁹ See the List of Debarred Entities at <https://www.afdb.org/en/projects-operations/debarment-and-sanctions-procedures> [Accessed on 25 September 2025]

those enabled by sophisticated financial instruments and digital platforms. Importantly, the Bank is also leveraging technology, relying more on data analytics and Artificial Intelligence (AI) to enhance the efficiency of fraud detection, improve the monitoring of high-risk projects, and streamline the sanctions process. By embracing innovation and maintaining a zero-tolerance policy, this approach will ensure the sanctions system becomes a strong and effective shield for development finance, maximizing the impact of all funds invested in Africa's economic growth.