

Brussels, 30 June 2009

World Bank investigators and OLAF jointly target aid fraud

The joint fight against fraud affecting development aid is at the centre of a co-operation agreement signed today in Brussels between the European Anti-Fraud Office (OLAF) and the World Bank's Integrity Vice-Presidency. The World Bank is the trustee of significant funds from the EU. The agreement will allow investigators from both institutions' anti-fraud and anti-corruption bodies to join forces more effectively in the defence of monies dedicated to help the poorest and in other fields of their work.

On the occasion of the signing of the co-operation agreement OLAF-Director General Franz-Hermann Brüner declared: "The European Union and its Member States are the world's largest donor of development aid. We need to work together as closely as possible with the investigative departments of other donors worldwide in order to prevent fraudsters from exploiting international help." He added: "The World Bank's Integrity Vice-Presidency is a key partner for OLAF because of its broad experience in the field of anti-fraud and anti-corruption and because of the significant sums of EU aid administered by the World Bank". Leonard McCarthy, Vice President for Integrity for the World Bank Group, stated: "The World Bank is a vital source of financial and technical assistance to developing countries around the world. Our agreement with OLAF will allow our investigators and prevention specialists to combine forces in taking action against those who illegally pocket aid funds. Given the current economic and financial crisis, it is of paramount importance that agencies work together to reduce the incidence of malfeasance in international development."

The agreement between OLAF and World Bank's Integrity Vice-Presidency (INT) will enable the investigation offices to work more closely, more collaboratively and more effectively over the entire range of their competences, not only in the fight against aid fraud but also in the field of anti-corruption. This will be achieved by conducting joint investigations where common interests of both the EU and the World Bank are involved. Within the rules and laws which govern OLAF's and INT's activities the agreement allows for the exchanging of information and intelligence. Another goal is to examine ways in which standards can be harmonised, common definitions found and best practices and procedures identified in the area of investigations.

From the perspective of the European Union, the co-operation arrangement between OLAF and INT is of particular importance in the field of development aid. In addition to being involved in many projects together, the World Bank is also the trustee of significant funds from the EU. Closer co-operation between the investigative arms of both institutions will help maximise the protection of those funds.

Background

The [Integrity Vice Presidency \(INT\)](#) has a critical role in the [World Bank Group](#)'s Governance and Anti-corruption strategy, aimed at protecting against corruption, building project integrity into operations, and assisting client countries strengthen governance policies. As a result of its investigations into allegations of fraud and corruption in Bank Group-financed operations, 355 firms and individuals have been debarred from bidding on future World Bank-financed contracts.

The [European Anti-Fraud Office \(OLAF\)](#) protects the financial interests of the [European Union](#) by fighting fraud, corruption and any other irregular activity, including misconduct within the European Institutions. OLAF is an independent administrative investigative body collaborating closely with the law-enforcement services of the 27 Member States of the EU.

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