This Report was prepared by the World Bank Group’s (Bank’s) Integrity Vice Presidency (INT). It provides the findings of an INT administrative inquiry (the investigation) into allegations of corrupt, fraudulent, collusive, and/or coercive practices, as defined by the Bank, regarding one or more Bank-supported activities.

The purpose of the investigation underlying this Report is to allow the Bank to determine if its own rules have been violated. This Report is being shared to ensure that its recipients are aware of the results of the INT investigation. However, in view of the specific and limited purpose of the investigation underlying this Report, this Report should not be used as the sole basis for initiating any administrative, criminal, or civil proceedings. Moreover, this Report should not be cited or referred to in the course of any investigation, in any investigation reports, or in any administrative, civil, or criminal proceedings.

This Report is provided without prejudice to the privileges and immunities conferred on the Bank by its Articles of Agreement. The Bank reserves the right to invoke its privileges and immunities, including at any time during the course of an investigation or a subsequent judicial or other proceeding pursued in connection with this matter.
Executive Summary

This Report provides the findings of an administrative inquiry (the investigation) by the World Bank Group’s Integrity Vice Presidency (INT) into allegations of misconduct in five contracts under the World Bank-financed Rural Infrastructure Rehabilitation Project (RIRP or the Project) in the Republic of Tajikistan. Under the Project, the RIRP Project Management Unit contracted separate companies to supply and install equipment to various regions of Tajikistan to rehabilitate pumping stations and irrigation infrastructure. According to the bidding documents for those contracts, where a bidder offered to supply goods that it did not manufacture, the bidder was to submit a Manufacturer’s Authorization Form (MAF) indicating that the bidder had been authorized by the manufacturer to supply the goods in the Republic of Tajikistan. In accordance with the bidding documents, winning bidders were further required to provide full details for the shipment of goods provided under the contracts.

INT found evidence indicating that various companies participating in tenders to supply goods under the Project submitted MAFs that were not issued by their purported issuers.
Background

The Rural Infrastructure Rehabilitation Project (RIRP or the Project) aimed to support the Republic of Tajikistan in increasing the overall water use efficiency in the main and field canals through the rehabilitation of selected pumping stations and other critical irrigation infrastructure, among other things.

The RIRP was financed by a US$24 million Credit from the International Development Association (IDA) which was issued pursuant to a July 2000 Development Credit Agreement signed between the Republic of Tajikistan and IDA. By the time that the Project closed, IDA had disbursed US$21.52 million of the Credit amount. The Tajikistan Project Management Unit (PMU) administered the Project funds.

The PMU contracted separate companies under the Project. According to the bidding requirements for the relevant contracts, if a bidder offered to supply goods that it did not manufacture, the bidder had to submit a Manufacturer’s Authorization Form (MAF) indicating that the bidder had been authorized by the manufacturer to supply the goods in the Republic of Tajikistan. The bidding documents further required winning bidders to provide full details for the shipment of goods provided under the contracts.

Methodology

Based on allegations of irregularities in Project implementation, INT conducted a thorough review of the procurement and implementation of several contracts under the Project. INT found issues that warranted further investigation in a subset of these contracts reviewed. INT limited its investigation to include only those contracts. INT’s investigation involved a review of Project documentation and communications with relevant parties.

Findings

INT’s investigation of bidders in the relevant RIRP contract procurement processes found evidence indicating that:

Seven companies bidding on the Project submitted one or more falsified MAFs. INT found evidence that the falsified MAFs submitted by each of the seven companies were not provided by the purported issuers. Each company’s respective Representative, who signed and/or submitted the company’s bid, was unable to provide any evidence disputing the fact that the MAFs were false.

An eighth company submitted falsified customs declarations, certificates of compliance, and certificates of origin when executing a contract under the Project. INT found evidence that these documents submitted by the company were not issued by the purported issuers. A Representative of the company was unable to provide any evidence to the contrary.

Actions taken under the World Bank Group Sanctions System

The World Bank debarred four of the eight companies investigated for a minimum period of three years after which they can be released from sanction if they meet the conditions for release. The debarment extends to any legal entity that each of these companies directly or indirectly control.

IDA is one of the five institutions comprising the World Bank Group. The International Bank for Reconstruction and Development (IBRD) and IDA constitute the World Bank. Therefore, IDA and the World Bank are used interchangeably throughout this Report.

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