Republic of Cote d'Ivoire

Development Marketplace for the African Diaspora in Europe Project

Redacted Report

October 2015
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Executive Summary

This report provides the findings of an administrative inquiry by the World Bank Group Integrity Vice Presidency (INT) into allegations that Company A may have engaged in misconduct in connection with the Development Marketplace for the African Diaspora in Europe (D-MADE) in Cote d'Ivoire, which was administered by the World Bank.

The president of Company A (the President) submitted a proposal for a project (the Project) under D-MADE. Company A was awarded the Project and, subsequently, the full grant award was disbursed to Company A.

Evidence indicates that Company A did not implement the Project, even though it had received the full grant amount. An independent consultant who was commissioned by INT to review the implementation of the Project, informed INT that the Project had not been implemented. In an interview with INT, the President acknowledged having received the full grant award for the Project on behalf of Company A, but stated that s/he had given the money to certain unnamed individuals to work on the Project, and that the individuals had disappeared with the money. To date, s/he has not provided INT with any evidence to support this statement.

INT did not seek sanctions against Company A because INT was unable to prove whether Company A had a fraudulent intent to never implement the Project, or simply failed to implement the Project due to subsequent circumstances.


Background

The Development Marketplace for the African Diaspora in Europe Project (D-MADE) sought to reward entrepreneurial diaspora activities and projects that improved the delivery of social services, mainly in health and education, and create employment opportunities for the poor in Sub-Saharan Africa. It was financed by a trust fund and administered by the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA).\(^1\)

The president of Company A (the President) submitted a proposal for a biofuel project (the Project) financed under D-MADE. Ultimately, Company A was awarded the Project and the full grant award of approximately $50,000 was disbursed, in two separate installments, to Company A.

Allegations

Over three years after the full grant award for the Project, the D-MADE project team requested that Company A provide a completion report, as required under the grant agreement. Evidence indicates that Company A failed to respond to this request. The D-MADE project team referred this matter to the World Bank Group Integrity Vice Presidency (INT), alleging that Company A may have received payments without completing the Project.

Methodology

INT’s investigation consisted of, among other things, reviewing Project documents, as well as documents and statements obtained from the D-MADE project team, and Company A, and commissioning an independent consultant to review the implementation of the Project.

Findings

Evidence indicates that Company A did not implement the Project, despite receiving its full grant for the Project.

The grant agreement for the Project set forth the following conditions: (i) that the recipient prepare a completion report and submit it to the World Bank no later than three months after the closing date; and (ii) that the recipient ensure that the interim unaudited financial reports for the Project were prepared and furnished to the Bank no later than one month after the end of each calendar semester.

As noted above, the D-MADE project team requested that Company A provide a completion report, as required under the grant agreement. Evidence indicates that Company A failed to respond to this request, and the D-MADE project team informed INT of this matter.

\(^1\) IBRD and IDA are two of the five institutions comprising the World Bank Group. IBRD and IDA are commonly referred to, collectively, as “the World Bank,” and are referred to as such in this Report.
INT requested that the President provide INT with documentation identifying the Project implementation status of Company A. The President provided verbal assurance to INT that s/he would follow up with INT, and would be travelling to Cote d’Ivoire to look into the Project. The President did not, however, provide INT with any of the requested documentation.

Subsequently, INT commissioned a third-party independent review of the implementation of the Project. The independent consultant reported that, despite receiving the full grant amount, Company A never implemented the Project. The report also stated that the individuals and organizations included in Company A’s proposal as the entities to carry out the Project did not appear to exist.

In an interview with INT, the President acknowledged having received the full grant award for the Project on behalf of Company A. In the INT interview, the President stated that s/he had given the money to certain unnamed individuals to work on the Project, and that the individuals had disappeared with the money. The President did not provide any evidence to support this statement, such as recipients’ names or payment receipts. The President also stated in the INT interview that Company A was unable to launch the Project due to the unstable situation in Cote d’Ivoire.

During this interview with INT, the President stated that, although the money had been stolen, Company A was ready to re-launch the Project, and would provide INT with the project completion report by a certain time. The President did not do this.

After the interview, INT sent an email to the President requesting financial and legal documents which would support the President’s interview statements, particularly regarding the disbursement of the grant award for the Project. In reply, the President told INT that s/he would send these documents for INT’s review. To date, the President has not done so.

Subsequently, INT issued a letter detailing the above facts, and providing Company A with another opportunity to respond to them. The President replied that Company A was trying to “restart the project,” but did not provide any statements regarding INT’s findings.

The above evidence indicates that Company A did not implement the Project; that Company A’s Project proposal may have misrepresented how the Project would be implemented; and that the final disposition of the grant award for the Project provided to Company A is unknown.

**Follow Up Action by the World Bank**

INT did not seek sanctions against Company A because INT was unable to prove whether Company A had a fraudulent intent to never implement the Project, or simply failed to implement the Project due to subsequent circumstances.