Republic of Niger

Niger Basin Water Resources Development and Sustainable Ecosystems Management Project APL 1

Niger Second Emergency Food Security Support Project

Redacted Report

February 2016
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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 Niger Basin Water Resources Development and Sustainable Ecosystems Management Project APL 1 and the Niger Second Emergency Food Security Support Project (collectively, the Projects).

Company A submitted bids for several contracts under the Projects. Company A’s bids included several bid securities, all purportedly issued by Bank A. Evidence indicates that the bid securities submitted by Company A were not authentic. Evidence also indicates that Company A made misrepresentations regarding its prior experience in its bids for several contracts under the Projects.

The World Bank imposed a sanction of debarment with conditional release on Company A, which extends to any legal entity that is directly or indirectly controlled by Company A.
Background

The Niger Basin Water Resources Development and Sustainable Ecosystems Management Project APL 1 (the Niger Basin Water Resources project) aimed to enhance regional coordination among the member countries of the Niger Basin, and to promote the development and management of the water resources of the Niger River Basin. The Niger Basin Water Resources project was financed with an International Development Association (IDA)\(^1\) credit.

The Niger Second Emergency Food Security Support Project (the Food Security project) aimed to increase rice production in targeted areas and to restore productive assets for food in unsecured rural households. The Food Security project was financed with a multi-donor trust fund.

Agency A was responsible for both the Niger Basin Water Resources project and the Food Security project (collectively, the Projects).

Under the Niger Basin Water Resources project, the implementing agency at the regional level and Agency A issued a tender for Contract 1 (Lots 1 and 2). Company A submitted bids for Lots 1 and 2 of Contract 1.

Under the Food Security project, the implementing agency issued tenders for Contract 2 (Lots 1 and 2) and Contract 3 (Lots 1 and 2). Company A submitted bids for Lots 1 and 2 of Contract 2 and Contract 3.

Allegations

When conducting due diligence during the procurement process, Agency A found evidence indicating that Company A had submitted false documents in its bids for the above-mentioned three contracts comprising six lots. This matter was referred to the World Bank Group Integrity Vice Presidency (INT).

Methodology

INT’s investigation consisted of, among other steps, a review of Project documents and Agency A’s due diligence findings.

Findings

1. Evidence indicates that Company A submitted five false bid securities under the Projects.

Evidence indicates that Company A submitted bid securities for Lot 2 of Contract 1, and for the four lots on Contracts 2 and 3, all purportedly issued by Bank A.

\(^1\) 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. IDA and the World Bank are used interchangeably throughout this Report.
Specifically, evidence indicates that Agency A sent a verification letter to Bank A regarding the bid security submitted by Company A for the Lot 2 of Contract 1. Evidence further indicates that Bank A responded that the signatures on the document were not authentic, and that Bank A had no record of the purported bid security submitted by Company A.

Similarly, evidence suggests that Agency A sent two verification letters to Bank A regarding the bid securities submitted by Company A for the four lots on Contracts 2 and 3. Evidence suggests that Bank A responded that the signatures on the purported bid securities were not authentic, and that Bank A had no record of bid securities submitted by Company A.

2. **Evidence indicates that Company A made misrepresentations regarding its prior experience in its bids for Contracts 1, 2, and 3.**

The bidding documents for Contracts 1, 2, and 3 required bidders to have certain experience, including certain years of experience in fields related to the respective contract.

Evidence indicates that, to satisfy this requirement, Company A claimed that: (i) it had worked on Project 1 with Company B; (ii) it had worked on Project 2 with Company C, launching the planning study of Project 2; and (iii) it had been hired by Company D on Project 3.

However, regarding Project 1, evidence indicates that this project was awarded to Company B alone, and that Company B did not work with any other company in executing it. Evidence also indicates that Company A provided an incorrect reference number, date, and specifications for Project 1.

Regarding Project 2, evidence suggests that Company C was the only entity that launched the planning study of the work.

Regarding Project 3, evidence suggests that Company D was never involved in the claimed work in the relevant region.

INT sent a letter to Company A, requesting its response to INT’s findings. Company A did not respond to INT’s letter.

**Follow Up Action by the World Bank**

The World Bank imposed a sanction of debarment with conditional release on Company A, which extends to any legal entity that is directly or indirectly controlled by Company A.