



Republic of Uganda

Electricity Sector Development Project

Redacted Report

March 2018

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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 Electricity Sector Development Project (the Project) in the Republic of Uganda.

The implementing agency for the Project issued a tender for a contract under the Project (the Contract). Company A submitted a bid for the Contract. In its bid, Company A stated that it previously had completed Projects 1 and 2 as part of its prior experience.

Evidence indicates that Company A had not completed Projects 1 and 2. Specifically, evidence indicates that Company A was incorporated after the starting dates of Projects 1 and 2. Evidence also indicates that Company A was not legally authorized to implement projects like Projects 1 and 2 in the country where Company A claimed to have implemented them. In addition, the purported issuer of Company A's Project 2 documents informed INT that its relationship with Company A was limited to trading activities.

INT issued a letter to Company A, requesting its response to INT's findings. In response, Company A admitted that it had submitted false prior experience information to win the Contract.

The World Bank imposed a sanction of debarment with conditional release on Company. This ineligibility extends to any legal entity that Company A directly or indirectly controls.

Background

The Electricity Sector Development Project (the Project) in the Republic of Uganda aims to increase electricity supply in the southwest region of Uganda. The Project is financed by an International Development Association (IDA)¹ credit.

The Project's implementing agency issued a tender for a contract under the Project (the Contract). As part of their qualification requirements, the Contract bidding documents required bidders to demonstrate prior experience in similar projects.

Company A submitted a bid for the Contract. To satisfy the prior experience requirement, Company A provided completion certificates and contract documentation, representing that it previously had completed Projects 1 and 2. Subsequently, Company A was awarded the Contract.

Allegations

The World Bank Group Integrity Vice Presidency (INT) received an allegation that Company A had misrepresented the incorporation date on its business license, and its prior experience, in its bid for the Contract.

Methodology

INT's investigation consisted of, among other steps, a review of official company registration records for Company A and Company A's website, as well as statements obtained from Company A and the prime contractor for Project 2.

Findings

Evidence indicates that Company A misrepresented its prior experience in its bid for the Contract.

Although Company A claimed to have executed Projects 1 and 2 in its bid for the Contract, evidence indicates that Company A probably did not implement either of these contracts, as both of these contracts were signed before Company A came into existence. Specifically, in its bid, Company A submitted a purported copy of its business license, which stated that it was established on a certain date. However, the relevant government agency informed INT that Company A was incorporated on a different date, which is later than the starting date of Projects 1 and 2.

INT also confirmed through another government agency that Company A was only licensed to conduct certain types of activities. However, evidence indicates Projects 1 and 2 were not within the category of works which Company A was legally licensed to conduct.

INT further attempted to verify the authenticity of the prior experience documents submitted by Company A with their purported issuers. The Project 1 issuing body was non-responsive to INT's

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.

request for information. The purported issuer of Company A's Project 2 documents informed INT that its relationship with Company A was limited to trading activities. The purported issuer added that although it had purchased equipment from Company A, the amount stated in the purported contract documentation submitted in Company A's bid was exaggerated and incorrect.

INT issued a letter to Company A, requesting its response to INT's findings. In response, Company A admitted that it had submitted false prior experience information to win the Contract.

Follow-Up Action by the World Bank

The World Bank imposed a sanction of debarment with conditional release on Company. This ineligibility extends to any legal entity that Company A directly or indirectly controls.