

**Notice of Uncontested Sanctions Proceedings**

**February 14, 2014**

**Sanctions Case No. 294  
IDA Credit Number 4333-ET  
(Ethiopia Irrigation and Drainage Project)**

**Respondent:**

**China Jiangsu International Economic and Technical Cooperation Group Ltd.**

1. On October 16, 2013, the World Bank's Suspension and Debarment Officer (the "SDO") issued a Notice of Sanctions Proceedings (the "Notice") to China Jiangsu International Economic and Technical Cooperation Group Ltd. (the "Respondent"), pursuant to Section 4.01(a) of the World Bank Sanctions Procedures, as adopted by the World Bank as of April 15, 2012 (the "Sanctions Procedures").
2. The Statement of Accusations and Evidence ("SAE") prepared by the Bank's Integrity Vice Presidency ("INT") and appended to the Notice contained INT's accusations that the Respondent engaged in sanctionable practices in connection with the above-named project (the "Project"). The SAE also contained the evidence gathered by INT in support of these accusations.
3. The specific accusations made by INT in the SAE were that the Respondent (a) submitted a false corporate experience claim in a Prequalification Application for a construction contract and in a later bid for that contract; and (b) submitted false personnel experience claims in two bids for that contract.
4. Based on a review of INT's SAE conducted in accordance with Section 4.01(a) of the Sanctions Procedures, and pursuant to Section 4.01(c), Section 9.01 and Section 9.04 of the Sanctions Procedures, with due consideration of the factors set forth in Section 9.02 of the Sanctions Procedures and in the World Bank Sanctioning Guidelines, the SDO recommended in the Notice that the Respondents, together with certain Affiliates (as defined in the Sanctions Procedures) where so specified, be sanctioned as follows:

*China Jiangsu International Economic and Technical Cooperation Group Ltd. ("China Jiangsu")*

*It is recommended that China Jiangsu (together with any entity that is an Affiliate directly or indirectly controlled by China Jiangsu) be declared ineligible (i) to be awarded or otherwise benefit from a Bank-financed*

contract, financially or in any other manner,<sup>1</sup> (ii) to be a nominated<sup>2</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract, and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any project or program financed by the Bank and governed by the Bank's Procurement Guidelines, Consultant Guidelines or Anti-Corruption Guidelines; provided, however, that after a minimum period of ineligibility of three (3) years, China Jiangsu may be released from ineligibility only if China Jiangsu has, in accordance with Section 9.03 of the Sanctions Procedures, demonstrated to the Bank Group's Integrity Compliance Officer that China Jiangsu has complied with the following conditions:

- (a) China Jiangsu has taken appropriate remedial measures to address the sanctionable practices for which China Jiangsu has been sanctioned; and
- (b) China Jiangsu has adopted and implemented an effective integrity compliance program in a manner satisfactory to the Bank.

In determining this recommended sanction, the SDO took into account, as an aggravating factor, the fact that China Jiangsu engaged in a repeated pattern of misconduct by submitting fraudulent documentation in its prequalification application and in its two bids for the relevant contract. The SDO also took into account, as a mitigating factor, INT's representations as to the extent of China Jiangsu's cooperation during the course of the investigation, noting in particular that representatives of China Jiangsu agreed to meet with INT and acknowledged that the fraudulent practices had occurred.

The foregoing declaration of ineligibility will extend across the operations of the World Bank Group, including IFC, MIGA and the guarantee operations of the Bank.<sup>3</sup> The Bank will also provide notice of this

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<sup>1</sup> For the avoidance of doubt, the declaration of ineligibility to be awarded a contract will include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

<sup>2</sup> A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the borrower.

<sup>3</sup> [World Bank Sanctions Procedures], at 23-24 (Section 9.01(c)). For the avoidance of doubt, the declaration of ineligibility also extends to activities financed through trust funds administered by the Bank to the extent governed by the Bank's



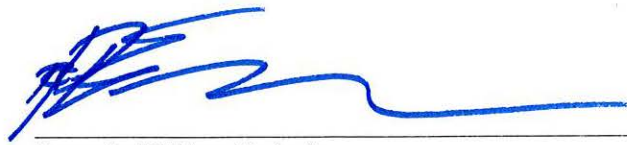
*declaration of ineligibility to the other multilateral development banks ("MDBs") that are party to the Agreement for Mutual Enforcement of Debarment Decisions (the "MDB Cross-Debarment Agreement") so that they may determine whether to enforce the declarations of ineligibility with respect to their own operations in accordance with the MDB Cross-Debarment Agreement and their own policies and procedures.*<sup>4</sup>

5. In accordance with Section 4.02(b) of the Sanctions Procedures, the Respondent submitted a written Explanation (as defined in the Sanctions Procedures) to the SDO. After consideration of the arguments and evidence presented by INT in the SAE appended to the Notice and the arguments and evidence presented in the Respondent's Explanation, the SDO determined that there was no basis for (i) a withdrawal of the Notice pursuant to Section 4.03(a)(i) of the Sanctions Procedures; or (ii) a revision of the recommended sanction pursuant to Section 4.03(a)(ii) of the Sanctions Procedures.
6. Section 4.04 of the Sanctions Procedures provides that if a respondent does not contest the accusations or the sanction recommended by the SDO in a Notice of Sanctions Proceedings by submitting a Response (as defined in the Sanctions Procedures) to the World Bank Group Sanctions Board (the "Sanctions Board") within ninety (90) days after delivery of such Notice of Sanctions Proceedings, the sanction(s) recommended by the SDO shall enter immediately into force.
7. No Response having been submitted to the Sanctions Board by the Respondent within the specified period, INT's accusations in the SAE and the sanction recommended by the SDO in the Notice are deemed uncontested for purposes of Section 4.04 of the Sanctions Procedures, and the recommended sanction set forth in paragraph 4 above has entered into force as of the date hereof.

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*Procurement Guidelines, Consultant Guidelines or Anti-Corruption Guidelines. Id. at 2 (Section 1.01(c)(i)).*

<sup>4</sup> *At present, the MDBs that are party to the MDB Cross-Debarment Agreement are the Bank Group, the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development and the Inter-American Development Bank Group. The MDB Cross-Debarment Agreement provides that, subject to the prerequisite conditions set forth in the MDB Cross-Debarment Agreement, unless a participating MDB (i) believes that any of the prerequisite conditions set forth in the MDB Cross-Debarment Agreement have not been met or (ii) decides to exercise its rights under the "opt out" clause set forth in the MDB Cross-Debarment Agreement, each participating MDB will promptly enforce the debarment decisions of the other participating MDBs. More information about the MDB Cross-Debarment Agreement is available on the Bank's external website (<http://go.worldbank.org/B699B73Q00>).*



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