

Notice of Uncontested Sanctions Proceedings

June 16, 2020

**Sanctions Case No. 670
Tuvalu Energy Sector Development Project
Small Island Developing States (SIDS) DOCK Support
Program Multi Donor Trust Fund Grant Number TF018949
IDA Grant Number D029-TV**

**Respondents:
CBS Power Solutions (Fiji) Ltd.
Mr. Ajay Prasad**

1. On February 10, 2020, the World Bank’s Chief Suspension and Debarment Officer (the “SDO”) issued a Notice of Sanctions Proceedings (the “Notice”) to CBS Power Solutions (Fiji) Ltd. and Mr. Ajay Prasad (the “Respondents”) pursuant to sub-paragraph 4.01(a) of Section III.A of the Bank Procedure: Sanctions Proceedings and Settlements in Bank Financed Projects issued by the Bank on June 28, 2016 (the “Sanctions Procedures”).
2. The Statement of Accusations and Evidence (the “SAE”) prepared by the Bank’s Integrity Vice Presidency (“INT”) and appended to the Notice contained INT’s accusation that the Respondents 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 this accusation.
3. The specific accusation made by INT in the SAE was that the Respondents engaged in a fraudulent practice by submitting a false manufacturer’s authorization form in a bid for a solar power turnkey contract under the Project.
4. Based on a review of INT’s SAE conducted in accordance with sub-paragraph 4.01(a) of Section III.A of the Sanctions Procedures, and pursuant to sub-paragraph 4.01(c), sub-paragraph 9.01, and sub-paragraph 9.04 of Section III.A of the Sanctions Procedures, with due consideration of the factors set forth in sub-paragraph 9.02 of Section III.A 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:

Respondent 1
CBS Power Solutions (Fiji) Ltd. (“CBS Power (Fiji)”)

**Recommended Sanction: Debarment
Period of Ineligibility of Nine (9) Months**

It is recommended that CBS Power (Fiji) (together with any entity that is an Affiliate directly or indirectly controlled by CBS Power (Fiji)) be declared ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;¹ (ii) to be a nominated² 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 for a period of nine (9) months.

In determining this recommended sanction, the SDO took into account, as an aggravating factor, the involvement of CBS Power (Fiji) ’s Managing Director in the misconduct. The SDO took into account, as mitigating factors, (i) CBS Power (Fiji) ’s demonstration of its timely establishment and implementation of corporate compliance procedures and training related to the misconduct; (ii) CBS Power (Fiji) ’s admission and acceptance of responsibility for the misconduct; (iii) INT’s representations as to the extent of CBS Power (Fiji) ’s cooperation during the course of the investigation; (iv) CBS Power (Fiji) ’s internal investigation of the misconduct; and (v) CBS Power (Fiji) ’s voluntary restraint from bidding on Bank-financed tenders. The SDO did not apply any additional aggravating or mitigating factors.

¹ 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.

² 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.

This declaration of ineligibility will extend across the operations of the World Bank Group, including IFC, MIGA, and the guarantee and carbon finance operations of the Bank.³

Respondent 2

Mr. Ajay Prasad (“Mr. Prasad”)

***Recommended Sanction: Debarment
Period of Ineligibility of Nine (9) Months***

It is recommended that Mr. Prasad (together with any entity that is an Affiliate directly or indirectly controlled by Mr. Prasad) be declared ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;⁴ (ii) to be a nominated⁵ 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 for a period of nine (9) months.

In determining this recommended sanction, the SDO took into account, as an aggravating factor, the fact that Mr. Prasad was the corporate Respondent’s Managing Director. The SDO took into account, as mitigating factors, (i) Mr. Prasad’s demonstration of the corporate Respondent’s timely establishment and implementation of corporate compliance procedures and training related to the misconduct; (ii) Mr. Prasad’s admission and acceptance of responsibility for the misconduct; (iii) INT’s representations as to the extent of Mr. Prasad’s cooperation

³ Sanctions Procedures . . . , sub-paragraph 9.01(c) of Section III.A. 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 Procurement Guidelines, Consultant Guidelines, or Anti-Corruption Guidelines. *Id.*, sub-paragraph 1.01(c)(i) of Section III.A.

⁴ 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.

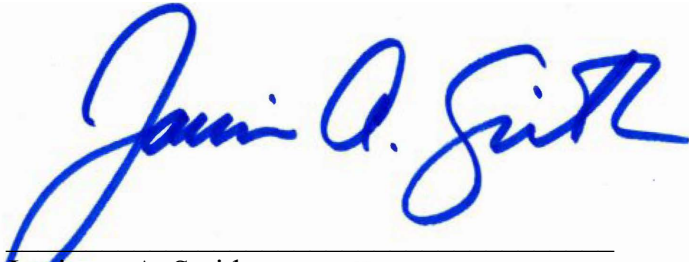
⁵ A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been (i) included by the bidder in its pre-qualification application or bid because it brings 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.

during the course of the investigation; (iv) Mr. Prasad's demonstration of the corporate Respondent's internal investigation of the misconduct; and (v) Mr. Prasad's demonstration of the corporate Respondent's voluntary restraint from bidding on Bank-financed tenders. The SDO did not apply any additional aggravating or mitigating factors.

This declaration of ineligibility will extend across the operations of the World Bank Group, including IFC, MIGA, and the guarantee and carbon finance operations of the Bank.⁶

5. In accordance with sub-paragraph 4.02(b) of Section III.A of the Sanctions Procedures, the Respondents submitted a written Explanation (as defined in the Sanctions Procedures) on April 13, 2020. After considering 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 sub-paragraph 4.03(a)(i) of Section III.A of the Sanctions Procedures; or (ii) a revision of the recommended sanction pursuant to sub-paragraph 4.03(a)(ii) of Section III.A of the Sanctions Procedures
6. Sub-paragraph 4.04 of Section III.A of the Sanctions Procedures provides that if a respondent does not contest the accusation 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 recommended by the SDO shall enter immediately into force.
7. No Response having been submitted to the Sanctions Board by the Respondents within the specified period, INT's accusation in the SAE and the sanction recommended by the SDO in the Notice are deemed uncontested for purposes of sub-paragraph 4.04 of Section III.A of the Sanctions Procedures, and the recommended sanction set forth in paragraph 4 above has entered into force as of the date hereof.

⁶ *Sanctions Procedures . . . , sub-paragraph 9.01(c) of Section III.A. 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 Procurement Guidelines, Consultant Guidelines, or Anti-Corruption Guidelines. Id., sub-paragraph 1.01(c)(i) of Section III.A.*



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