<u>Notice of Uncontested Sanctions Proceedings</u>

November 4, 2025

Sanctions Case No. 766
IBRD Loan Numbers 8505-EC and 8888-EC
(Ecuador Guayaquil Wastewater Management Project)

Respondents:
Mr. Ramiro Valladares Buitrón and VH International Group S.A.

1. On July 17, 2025, the World Bank's Chief Suspension and Debarment Officer (the "SDO") issued a Notice of Sanctions Proceedings (the "Notice") to Mr. Ramiro Valladares Buitrón and VH International Group S.A. (the "Respondents") pursuant to sub-paragraph 4.1(a) of Section III.A of the *Bank Procedure: Sanctions Proceedings and Settlements in Bank Financed Projects* issued by the Bank on November 30, 2023 (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 a Sanctionable Practice (as defined in the Sanctions Procedures) 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 an obstructive practice by concealing evidence in order to materially impede a Bank investigation in connection with the Project.

4. Based on a review of INT's SAE conducted in accordance with sub-paragraph 4.1(a) of Section III.A of the Sanctions Procedures, and pursuant to sub-paragraph 4.1(c), sub-paragraph 9.1, and sub-paragraph 9.4 of Section III.A of the Sanctions Procedures, with due consideration of the factors set forth in sub-paragraph 9.2 of Section III.A of the Sanctions Procedures and in the World Bank Group 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:

<u>*Respondent 1*</u>
<u>*Mr. Ramiro Valladares Buitrón ("Mr. Valladares")*</u>

Recommended Sanction: Debarment with Conditional Release
Minimum Period of Ineligibility of One (1) Year and Six (6) Months

It is recommended that Mr. Valladares (together with any entity that is an Affiliate directly or indirectly controlled by Mr. Valladares) 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 nominated[2] 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 Bank-Financed Project; provided, however, that after a minimum period of ineligibility of one (1) year and six (6) months, Mr. Valladares may be released from ineligibility only if Mr. Valladares has, in accordance with sub-paragraph 9.3 of Section III.A of the Sanctions Procedures, demonstrated to the Bank Group's Integrity Compliance Officer that Mr. Valladares has complied with the following conditions:*

(a) Mr. Valladares has taken appropriate remedial measures to address the sanctionable practice for which Mr. Valladares has been sanctioned;

(b) Mr. Valladares has completed training and/or other educational programs that demonstrate a continuing commitment to personal integrity and business ethics; and

(c) Any entity that is an Affiliate directly or indirectly controlled by Mr. Valladares has adopted and implemented, in a manner satisfactory to the Bank, effective integrity compliance measures as may be imposed by the World Bank Group's Integrity Compliance Officer pursuant to sub-paragraph 9.3(b) of Section III.A of the Sanctions Procedures to address the sanctionable practice.

In determining this recommended sanction, the SDO took into account, as a mitigating factor, the passage of time since the misconduct and since the Bank became aware of it. The SDO did not apply any aggravating factors or additional mitigating factors.

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[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]

<u>*Respondent 2*</u>
<u>*VH International Group S.A. ("VH International")*</u>

Recommended Sanction: Debarment with Conditional Release Minimum Period of Ineligibility of One (1) Year and Six (6) Months

It is recommended that VH International (together with any entity that is an Affiliate directly or indirectly controlled by VH International) 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 nominated*[5] *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 Bank-Financed Project; provided, however, that after a minimum period of ineligibility of one (1) year and six (6) months, VH International may be released from ineligibility only if VH International has, in accordance with sub-paragraph 9.3 of Section III.A of the Sanctions Procedures, demonstrated to the Bank Group's Integrity Compliance Officer that VH International has complied with the following conditions:*

(a) VH International has taken appropriate remedial measures to address the sanctionable practice for which VH International has been sanctioned; and

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[3] *Sanctions Procedures, . . . sub-paragraph 9.1(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 Regulations (or either of the Regulations' predecessor documents, the Procurement Guidelines and Consultant Guidelines) or Anti-Corruption Guidelines. Id., sub-paragraph 1.1(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.*

(b) VH International has adopted and implemented, in a manner satisfactory to the Bank, integrity compliance measures as may be imposed by the World Bank Group's Integrity Compliance Officer pursuant to sub-paragraph 9.3(b) of Section III.A of the Sanctions Procedures to address the sanctionable practice.

In determining this recommended sanction, the SDO took into account, as a mitigating factor, the passage of time since the misconduct and since the Bank became aware of it. The SDO did not apply any aggravating factors or additional 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. The Respondents did not submit an Explanation in accordance with sub-paragraph 4.2(b) of Section III.A of the Sanctions Procedures.

6. Sub-paragraph 4.4 of Section III.A of the Sanctions Procedures provides that if a respondent does not contest the accusation or the sanctions 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 sanctions 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 sanctions recommended by the SDO in the Notice are deemed uncontested for purposes of sub-paragraph 4.4 of Section III.A of the Sanctions Procedures, and the recommended sanctions set forth in paragraph 4 above have entered into force as of the date hereof.

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[6] *Sanctions Procedures, . . . sub-paragraph 9.1(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 Regulations (or either of the Regulations' predecessor documents, the Procurement Guidelines and Consultant Guidelines) or Anti-Corruption Guidelines. Id., sub-paragraph 1.1(c)(i) of Section III.A.*

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