Pakistan

Global Partnership for Education – Balochistan Education Project

Redacted Report

March 2020
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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 of misconduct in connection with the Global Partnership for Education – Balochistan Education Project (the “Project”) in Pakistan.

Company A, represented by an individual (the “Representative”), bid for and was awarded a Project-financed contract (the “Contract”). As the winning bidder, Company A was required to submit Performance and Advance Payment Guarantees.

Evidence indicates that the Representative, acting on behalf of Company A, submitted falsified Performance and Advance Payment Guarantees. The Employer’s Project Management Unit cancelled the Contract award to Company A and informed the World Bank of the misconduct.

The World Bank imposed the administrative sanction of debarment with conditional release on Company A and the Representative. These sanctions extend to any entity that the Representative or Company A directly or indirectly controls.
Background

In March 2015, the International Bank for Reconstruction and Development and the International Development Association (collectively, the “World Bank”), acting as Administrator for a Trust Fund, signed a Grant Agreement with the Islamic Republic of Pakistan (“Pakistan”) for the Global Partnership for Education – Balochistan Education Project (the “Project”). The Project became effective in March 2015 and closed in December 2018.

The Project sought to: (i) to increase school enrollment and retention in Project-supported schools, with a special focus on girls’ participation, and (ii) to develop mechanisms for information collection and use for improved management of education. The Province of Balochistan was the Project’s responsible implementing agency.

The government entity responsible for the Project within the Province of Balochistan (the “Employer”), published an Invitation to Bid for a Project-financed Contract (the “Contract”). Company A, represented by an individual (the “Representative”), bid for and was awarded the approximately US$ 300,000 Contract.

Allegations & Methodology

The Employer’s Project Management Unit (“PMU”) reported to the World Bank’s Integrity Vice Presidency (“INT”) that Company A had potentially engaged in fraud during Contract implementation.

INT conducted a review of relevant procurement and Project documents, obtained further clarifications from the PMU, and independently obtained further evidence.

Findings

Evidence indicates that the Representative, acting on behalf of Company A, submitted falsified Performance and Advance Payment Guarantees.

As winning bidder for the Contract, Company A was required to submit Performance and Advance Payment Guarantees to the Employer. Evidence indicates that the Representative, acting on behalf of Company A, submitted a Performance Bank Guarantee and an Advance Payment Guarantee, each purportedly issued by a commercial bank (the “Commercial Bank”).

However, evidence indicates that Company A’s guarantees were falsified. The PMU sought verification of Company A’s guarantees from the Commercial Bank. The Commercial Bank denied having issued Company A’s guarantees.

Subsequently, the PMU met with the Representative regarding the authenticity of Company A’s Performance and Advance Payment Guarantees. The Representative did not provide evidence or a satisfactory explanation to refute the PMU’s findings.
**Corrective Actions**

After the PMU’s meeting with the Representative, it cancelled the Contract award to Company A and awarded the Contract to the next lowest responsive bidder.

The World Bank imposed the administrative sanction of debarment with conditional release on Company A and the Representative. These sanctions extend to any entity that the Representative or Company A directly or indirectly control.