

Notice of Uncontested Sanctions Proceedings

May 13, 2024

**Sanctions Case No. 729
IDA Credit Numbers 4633-UZ, 5698-UZ, and 5699-UZ
(Uzbekistan Bukhara and Samarkand Sewerage Project)
and
IBRD Loan Number 8389-UZ and IDA Credit Number 5490-UZ
(Uzbekistan South Karakalpakstan Water Resources Management Improvement
Project)**

**Respondent:
“Interyer İnşaat” Məhdud Məsuliyyətli Cəmiyyəti**

1. On November 14, 2023, the World Bank’s Chief Suspension and Debarment Officer (the “SDO”) issued a Notice of Sanctions Proceedings (the “Notice”) to “Interyer İnşaat” Məhdud Məsuliyyətli Cəmiyyəti (the “Respondent”) 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 accusations that the Respondent engaged in Sanctionable Practices (as defined in the Sanctions Procedures) in connection with the above-named projects (the “Projects”). 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 engaged in fraudulent practices by: (a) misrepresenting its past work experience in a joint venture’s bid for a contract – under one of the two Projects – for the upgrading and reconstruction of a wastewater treatment plant; and (b) misrepresenting its financial performance and annual turnover in either that bid or a different joint venture’s bid – under the other of the two Projects – for a canal construction contract.
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 Group Sanctioning Guidelines, the SDO recommended in the Notice that the Respondent, together with certain Affiliates (as defined in the Sanctions Procedures) where so specified, be sanctioned as follows:

“Interyer İnşaat” Məhdud Məsuliyyətli Cəmiyyəti (“Interyer İnşaat”)

***Recommended Sanction: Debarment with Conditional Release
Minimum Period of Ineligibility of Two (2) Years and Eight (8) Months***

It is recommended that Interyer İnşaat (together with any entity that is an Affiliate directly or indirectly controlled by Interyer İnşaat) 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 Bank-Financed Project; provided, however, that after a minimum period of ineligibility of two (2) years and eight (8) months, Interyer İnşaat may be released from ineligibility only if Interyer İnşaat has, in accordance with sub-paragraph 9.03 of Section III.A of the Sanctions Procedures, demonstrated to the World Bank Group’s Integrity Compliance Officer that Interyer İnşaat has complied with the following conditions:

(a) Interyer İnşaat has taken appropriate remedial measures to address the sanctionable practices for which Interyer İnşaat has been sanctioned; and

(b) Interyer İnşaat 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 9.03(b) of Section III.A of the Sanctions Procedures (e.g., an integrity compliance program or elements thereof) to address the sanctionable practices.

In determining this recommended sanction, the SDO took into account, as an aggravating factor, that Interyer İnşaat engaged in a repeated pattern of misconduct in multiple bids regarding multiple projects. The SDO also took into account, as a mitigating factor, the passage of time since the

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.

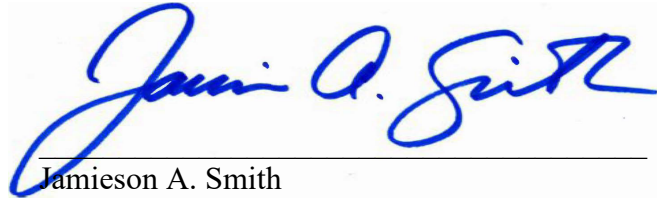
misconduct occurred and the Bank became aware of it. The SDO did not apply any additional aggravating or mitigating factors.

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.³ The Bank will also provide notice of this 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.⁴

5. Sub-paragraph 4.04 of Section III.A 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 recommended by the SDO shall enter immediately into force.
6. 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 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.

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 Regulations (or either of the Regulations’ predecessor documents, the Procurement Guidelines and Consultant Guidelines) or Anti-Corruption Guidelines. Id., sub-paragraph 1.01(c)(i) of Section III.A.*

⁴ *At present, the parties 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.*



Jamieson A. Smith
Chief Suspension and Debarment Officer
Office of Suspension and Debarment (OSD)
The World Bank