



Alstom debarred by the World Bank for bribing Zambian officials SHERPA calls on for compensation to be made to Zambia

Paris, 24th of February – French company Alstom, who was [condemned last November in Switzerland](#) to pay a €42 million fine for having bribed foreign officials to win commercial contracts in three different countries, strikes again. [The World Bank's Integrity Vice Presidency \(INT\)](#)¹ has just debarred two Alstom' subsidiaries for bribing Zambian civil as part of a project financed by the World Bank (WB)². Alstom Hydro France and Alstom Network Schweiz AG (Switzerland) have been banned from the Bank's call for tenders for a period of 3 years, and committed themselves to pay US\$9.5 million to the institution.

SHERPA welcomes this decision but calls for the damage caused to Zambia by this corrupt deal to be fully compensated.

According to a joint report by the World Bank and the UNODC, corrupt money associated with bribes received by public officials from developing and transition countries is conservatively estimated at USD 20 to 40 billion per year – a figure equivalent to 20 to 40 percent of total ODA³...And yet, countries where the bribes take place are barely compensated as part of the out-of settlement processes, while huge payments are made by companies to their home countries. Such a practice is not fair: the true victims of corruption are the people from the countries where the corrupt deals have occurred.

SHERPA expects the Bank to replicate the resolution agreement concluded in 2010 with C. Lotti and Associati Societa' di Ingegneria S.p.A. (Lotti) in the wake of the company's misconduct in a Bank-financed public works project in the water sector in Indonesia where the Lotti has agreed to pay an estimated US\$350,000 in restitution to Indonesia. There is no reason for not including restitution payments in the case of Alstom in Zambia.

The organisation further calls for the European Investment Bank (EIB) to apply the debarment measure. Unlike other multilateral development banks⁴, the EIB did not sign the 2010 agreement which states that debarred entities may be sanctioned for the same misconduct by the other signatories.

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SHERPA is a Paris-based, non-profit organization that aims to protect and defend the victims of economic crimes in developing countries. SHERPA's overall focus is deploying legal expertise to fight the injustices caused by economic crimes and to bring about effective changes to public policy and legal frameworks in order to ensure fair and sustainable development for citizens in developing countries. www.asso-sherpa.org

¹ The INT was created in 2001 in order to investigate allegation of fraud and corruption committed by individuals or companies in World Bank-financed projects.

² See [the WB press release](#)

³ Stolen Asset Recovery (StAR) Initiative: Challenges, Opportunities, and Action Plan, joint report from the World Bank and the United Nations Office on drugs and crime (UNODC), June 2007.

⁴ The African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development and the Inter-American Development Bank