

**Action Contre l'Impunité pour les Droits Humains, DRC •  
Nouvelle Dynamique Syndicale, DRC • Rights and Accountability in Development, UK •  
Friends of the Earth, US • Environmental Defense, US**

August 25, 2004

Executive Director  
MIGA  
World Bank Group  
1818 H Street NW  
Washington, DC 20433

Dear Executive Director,

We are writing to raise questions and concerns regarding MIGA's proposed guarantee for the Dikulushi copper-silver mine in the Democratic Republic of the Congo (DRC). In early June, we discussed these issues with MIGA staff. To date, we have not received a satisfactory response from MIGA or any indication that staff have considered these concerns as part of their due diligence for the project. *We urge the Board of Directors to ensure that MIGA has addressed these questions before it considers approval of the Dikulushi project guarantee.*

Anvil Mining's Dikulushi copper-silver project, located in the southeastern Katanga Province of the DRC, has been in commercial production since 2002. The open pit mine currently produces approximately 240,000 tons of ore per year and an expansion phase is underway. The ore is carried by barge from the DRC across Lake Mweru, transported by truck through Zambia, and processed in South Africa and Namibia. Minimal processing of the ore is carried out in the DRC.

The relationship between mineral exploitation and ongoing conflict in the DRC has been the subject of intense scrutiny in recent years. In 2000, the United Nations Security Council (UNSC) appointed a Panel of Experts to investigate illegal exploitation of natural resources in the DRC in response to widespread concern that the exploitation of gold, diamonds and other minerals was fuelling the war. In a series of reports, the Panel exposed a vicious cycle of resource-driven conflict that has taken hold of the country. The Panel's three-year investigation found that sophisticated networks of high-level political, military and business persons were intentionally fostering the violence in order to retain their control over the country's natural resources.

The Panel's October 2002 report accused dozens of western companies of violating the Organisation for Economic Co-operation and Development's (OECD) "Guidelines for Multinational Enterprises" (OECD Guidelines), which are governmentally-backed international standards for responsible corporate behaviour. The Panel felt it was necessary to bring to light the companies' role in perpetuating the conflict by neglecting to ensure that their raw materials were not originating from the DRC. By analysing the interconnections between companies, Congolese and foreign actors, the Panel maintained that business activities, directly or indirectly, deliberately or through negligence, contributed to the perpetuation of the conflict and human rights abuses.

Over the past few months, we have raised questions with MIGA management regarding the Dikulushi project, but no substantive answers have been provided. Congolese civil society organizations from the Katanga region in the DRC expressed concerns about the Dikulushi project in a letter to MIGA (attached), but have received no reply. The questions and concerns relate to Dikulushi's proposed development benefits, employment conditions, acquisition of the mine concession, and security and governance concerns. We have attached a document outlining the issues in more detail and a copy of the letter sent to MIGA management from 14 Congolese organizations.

Given the World Bank's recent Extractive Industries Review debate, the critical issues relating to conflict and natural resource exploitation, and the fragile political and governance situation in the DRC, we feel it is essential to address these concerns before MIGA provides a political risk guarantee for the Dikulushi project.

We urge the Board to ensure that MIGA management has satisfactorily answered these questions through the course of its due diligence and to disclose any documentation to that effect. Thank you for your attention to these points concerning MIGA's involvement in the Dikulushi copper-silver project in the Democratic Republic of Congo.

Sincerely,

Hubert Tshiswaka  
Action Contre l'Impunité pour les Droits Humains (ACIDH), DRC

Jean Pierre Muteba,  
Nouvelle Dynamique Syndicale (NDS), DRC

Patricia Feeney  
Rights and Accountability in Development, UK

Colleen Freeman  
Friends of the Earth, U.S.

Shannon Lawrence  
Environmental Defense, U.S.

Cc: Ms. Yukiko Omura, Executive Vice President, MIGA