

World Bank Buries Internal Report on Controversial Congo Mining Project

For Immediate Release:

January 31, 2006

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Washington, DC: The World Bank Group has withheld a report concerning its assessment of a controversial mining project in the Democratic Republic of Congo (DRC). After activists sounded alarm bells about a massacre carried out by Congolese Armed Forces near the mine and the alleged logistical support provided by the Bank Group's client, Anvil Mining, Bank President Paul Wolfowitz called for an internal investigation. In July 2005, the Bank's Compliance Advisor Ombudsman (CAO) initiated a review of the WBG's due diligence for its political risk guarantee to Anvil Mining. Although the CAO submitted the final review to President Wolfowitz in October 2005, and its findings have been shared with Anvil, the report has not been released to the public. Groups are calling for the immediate release of the CAO report and a public discussion of actions taken on the basis of the report's findings.

In October 2004, one month after the World Bank Group's Multilateral Investment Guarantee Agency (MIGA) approved a guarantee for Anvil's Dikulushi copper-silver mine, the Congolese army violently suppressed a small-scale rebel uprising in the nearby town of Kilwa, reportedly killing as many as 100 people. According to the United Nations, Anvil allegedly provided logistical support to the Congolese army, including air and land transport. Civil society organizations questioned how closely MIGA examined the security situation in the DRC and how it assured itself that its client's operations would not exacerbate conflict and human rights violations in the region. The DRC's abundant mineral resources have fueled conflict in the country since the late 1990s, and while fighting has subsided since 2001, violence has intensified recently in the Katanga Province where the Dikulushi mine is located.

Rights and Accountability in Development (RAID), a UK-based NGO working with Congolese groups to track corporate abuses in DRC's mining sector, has urged President Wolfowitz to follow the Bank's own procedures and make the report public immediately. RAID's appeals have gone unanswered.

The Australian Federal Police are investigating Anvil's alleged complicity in crimes against humanity and the Australian law firm, Slater & Gordon, which represents many of the Kilwa victims and their families, is seeking damages against the Perth-based, TSX- and ASX-listed mining company.

The World Bank Group has attracted significant media attention in recent weeks over its decision to suspend lending to Chad, after the government gutted the oil revenue management law that was the centerpiece of the Bank's support for petroleum development in the country. The Chad case and problems around other recent extractive industry projects supported by the Bank Group have fueled criticism of the institution's support for oil, gas and mining, particularly in countries with poor human rights records.

Background: The World Bank resumed its lending to the Democratic Republic of Congo (DRC) in 2001, after a nearly ten-year hiatus, and has since committed almost \$2 billion in loans and grants. It has played a key role in supporting reform of the mining and forestry sectors in an effort to increase private investment in the country's natural resources. Following the Bank-supported revision of the mineral code, the private sector lending arms of the World Bank Group (the International Finance Corporation and the Multilateral Investment Guarantee Agency) provided financing and guarantees to mining companies operating in southeastern DRC.

Further information:

RAID's web page for the Dikulushi project: http://www.raid-uk.org/work/anvil_dikulushi.htm.

The CAO's web page: <http://www.cao-ombudsman.org/html-english/DemocraticRepublicofCongo.htm>