

RAID
Rights & Accountability in Development

6 December 2005

VIA US MAIL and FACSIMILE: 202-522-3031

Paul Wolfowitz, President
World Bank Group
1818 H Street NW
Washington, DC 20433

Dear President Wolfowitz:

At the end of August 2005, we were pleased to receive a formal notification that, in response to our letter of 8 July, you had instructed the Compliance Advisor Ombudsman (CAO) to conduct an independent audit of MIGA's due diligence process for the Dikulushi project in the Democratic Republic of the Congo (D.R. Congo).¹ It is our understanding that the CAO audit has addressed the adequacy of MIGA's due diligence for the project, particularly with respect to security and human rights issues.²

However, we are becoming increasingly concerned that the final CAO report, which according to the website was sent to your office on 14 October, has still not been released. Given the gravity of the events that occurred in Kilwa (the nearest town to the Dikulushi mine) in October 2004, in which at least 70 people died, including women and children, many of whom were summarily executed by the Congolese Armed Forces, this is unacceptable.

We believe the unprecedented delay in making this report public is deeply unsatisfactory for all concerned: in the first place MIGA, which is the subject of the audit, needs to be able to reflect on the report's findings and to reassure the international community that it will take or already has taken steps to adjust or modify its due diligence procedures in line with the CAO's recommendations. The project's sponsors, Anvil Mining Limited, too needs to know whether MIGA is being asked to revoke its political risk insurance, which would be an extremely serious step to take, but warranted if the company has given misleading or untruthful assurances about its security situation. But most of all it is the victims of the Kilwa massacre and their families who have a right to know the outcome of the internal audit without further delay.

¹ Letter from Philippe Valahu, Acting Director of MIGA's Operations Group, on behalf of the President of the World Bank, to RAID, 18 August 2005; Letter from ACIDH (DRC), Nouvelle Dynamique Syndicale (NDS - DRC), RAID (UK), Friends of the Earth (US), and Environmental Defense (U.S) to Paul Wolfowitz, President World Bank Group, 8 July 2005.

² <http://www.cao-ombudsman.org/html-english/DemocraticRepublicofCongo.htm> (31 October 2005).

When the CAO unit was asked to undertake the audit, it was understood that the matter was regarded by your office as urgent and that a visit to the Dikulushi mine and its environs was out of the question. RAID cooperated with the time constraints imposed by the CAO for conducting its inquiry with goodwill and to the best of its ability; even though it meant that telephone interviews were conducted in less than ideal circumstances. Unlike the other interested parties, we have had no chance to comment on the draft report, which puts us and the communities whose interests we try to serve at a distinct disadvantage.

We would therefore urge you to authorise the immediate release of the CAO report into the Dikulushi project while the concerns and the issues it addresses are still fresh in people's minds and the lessons learned are still relevant to MIGA and its future operations.

Yours sincerely,

A handwritten signature in cursive script that reads "Patricia Feeney".

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Cc: Meg Taylor, Director, Compliance Advisor Ombudsman
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