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PRESS RELEASE

World Bank Board approves investigation into allegations of bankrolling human rights abuses in Ethiopia

(July 16, 2013) The World Bank's Board of Executive Directors has approved a full investigation into whether the Bank has breached its policies in Ethiopia and contributed to a government program of forced population transfers known as 'villagization.' The Bank's move follows the resolution of a five-month standoff with the Ethiopian government, which had publicly threatened in May not to cooperate with the investigation. A preliminary report issued by the Bank's internal watchdog, the Inspection Panel, recommended the investigation in February after receiving a complaint submitted by indigenous people from Ethiopia's Gambella region.

The complaint alleges that the Anuak people have suffered grave harm as a result of the World Bank-financed Promoting Basic Services Project (PBS), which has provided 1.4 billion USD in budget support for the provision of basic services to the Ethiopian Government since 2006. The Bank approved an additional \$600 million for the next phase of the project on September 25th - one day after the complaint was filed. A legal submission accompanying the complaint, prepared by Inclusive Development International (IDI), presents evidence that the PBS project is directly and substantially contributing to the Ethiopian Government's Villagization Program, which has been taking place in Gambella and other regions of Ethiopia since 2010 and involves the relocation of approximately 1.5 million people.

According to the Villagization Action Plan of the Gambella regional government, villagization is a voluntary process, which aims to increase access to basic services, improve food security, and "bring socioeconomic and cultural transformation of the people." The services and facilities supported through PBS are precisely the services and facilities that are supposed to be provided at new settlement sites under the Villagization Program.

The complainants, on the other hand, describe a process of intimidation, beatings, arbitrary arrest and detention, torture in military custody, rape and killing. Dispossessed of their fertile, ancestral lands and displaced from their livelihoods, Gambellans have been forced into new villages with few of the promised basic services and little access to food or land suitable for farming, which has in some cases led to starvation. They believe that many of the areas where people have been forcibly removed have been awarded to domestic and foreign investors.

In its official response to the complaint, the Bank's management denies any connection between PBS and villagization. The Inspection Panel, however, found that this not a "tenable position." The Panel notes that, "the two programs depend on each other, and may mutually influence the results of the other." It

found that there is a “plausible link” between the two programs but needs to engage in further fact-finding to make definitive findings.

The report also noted that the Bank is required under its policies to ensure that the proceeds of any loan are used for the purposes for which the loan was granted, and that it must assess project risks and report to the Board on actions taken to address those risks. The Panel reports that the case “raises issues of potential serious non-compliance with Bank policy.” It recommends a full investigation in order to determine conclusively whether or not the Bank complied with its policies and procedures, including those intended to protect the rights of indigenous peoples and those subjected to involuntary resettlement.

David Pred, IDI Managing Associate, welcomed the decision of the World Bank Board of Directors. “The next step is to ensure that the Inspection Panel has free and unfettered access to Gambella, without putting local people at risk of reprisals,” he stated. “I’m not sure if that is possible given the level of repression that exists today in Ethiopia, but I am sure the Panel will do its best under the circumstances to confirm the facts and keep people safe.”

The complaint, the Bank’s response and the Inspection Panel’s Eligibility Report are available [here](#).

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Inclusive Development International (IDI) is an independent, non-profit association working to make international development more just and inclusive. IDI works to advance a human rights approach to development through policy research and advocacy and by supporting people on the periphery to claim their rights in centers of political and economic power. For more information about IDI, visit www.inclusivedevelopment.net.