

THE INSPECTION PANEL

1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

Telephone: (202) 458-5200
Fax : (202) 522-0916
Email: ipanel@worldbank.org

Edith Brown Weiss
Chairperson

September 29, 2004

**MEMORANDUM TO THE EXECUTIVE DIRECTORS AND ALTERNATES OF THE
INTERNATIONAL DEVELOPMENT ASSOCIATION**

**SUBJECT: Request for Inspection
BURUNDI – Public Works and Employment Creation Project
(Credit No. 3460-BU)**

In accordance with paragraph 17 of IDA Resolution No. 93-6 that established the Inspection Panel (the ‘Resolution’) and paragraph 17 of the Inspection Panel’s Operating Procedures (the ‘Operating Procedures’), I hereby inform you that on September 17, 2004, the Inspection Panel (the ‘Panel’) received a Request for Inspection (the ‘Request’) related to the above-referenced Project. The Panel did not register the Request in the Panel’s Register. As detailed below, the Request did not meet the eligibility criteria because it relates to procurement actions.

The Request for Inspection was submitted by AFOPROCA (*l’Association pour la formation, la production des ouvrages de carrières et la lutte contre le SIDA sur les chantiers à haute intensité de main d’œuvre* - Association for training, stone and quarry work and AIDS prevention on labor-intensive worksites) and its legal representatives.

According to the Requesters, a few months after the Development Credit Agreement was signed, the Republic of Burundi entered into a concession agreement with AGETIP (*Agence d’exécution des travaux d’intérêt public* - public works agency, later called ABUTIP) giving it primary responsibility in accomplishing the infrastructure works. The Requesters also state that AGETIP contracted in turn with AFOPROCA to provide stone pavements for the Project. According to the Requesters several contractual provisions, not included in the bidding process, were added to the contract. The Requesters state that the contract between AGETIP and AFOPROCA was improperly terminated, AFOPROCA’s assets were seized, and persecution took place against its legal representative, which resulted in his imprisonment. The Requesters add that AFOPROCA has denounced alleged embezzlement and money laundering occurring through the Project.

The Requesters believe that their rights and interests have been harmed because of violations of the following Bank’s Policies and Procedures:

- OP/BP 13.05 concerning project supervision;
- OP/BP 11.00 concerning procurement;

- Violations of Bank guidelines on procurement under IBRD loans and IDA credits;
- Violations of guidelines concerning the selection and employment of consultants by World Bank Borrowers.

The Requesters also assert that on several occasions they informed and exchanged correspondence with the World Bank and the Government of Burundi without finding any attempt to remedy the situation. The Requesters hold the Bank responsible for the problems they believe emanate from the Project. They also consider that the Bank's actions and omissions, contrary to the Bank's Policies and Procedures, have harmed their rights and interests, and therefore request the Panel to recommend an investigation to the Board of Executive Directors.

I have advised the Requesters that, in accordance with paragraph 14 (b) of the Panel's Resolution and its subsequent 1996 and 1999 Clarifications, the Request did not fulfill the eligibility criteria because it relates to procurement. As stated in the 1996 Clarifications “[n]o procurement action is subject to inspection by the Panel, whether taken by the Bank or by a borrower. A separate mechanism is available for addressing procurement-related complaints.” The Panel, therefore, referred the Request to the Department of Institutional Integrity and to the Procurement Policy and Service Group for their consideration.

I have also delivered a copy of the Request to the President of IDA pursuant to paragraph 17 of the Resolution. Enclosed for your information is a copy of the Memorandum to the President.

Sincerely yours,

Enclosure