

President David Malpass  
The World Bank Group  
1818 H Street NW,  
Washington, D.C. 20433

cc: Ethiopis Tafara  
Acting Vice President  
Integrity Vice Presidency  
The World Bank Group  
1818 H Street NW,  
Washington, D.C. 20433

Dear President Malpass and INT Vice President Tafara,

We, the undersigned, are a collection of individuals and organizations who strive to promote religious freedom and human rights around the world. We would first like to express our gratitude to the World Bank for its leadership in providing assistance and aid to developing nations in order to encourage necessary economic and infrastructural improvement in such nations.

While keeping in mind the visible benefits and opportunities that the World Bank's development aid provides to hundreds of nations around the world, we would like to express our concern regarding the findings related to Eritrea contained in the February 2020 World Bank Policy Research Working Paper 9150, [\*Elite Capture of Foreign Aid: Evidence from Offshore Bank Accounts\*](#).

This report examined whether there is a visible and verifiable correlation between receipt of foreign aid from the World Bank by certain countries, and money flows from these countries to foreign banks. A correlation would suggest that corrupt elites are capturing the aid and pocketing it rather than using it to develop their nation. This research found that "in a quarter where a country received aid equivalent to 1% of GDP, its deposits in havens [nations whose laws allow for secrecy regarding personal finances and private assets] increase by 3.4% relative to a country receiving no aid."

The policy paper determines that "aid disbursements are associated with wealth accumulation in offshore accounts," and that data leaks and tax documentation illustrate that such accounts are concentrated overwhelmingly "at the top of the wealth distribution," and therefore are owned by elites. Of greater interest, however, is the fact that Eritrea is one of the nations whose statistics reflect this corrupt phenomenon: in Eritrea, World Bank aid flows account for 3.2% of the annual GDP, the nation has 8 deposit accounts in foreign bank 'havens,' and it exhibits a 2.29% quarterly growth rate in deposits to foreign accounts.

**We fear that the statistics raised in this policy paper reveal the extent to which corruption is an overwhelming political problem in Eritrea and, similarly, the extent to which the World Bank's aid to Eritrea is not being utilized for its intended purposes.** It would be truly reprehensible if the funding provided by the World Bank to Eritrea for the purpose of development

is simply being stockpiled in overseas banking institutions by elites and corrupt government officials to fund their personal expenditures and prop-up the oppressive authoritarian regime.

Eritrea is one of, if not the most, repressive nations on the African continent, and is a repetitive perpetrator of human rights violations. The most noteworthy and deplorable of these violations includes arbitrary and indefinite detention with no access to legal counsel in overcrowded prison conditions; absence of freedom of speech and expression, and targeting of journalists; harassment and mass imprisonment of religious adherents, and closures of houses of worship; and the infamous program of indefinite military conscription and forced labor whereby the nation's citizens, both male and female, are compelled into lifelong careers that the government chooses for them regardless of their interests or qualifications, where they receive extremely insufficient wages and often experience substandard working conditions.

Eritrea is referred to by several human rights organizations as being 'the North Korea of Africa' due to its grave and comprehensive violations of civil, political, economic social and cultural rights. In 2016 a United Nations Commission of Inquiry concluded that crimes against humanity have been occurring in Eritrea since 1991.

In addition, Eritrea is consistently classified as highly corrupt by Transparency International, and was ranked the 21<sup>st</sup> most corrupt nation in the world in 2019.<sup>1</sup> Such corruption hinders the advancement of the nation's citizens. Moreover, the 2017 Natural Resource Governance Index, which measures the governance standards of developing countries' extractive industries, ranks Eritrea in 89<sup>th</sup> place- dead last- and its state-owned mining company is categorized as the worst governed state enterprise.<sup>2</sup>

Given the well-documented concerns regarding the mismanagement of state funds, we collectively and respectfully make the following recommendations regarding the World Bank's future financial assistance to Eritrea:

- Either decrease with immediate effect aid transfers to Eritrea, pending improvements in the government's human rights record and transparency practices; or
- Consider ending the provision of large sums of aid to Eritrea;
- Stipulate mandatory monitoring and reporting mechanisms to ensure that World Bank foreign aid is used for its intended purposes of advancing economic and social development

Yours respectfully, and with great appreciation for your attention to these matters,

---

<sup>1</sup> Corruption Perceptions Index 2019 Results," Transparency International, available at: [https://www.transparency.org/files/content/pages/2019\\_CPI\\_Report\\_EN.pdf](https://www.transparency.org/files/content/pages/2019_CPI_Report_EN.pdf) [accessed 6 June 2020].

<sup>2</sup> National Resource Governance Institute, *2017 Resource Governance Index*, 12 July 2017, available at: <https://resourcegovernance.org/analysis-tools/publications/2017-resource-governance-index> [accessed 11 June 2020].

## ***Organizations***

*Bayto Yiakl France*

*Bayto Yiakl Switzerland*

*Bayto Yiakl UK*

*Bayto Yiakl USA*

*Christian Freedom International*

*Christian Solidarity Worldwide*

*ERISAT- Eritrean Satellite Television*

*Eritrea Focus*

*Europe External Programme with Africa*

*Freedom of Religion – United Solutions*

*Global Initiative to Empower Eritrean Grassroots Movement*

*Human Rights Concern- Eritrea*

*Human Rights Without Frontiers*

*Institute on Religion and Democracy*

*International Christian Foundation for Democracy*

*Jubilee Campaign USA*

*Love Your Neighbor Community*

*Minh Van Foundation*

*Save the Persecuted Christians*

*The America Team for Displaced Eritreans*

## ***Individuals***

*Rev. Joseph K. Grieboski  
Senior Fellow  
The Dietrich Bonhoeffer Institute*

*Scott Morgan  
President  
Red Eagle Enterprises*

*Faith J. H. McDonnell  
Anglican Persecuted Church Network*

*Dede Laugesen  
Executive Director  
Save the Persecuted Christian*

*Henry Thomas Jones IV, J. D.  
President  
International Christian Foundation for Democracy*

*Prof. Dr. Muhammad Ilyas  
Chairman  
IDRAC International Dialogue Research & Awareness Centre*

*Dr. Jianli Yang  
Founder and President of Citizen Power Initiatives for China*

*Dr. Shannon Kroner  
Freedom of Religion – United Solutions*