

United States Senate

WASHINGTON, DC 20510

October 10, 2023

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

L. Felice Gorordo
World Bank Group Alternate Executive
Director for the United States
The World Bank Group
1818 H Street NW
Washington, DC 20433

Dear Madam Secretary and Mr. Gorordo,

We are writing to convey our concerns regarding allegations of child sexual abuse in connection with a World Bank Group member, the International Finance Corporation (IFC), project in Nairobi, Kenya.¹

It is our understanding that these serious allegations are currently being investigated by the World Bank Group's Compliance Advisor Ombudsman (CAO). We are also aware of allegations that World Bank Group management may have colluded with the project owner, Bridge International Academies ("Bridge"), to obstruct and delay the CAO investigation. We write to seek your assurance that the U.S. Department of the Treasury and U.S. officials at the World Bank Group will take the necessary steps to ensure that these allegations are expeditiously, independently, and thoroughly investigated, that any victims of abuse are provided access to justice, and that the IFC is adopting new, effective measures to prevent child sexual exploitation across its portfolio.

The United States, as the largest shareholder at the World Bank Group, with "a unique role in influencing and shaping global development priorities" has a substantial interest in effective governance at the Bank.² The U.S. has long supported CAO, which is responsible for investigating complaints about IFC and MIGA projects and facilitating "access to remedy for Project-affected people,"³ and other oversight mechanisms, in an effort to ensure that the multilateral development institutions respect human rights and operate in an environmentally sustainable manner.⁴

¹ The Intercept, "A is for Abuse: Two Harvard Grads Saw Big Profits in African Education. Children Paid the Price," Neha Wadekar and Ryan Grim, March 23, 2023, <https://theintercept.com/2023/03/23/bridge-schools-africa-kenya-education/>.

² World Bank Group, U.S. Executive Director, <https://www.worldbank.org/en/about/leadership/directors/eds01>.

³ Office of Compliance Advisor Ombudsman, "New CAO Policy Enhances IFC and MIGA's Accountability," press release, July 1, 2021, <https://www.cao-ombudsman.org/news/new-cao-policy-enhances-ifc-and-migas-accountability>.

⁴ U.S. House Committee on Financial Services, "Chairwoman Waters Applauds World Bank Capital Increase Included In COVID-19 Stimulus Package," press release, April 8, 2020, <https://democrats-financialservices.house.gov/news/documentsingle.aspx?DocumentID=406486>.

The World Bank Group invested in the rapid expansion of a controversial “low fee” private school network in four African countries and India, run by Bridge International Academies, in 2014.⁵ The Bank has since divested from Bridge.⁶ It is our understanding that CAO is now conducting an investigation of allegations of multiple instances of child sexual abuse perpetrated by staff at Bridge schools.⁷ We have a number of concerns about the conduct of this investigation:

- During the course of CAO's investigation, IFC and Bridge “entered into a wide-ranging confidentiality agreement that purports to cover CAO’s work,” that “was reached without CAO’s agreement or participation,” and “includes commitments from IFC that CAO will not disclose information that [Bridge] asserts to be confidential.”⁸
- Human rights organizations have criticized IFC for signing a non-disclosure agreement (NDA) with Bridge “binding [the CAO office] in the middle of an investigation of child sexual abuse,” and have asked IFC to “assume the litigation risk” associated with this NDA in order to provide for the full disclosure of the CAO investigation report.⁹
- Human rights organizations have also reportedly voiced concern that “the World Bank president unexpectedly terminated the head of the CAO” shortly after his staff “uncovered explosive child sexual abuse allegations,” and then appointed “a management insider without experience in accountability or oversight to head the office.”¹⁰

Given our ongoing concerns about this matter, and our interest in effective World Bank Group governance, we would appreciate your prompt responses to the following questions by November 10, 2023:

1. Is the U.S. Department of the Treasury aware of allegations that IFC and Bridge may have colluded to obstruct and delay CAO's investigations of child sexual abuse at Bridge, and if so when did the Department become aware of these allegations?
2. What steps has the Treasury Department taken to ensure that these allegations are thoroughly and independently investigated?
3. What steps will the Treasury Department take to ensure that:
 - a) CAO's full, unredacted, investigation report of the child sexual abuse allegations will be made public, with appropriate confidentiality of the identities of alleged victims;

⁵ Oxfam International, Bridge International Academies, <https://www.oxfam.org/en/tags/bridge-international-academies>.

⁶ *Id.*

⁷ Office of Compliance Advisor Ombudsman, “Compliance Appraisal: Summary of Results,” report, December 23, 2020, <https://www.cao-ombudsman.org/sites/default/files/downloads/CAOAppraisalReport-BIA-04-Dec23.pdf>.

⁸ *Id.*, p. 7-8.


⁹ Tweet by David Pred, April 12, 2023, <https://twitter.com/preddavid/status/1646225960151154712>.


¹⁰ The Intercept, “A is for Abuse: Two Harvard Grads Saw Big Profits in African Education. Children Paid the Price,” Neha Wadekar and ryan Grim, March 23, 2023, <https://theintercept.com/2023/03/23/bridge-schools-africa-kenya-education/>.

- b) the World Bank Group will contribute to a fund to address harm suffered by any Bridge school's child sexual abuse victims during the period of its support for these schools;
- c) there is an expeditious, independent and thorough investigation of the allegations that World Bank Group and Bridge management may have colluded to obstruct and delay CAO's investigation of the child sexual abuse allegations;
- d) the IFC adopts new, effective measures to prevent child sexual exploitation across its portfolio; and
- e) World Bank Group staff who have raised concerns about these issues are recognized as having whistleblower status under the Staff Rules and will be protected from retaliation by their employer?

Thank you for your consideration. We look forward to your response.

Sincerely,


Elizabeth Warren
United States Senator


Peter Welch
United States Senator

Cc:

Ajay Banga
President
The World Bank Group

Dominique Favre
Executive Director and Chair of the Committee on Development Effectiveness
The World Bank Group