MEMORANDUM TO THE EXECUTIVE DIRECTORS OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Request for Inspection
POLAND: Third Employment, Entrepreneurship and Human Capital Development Policy Loan (IBRD Loan No. 7949-PL)
Notice of Receipt of a Request for Inspection and Decision Not to Register the Request

In accordance with paragraph 17 of IBRD and IDA Resolutions that established the Inspection Panel (the “Resolution”), I hereby inform you that on June 14, 2010, the Inspection Panel (the “Panel”) received a Request for Inspection (the “Request”) related to the above-referenced operation.

The Request for Inspection, dated June 8, 2010, was submitted by Dr. Irena Mausner and Mrs. Magda Acher as survivors of the holocaust and filing the Request on their own behalf and on behalf of the extended Fryman, Mirski, Mausner and Acher families.

The Requesters state that their property at Chocimska 6 Warsaw, Poland, was expropriated in the 1970s without the payment of any compensation. They further claim that this property is likely to be “privatized” by the Polish Government with the active support of the World Bank through this operation. The Requesters further state that they owned extensive tracts of agricultural land in Silesia and that land was also expropriated without payment of compensation. They claim that Polish Government refused to discuss either claim with them.

The Requesters add that because only a two-page Public Information Document was available to them concerning this Loan, they endeavored, through their solicitor, to meet with Bank staff responsible for policy loans to Poland. They state that their requests for a meeting

1 The Requesters also state that their family home is now managed by a state-owned enterprise known as “DipServe” that leased the property to the Dutch Government and used it as the Royal Netherlands Embassy.
and information concerning the Bank’s support to the privatization program of Poland were rejected.

The Requesters state that they are not complaining about the Polish Government’s expropriation of the property in the 1970s but rather about what they believe to be the Bank’s decision in 2010 to provide significant funding and technical assistance to the Polish Government to privatize properties without even having checked the provenance of such properties. They add that it is this omission on the part of the Bank which is likely to have a material adverse effect on them, thereby making it more difficult for them to obtain restitution or compensation. The Requesters claim that the Bank failed to comply with its OP 7.40 (Disputes over Defaults on External Debt, Expropriation, and Breach of Contract).

Accordingly, they requested that the Panel recommend to the World Bank’s Board of Executive Directors an investigation over the issues raised in this Request.

The Panel reviewed the Request and the Program Document for the Loan, which was made public shortly after Board approval of the Loan on June 17, 2010. On July 9, 2010, the Panel met with Management to inquire about certain aspects of the operation, including to seek more information on activities supported by the operation.

On July 14, 2010, Management provided a note to the Panel with information concerning the activities supported under the operation. According to Management, the operation has impacts on six different areas of policy: labor markets, social assistance (pensions), public finance, health, education, and private sector development. Management further stated that the operation does not support any privatization with respect to individual companies or even the broader policy of privatization, and that the areas of policy supported do not involve the sale of any assets that are the subject of this dispute. Management added that, in this light, there is no nexus between this operation and the particular concerns raised in the Request.

Management provided additional information regarding their understanding of OP 7.40 (Disputes over Defaults on External Debt, Expropriation, and Breach of Contract) in relation to this situation, and past correspondence with the Requesters. Management stated while, in their view OP 7.40 does not apply in the present situation, they would be prepared to write to the Government of Poland informing them that the dispute was brought to the Bank’s attention and expressing the hope that such disputes be resolved between the parties concerned, without passing any judgment on the merits.

The Panel has reviewed the Program Document and other related information, including the information provided by Bank Management. The Panel Chairperson determines that there is no nexus between the Bank-financed operation and the claims concerning privatization in the Request for Inspection to the Panel. According to the Resolution establishing the Panel, the Panel shall not hear “complaints with respect to actions which are the responsibility of other parties, such as a borrower, or potential borrower, and which do not involve any action or omission on the part of the Bank.” 2 The Panel further wishes to

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2 Paragraph 14(a), International Bank for Reconstruction and Development (IBRD) Resolution 93-10, dated September 22, 1993 (“the 1993 Resolution”). In addition, according to Paragraph 22 of the Inspection Panel
note Management’s willingness to write to the Government of Poland informing them that this dispute was brought to its attention and to express the hope that such disputes be resolved between the parties concerned, without expressing any view on the merits.

In this light, and with the above explanations, the Panel Chairperson has determined that this Request should not be Registered. The Panel will inform the Requesters both of this decision of non-Registration and of the action proposed by Bank Management in relation to the concerns raised in their Request.

Sincerely,

Roberto Lenton
Chairperson

Enclosure:
Copy of the Request for Inspection

cc: Messrs./Mmes. Andersen (SDNVP), Indrawati (MDI), Okonjo-Iweala (MDO), Le Houerou (ECAVP), Harrold (ECCU5), Di Leva (LEGEN), Lintner (OPCQC)