

World Bank denies Kibaki bias

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The World Bank was on Wednesday struggling to reaffirm its neutrality in Kenya following the leaking of confidential memos that provide an account of the country's post election crisis that appears to favour Mwai Kibaki, the president.

In the first of two memos obtained by the Financial Times, Colin Bruce, the bank's representative in Kenya, makes the case for a Kibaki win after drawing on information he says was provided by United Nations officials. His finding, on January 1, runs counter to most foreign observers' appraisals, including the European Union monitoring mission which Mr Bruce singles out for criticism.

In the memo, Mr Bruce said that the "vocal" EU observer – an apparent reference to Otto Lambsdorff, the head of the EU observer mission – was "not thorough and precise".

In a second memorandum, issued three days later by John Donaldson, a spokesman at the bank's Washington headquarters, staff are told to bear Mr Bruce's overall assessment of the situation in mind when compiling the daily summary of international press reports. Mr Donaldson instructed the bank's staff not to dwell on the "very sensitive issues" involved.

Mr Donaldson told the FT that his memo was only intended to ensure that the bank was "more efficient in how we presented the news".

The World Bank has a portfolio of projects in Kenya amounting to at least \$1bn, and is the most influential of the multilateral agencies in anchoring donor support.

It has already attracted fierce criticism for maintaining loans in spite of evidence of high-level corruption in Mr Kibaki's government, exposed by John Githongo, its former anti-graft chief who exiled himself in the UK three years ago. Bank insiders say Mr Bruce has spoken out against corruption.

However, the memorandums are likely to fuel an already intense controversy about the bank's role in Kenya and trigger broader debate about its political objectivity in client countries. Some analysts believe that the bank's strategy of moving more staff from its head office in Washington to the field has increased the risk that its officials become too close to local ruling establishments. Contacted by the FT, Mr Bruce said the bank had no position on the result of the elections. "The central point of this memo is to say that there were problems on both sides. In a volatile situation, the EU press release did not present all of the facts that were in the EU report," he said.

UN officials in Kenya and New York denied that they had provided an assessment, referred to in Mr Bruce's report, endorsing a Kibaki win. EU officials also questioned his analysis.

"There were enough irregularities to call into question the veracity and credibility of the results and it was close enough that nobody can be certain as to who actually won," Graham Elson, the deputy chief of the EU observer mission, told the FT.

World Bank officials in Washington on Wednesday leapt to Mr Bruce's defence, insisting that he was neutral and well regarded by both parties and that he had been mediating between them in the aftermath of the December 27 poll.

However, officials with opposition candidate Raila Odinga's party were quick to deny this and said they had requested that Mr Bruce be recalled from the country.

"We do not consider him a neutral mediator at all," said Salim Lone, spokesman for the Orange Democratic Movement.

In a formal letter sent to the World Bank on Tuesday, the ODM accused Mr Bruce of misrepresenting the facts and said he "does not appreciate the serious social, political and economic issues underlying the present crisis and seems to believe that a quick fix in favour of Kibaki is a solution".

World Bank officials took the unprecedented step on Tuesday of releasing to the FT further briefing notes saying these showed Mr Bruce's balanced approach over a longer period.

The memos were not statements of bank policy, they said, and were intended to supplement what is already in the public domain. Marwan Muasher, head of external relations, said, "What Colin did was write daily memos that were snapshots of events as they unfolded."

Mr Bruce's notes characterise Mr Odinga as the more skilled manipulator of the press. They also suggest the electoral commission believed "there were more irregularities of consequence" on the side of Mr Odinga and that the Odinga camp did not want a recount because they thought it would favour Mr Kibaki.

Samuel Kivuitu, the chairman of the Kenyan Electoral Commission, has said he could not be sure who had won. Kenya rights groups, local observers and the Law Society of Kenya have all cast doubt on the veracity of Mr Kibaki's victory.

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