

The World Bank
Washington, D.C. 20433
U.S.A.

JAMES D. WOLFENSOHN
President

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Dr. Emil Salim
Extractive Industries Review
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via facsimile: 011-62-21-831-0574

Dear Emil,

Thank you for your letter of February 4. I am very pleased that you were able to get back to Jakarta in time to celebrate *Idul Adha* with your family, and I very much appreciate you making the long journey to Washington and back at that time.

As we discussed when we met, we share the same principles in terms of commitment to protecting the environment, promoting human rights, alleviating poverty, and supporting equitable growth. This is why, since I have been heading the Bank over the past eight years, we have demonstrated leadership in areas such as education and health, gender, biodiversity, and inclusion of the world's poorest peoples in the development process. The Bank's concern--as I know is your concern also--is to do the right thing for those most in need on our planet.

Since our meeting, I have had more time to review your report, and I have also had the opportunity to discuss it with different groups during my recent visits to Australia, North Africa and Europe. I have also benefited from the views of some of our shareholders. Not surprising for a report with strong recommendations concerning many important issues, I have heard a variety of strong and sometimes diverging views. As a result, I have asked my staff to take more time to consider all of the report's findings and to assess further the various positions of stakeholders. In doing so, we have temporarily delayed submitting a draft Management Response to the Board until I am satisfied that we have gone as far as possible with our studies and draft recommendations. After you and your colleagues have taken so much care and time, I wish to accord the study the fullest possible consideration.

When we met, I stressed that the World Bank Group welcomes the report and will provide a carefully considered response. This is certainly the message that I gave when I spoke about it during my recent travels. During these meetings, I also stated that I do not necessarily accept, as some groups assert, that unless the report's recommendations are adopted in their entirety, the World Bank Group will have somehow failed in its response. Our obligation is always to take into account the legitimate views and interests of all stakeholders, as well as our own best judgment, and to do what is right for the world's poor people. I can assure you, however, that we will seek to be creative and forward looking when we balance all the arguments.

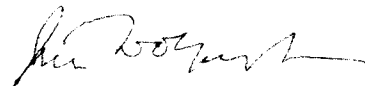
I am encouraged by the approach that you stressed when you sent me your report in January. Then, you suggested that we should make progress in those areas where there is consensus about how to proceed and try to pursue dialogue on others separately.

I have asked the World Bank Group team to report back to me soon. The team, of course, will be consulting with our shareholders, especially those from developing nations. I believe it would be useful for us to meet when they have done so and I suggest that we do so on April 19 or 20 in Europe which will coincide with my travel there. I shall be available to you at any time by phone and I propose to take a major personal interest in the discussions and developments before we meet. My staff will also be available should you wish to consult with them. At this stage, I do not see the need for more extensive work by your team in addition to the substantial program and reports that have already been delivered and that we must now address.

I look forward to meeting with you again soon and to continuing our constructive dialogue about the World Bank Group's future role in extractive industries.

With best wishes,

Sincerely yours,



James D. Wolfensohn