

Dear Ms. Watanabe, Ms. El Bakri and Mr. Castro de la Mata,

We want to thank you for receiving us in your office and on the phone last Thursday. It gave us an opportunity to hear your reasons for moving ahead with your proposed restructuring of the Secretariat; and an opportunity for you to hear directly from us the concerns about your proposals that we shared with you in our letter of January 3, a letter written in the spirit of wanting to be helpful.

We feel the exchange was useful in that we now have a better understanding of the background circumstances that prompted you to bring forward your proposals at this time. At the same time, however, the exchange also served to confirm our concerns about the potentially serious implications of your proposals for the continued independence, integrity and impartiality of the Panel. Before the Board of Executive Directors proceeds to approve your proposals, therefore, we feel that you should submit them to a full and open consultation process – including Board members, civil society, and former Panel Members – similar to the consultation process followed by the Bank when it proposes far-reaching changes in its policies and procedures, as well as the consultations concerning the new IPN procedures between November 2013 and January 2014. The proposed rules for the Secretariat are no less momentous, and deserve a full airing before becoming adopted procedures for the Panel.

During the meeting, you confirmed that you are proposing a significant recalibration of the structure and functioning of the Executive Secretary's position by means of a redrafting of his Terms of Reference. You also confirmed that you are proposing fixed term limits for the Executive Secretary, which would lead to a 5 year rotation of Executive Secretaries in and out of the Bank's staff. Moreover, although you indicated that a similar mandatory rotation system for the staff of the Secretariat was not being proposed at this time, it could not be ruled out.

During the discussion, we drew on our experience as Chairs and Members of the Inspection Panel and of similar accountability mechanisms in other International Financial Institutions over the past two decades. We noted

that the Panel has been recognized universally for its independence and for the integrity of the processes it established for its work. This is a legacy of the Panel's first Chairman, Mr. Ernst-Günther Bröder, a man committed to development with the highest standards of professionalism and compassion for the most vulnerable, who sadly died in December. It is also a legacy that those of us who succeeded him were proud to carry on and, when it became necessary, to defend, which it did on several occasions. Fortunately, both the Bank President at the time and key members of the Board recognized that the independence of the Panel and its Secretariat could not be compromised if the Panel were to play its essential role in the Bank, and that this role strengthened the Bank's development effectiveness.

In our experience, the independence, integrity and impartiality of the Panel rest on those very same qualities in the Secretariat. The two go hand in hand. It seems almost self-evident to us that introducing term limits for the Executive Secretary with a 5- (extendable to 7-) year rotation in and out of the Bank (and possibly a similar mandatory rotation of staff in the future), has the potential to destroy the essential independence of the Secretariat. How could Secretariat staff who are assisting the Panel in interviewing Bank staff on a project under investigation, or in reviewing Management's performance on that project, not feel fatally compromised knowing that a few years or even months down the line they may have to apply for jobs from Bank staff or Management, possibly from the same people? As you know, this approach has been adopted in several regional MDBs for their compliance review mechanisms, and frankly, the results for the work of the accountability mechanisms were fatally flawed by that choice. The Panel's effectiveness rests on the trust of all those affected by it -- the affected people, governments, civil society, Bank management and staff. This trust cannot be compromised.

Introducing term limits and mandatory rotation could also result in the permanent loss of the Panel's institutional memory and make it difficult if not impossible to ensure the retention of history, information and experience and to transfer it from seasoned to new members of the Secretariat. Panel members are appointed for one term of five years, so they must look to the institutional memory of an independent and

impartial Secretariat. As everyone knows, the Bank is a very complex institution. It requires some time to learn how to navigate effectively within its myriad of policies, procedures, protocols and structure. All Panel members have come to appreciate the assistance of the staff in this regard. The Executive Secretary and his colleagues also play an essential role in maintaining close relations with Board members and their staff, and importantly, civil society. It takes time and persistence to get to know them and to learn who is who and the "rules of the game". In our view, it would be difficult if not impossible for a rotating Executive Secretary to achieve that.

In short, we remain deeply concerned that your proposed changes threaten the independence, integrity and impartiality of the processes of the Panel's work, which have made it the premier accountability mechanism for international financial institutions, and, in great part thanks to it, have resulted in the World Bank being recognized in the One World Trust's 2006 Global Accountability Report as a leading institution in this field. Before any final decisions are taken, therefore, we urge that they be submitted to a full and open consultation process.

Sincerely,

Mr. Edward S. Ayensu
Panel Member 1998-2003
Chairman, 2002 – 2003

Mr. Jim MacNeill
Panel Member 1997-2002
Chairman, 1999–2001

Mr. Richard E. Bissell
Panel Member 1994-1997
Chairman 1996–1997

Mr. Alvaro Umaña-Quesada
Panel Member 1994-1998
Chairman 1997-1998

Ms. Edith Brown Weiss
Panel Member 2002-2007
Chairperson 2003-2007

Ms. Maartje van Putten
Panel Member, 1999 – 2004

Mr. Werner Kiene
Panel Member, 2004-2009
Chairperson, 2007-2009