

January 31, 2020

Via Electronic Mail

Board of Directors
World Bank Group
1818 H Street, NW
Washington, D.C. 20433

Dear Board of Directors,

As civil society organizations that work to enhance transparency and accountability in development finance, we write to express our serious concern with recent developments in the review of the Inspection Panel's toolkit, and the ongoing external review of IFC/MIGA environmental and social accountability. Based on our understanding, an agreement has been reached at the Board to significantly reform the structure of the accountability system at the World Bank in a way that could undermine the independence and effectiveness of the Inspection Panel. This decision has been made without prior disclosure of the proposal and thus without the benefit of public consultation, input from experts, or even feedback from affected communities. This sets a disturbing precedent at a time when public consultation on significant policy reforms on issues of clear public interest, such as the Inspection Panel, has become standard practice across development finance institutions.

The Inspection Panel was designed as, and intended to be, a "citizen driven" independent accountability mechanism that ensures the Bank implements strong environmental and social policies. When those policies are reformed, the Bank always institutes robust public consultations based on draft policies that are released in advance. Despite the similar importance and potential consequences of the Panel review, this process has been quite the opposite—carried out behind closed doors, with limited opportunities for civil society, affected communities, or other stakeholders to provide input or even to understand the options being debated by the Board. The limited information that was made available to the public about the review also does not seem to accurately describe its scope, which we understand has expanded beyond "updates" to the Panel's "toolkit" to include major reforms to its structure. We therefore request that the Board release the draft proposal for public consultation before taking a final vote.

With respect to the IFC/MIGA review, while more information has been provided about its scope than that of the Panel review, it is still unclear whether or how the Board intends to open up the process for public input going forward. The accountability failures of the IFC/MIGA in recent years have led to devastating impacts on communities around the world, and even landed IFC before the Supreme Court of the United States for serious harm caused to communities in

India. The Board must not repeat the process mistakes it has made with the Panel review, but rather should commit now to a transparent and inclusive process for reviewing the accountability system at IFC/MIGA—one that ensures civil society and affected communities have meaningful opportunities to engage on the issues under consideration. At a minimum that should include the release of the ongoing review of the IFC accountability systems, release of any proposal for reform to be considered by the Board, and an opportunity for all interested parties to provide both oral and written comments.

As civil society organizations that have long engaged with the World Bank Group in a variety of issues, we understand the value of the deliberative process at the Board, and recognize the work the Board has done to improve the transparency and accountability of the institution over the years. However, as the World Bank Group itself acknowledges, “tapping into a broad range of perspectives strengthens the outcomes and accountability of our engagement.”¹ Civil society, including affected communities, bring important expertise and perspective to the discussion of accountability at the Bank. We therefore ask that you publicly disclose the proposal for reforming the Inspection Panel in full prior to its approval by the Board of Directors, and initiate a public consultation process to allow for external input and dialogue over the proposed changes, including any documents to effect those changes. We also ask that you announce now a process for the review of the IFC/MIGA accountability system that ensures the same transparency and inclusivity.

Sincerely,

Accountability Counsel – United States
Alliance for Rural Democracy – Liberia
Alliance Sud – Switzerland
Arab Watch Coalition – Regional
Bank Information Center – United States
Bank Information Center Europe – The Netherlands
Both ENDS – The Netherlands
Bretton Woods Project – United Kingdom
Buliisa Initiative for Rural Development Organisation (BIRUDO) – Uganda
Center for International Environmental Law (CIEL) – United States
Centre for Research on Multinational Corporations (SOMO) – The Netherlands
Community Empowerment and Social Justice Network (CEMSOJ) – Nepal
COMPPART Foundation for Justice and Peacebuilding – Nigeria
Foundation for Environmental Management and Campaign against Poverty (FEMAPO) – Tanzania
Friends with Environment in Development – Uganda

¹ World Bank, Consultations Hub, <http://consultations.worldbank.org/?map=1>

Fundación para el Desarrollo de Políticas Sustentables (FUNDEPS) – Argentina
Gender Action – United States
Green Advocates International – Liberia
Green Advocates USA – United States
Inclusive Development International – United States
International Accountability Project – United States/Global
International Rivers – United States
Jamaa Resource Initiatives – Kenya
Joy for Children – Uganda
Lumière Synergie pour le Développement – Senegal
MiningWatch Canada
Natural Resource Women Platform (NRWP) – Liberia
NGO Forum on ADB – Regional
Oxfam – Global
Sacharuna Foundation – United States
Urgewald – Germany