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The World Bank Group
1818 H St NW
Washington, DC 20433
United States of America

Submitted via email: EvolutionRoadmap@worldbankgroup.org

Re: Proposal for an Evolution to Accountability Roadmap

I. Summary

The World Bank Group’s (WBG’s) rationale for its Evolution Roadmap is that it needs more capital and a broader scope to respond to the “growing crisis of poverty and economic distress” and the climate crisis. The Roadmap therefore proposes ways to do *more*. What’s missing from the Roadmap are ways to also do *better*. As civil society organizations who work with communities harmed by unintended impacts of WBG finance, we know that under the Bank’s mandate and model, some Bank projects—even those labeled as climate finance—can destabilize ecosystems and upend the health, livelihoods, safety, and security of project-affected people. Without reforms to the governance of WBG finance, new financing pursuant to the Evolution Roadmap risks not only continuing to cause the same environmental and social harm but also risks *increasing* that harm as more money in more areas is financed more quickly.

In these comments we present an “Evolution to Accountability Roadmap” that sets out minimum accountability reforms needed to govern the WBG evolution. To ensure that communities remain at the center of a broadened mission, the Accountability Roadmap asks WBG to evolve by acknowledging and delivering on three challenges:

1. *Acknowledge* the heightened environmental, social, and human rights risks of responding to the climate crisis rapidly, at scale, and with heavy reliance on the private sector, *and deliver* on remedy as a discrete development objective;
2. *Acknowledge* that the WBG evolution is proceeding as civic space is shrinking, *and deliver* on commitments to protect those who raise concern about WBG projects; and
3. *Acknowledge* the importance of accountability to achieving just, inclusive, and resilient development impacts, *and deliver* on strengthening and empowering the WBG independent accountability mechanisms (IAMs).

II. Background

Thirteen years ago, the World Bank published a Synthesis Report on the *Economics of Adaptation to Climate Change*,¹ which advised countries to “delay adaptation decisions as much as possible” and instead focus on “low-regret” actions that would be development priorities even without looming climate disruption. The recommendation was made despite the report’s estimation that adapting to a 2°C increase in global temperature could cost between \$70 billion and \$100 billion USD per year until 2050. We now know that the compounding challenges of ongoing and future pandemics, conflicts, and loss of ecosystem services have rocketed spending needs to around \$2.4 trillion USD per year for developing countries between 2023 and 2030.

Passivity over climate mitigation² and adaptation ultimately resulted in an exponentially larger problem for the world, with the worst impacts borne by the poorest members of society and discretely by women.³ It is therefore good that WBG is now acknowledging that a livable planet is necessary, and not simply a secondary consideration, to achieve poverty reduction and shared prosperity. Accordingly, we are for efforts to broaden WBG’s focus to include support for global public goods.⁴

Nonetheless, if the WBG’s reasons for evolution are sincere, then it must be supported by a more robust accountability system to deliver on its broadened mission. Without these improvements, scaled finance in partnership with private-sector actors incentivized to maximize profit above development impact will exacerbate environmental and social risks to the populations that WBG purports to serve, and further erode public confidence in the institution.⁵

Indeed, scaling finance without a systematic approach to community engagement and governance can worsen the socio-economic impacts of climate change. For example, projects intended to improve piped water supply for rural areas in India have at the same time

¹ The International Bank for Reconstruction and Development/The World Bank, *Economics of Adaptation to Climate Change Synthesis Report*, p. 92 (2010), available at <https://documents1.worldbank.org/curated/en/646291468171244256/pdf/702670ESW0P10800EACCSynthesisReport.pdf>.

² Indeed, WBG directly supported fossil fuel projects and policies with over US\$15 billion in lending even after the adoption of the Paris Agreement. See, *Investing in Climate Disaster: World Bank Group Finance of Fossil Fuels*, The Big Shift Global (6 Oct 2022), available at https://bigshiftglobal.org/Investing_In_Climate_Disaster.

³ See, *Understanding Poverty: Social Dimensions of Climate Change*, World Bank Group (“Climate change is deeply intertwined with global patterns of inequality. The poorest and most vulnerable people bear the brunt of climate change impacts yet contribute the least to the crisis”), available at <https://www.worldbank.org/en/topic/social-dimensions-of-climate-change#1>.

⁴ *Evolution Roadmap*, para. 4.

⁵ See, e.g., *World Economic Forum Global Risk Report 2023*, p. 10 (“Addressing the erosion of trust in multilateral processes will enhance our collective ability to prevent and respond to emerging cross-border crises and strengthen the guardrails we have in place to address well-established risks”), available at https://www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf#page=10.

trammled on the rights and interests of Indigenous communities and seriously threatened their ability to afford life-sustaining water.⁶ Renewable energy and critical mineral mining operations have enabled land grabs, forced displacement, rights violations, and rent-seeking at the expense of local economies.⁷ In some instances, local communities and Indigenous Peoples deprived of a legitimate consultation effort or the right to Free, Prior, and Informed Consent (FPIC) have been met by attempts to oppress protest through violence or coercion.⁸

It must be understood that WBG is initiating this evolution from a public trust deficit, in part because of its delayed response to the climate crisis, and in part because it has yet to remedy many unintended negative impacts of its financing. Supporting WBG's broadened mission with a more robust and safe accountability system, resourced and leveraged to facilitate remedy for unintended yet predictable harm enabled by the Bank's scaled operations, is the only way to build climate resilience, ensure net positive impacts of new lending, and fulfill human rights obligations.⁹ With that in mind, we highlight the following:

A. The World Bank cannot lead on climate finance without matching the strength of its competitors' accountability policies.

If the World Bank wants to be the leading climate financier, then its accountability mechanisms must also be best in class.¹⁰ When compared to the policies of its peers, the World Bank's IAMs fall well short of good practice and effectiveness with respect to accessibility, independence, and rights compatibility (**see Annex 1**).

⁶ See, World Bank Inspection Panel Investigation Report No. 134474-IN, *India: Rural Water Supply and Sanitation Project for Low Income States (P132173)* (12 Feb 2019), available at https://www.inspectionpanel.org/sites/www.inspectionpanel.org/files/cases/documents/128-129-Inspection%20Panel%20Report%20and%20Recommendation-12%20February%202019_0.pdf.

⁷ See, Michael Jarvis (Transparency and Accountability Initiative), Justin Sylvester (Ford Foundation), "Opinion: Renewable Energy Needs Accountability to End Green Colonialism," *Devex* (28 Mar 2023), available at <https://www.devex.com/news/opinion-renewable-energy-needs-accountability-to-end-green-colonialism-105185>.

⁸ See, World Bank Inspection Panel Investigation Report No 93722-NP, *Nepal: Power Development Project (P043311)*, para. 266 (12 Feb 2015), available at <https://www.accountabilitycounsel.org/wp-content/uploads/2017/10/87-Investigation-Report-Nepal-Power-Development-Project1.pdf>; see also, Development at Gunpoint, Briefing Paper: World Bank's Duty to Address Police Violence and Rights Violations in Nepal's Khimti-Dhalkebar Transmission Line, Lawyer's Association for Human Rights of Nepalese Indigenous People, Accountability Counsel (April 2016), available at <https://www.accountabilitycounsel.org/wp-content/uploads/2017/10/April-2016-Nepal-Briefing-Paper.pdf>.

⁹ See, United Nations Environment Programme, *Climate Change and Human Rights Impacts*, Part 1.2: The Effects of Mitigation and Adaptation on Human Rights, p. 8 (Dec 2015), available at https://wedocs.unep.org/bitstream/handle/20.500.11822/9530/-Climate_Change_and_Human_Rights%20human-rights-climate-change.pdf?sequence=2BisAllowed=#page=20.

¹⁰ See, Tessa Khan, *Promoting Rights-based Climate Finance for People and Planet*, UN Human Rights Council, Working Group on the Right to Development, A/HRC/WG.2/19/CRP.3 (18 Apr 2018), available at https://www.ohchr.org/sites/default/files/Documents/Issues/Development/Session19/A_HRC_WG.2_19_CRP.4.pdf.

Strong models for accountability to govern climate finance can be found at the Green Climate Fund (GCF) and the German International Climate Initiative (IKI). Through an accreditation process intended to ensure compliance with environmental and social safeguards, the GCF requires every one of its partners to maintain effective grievance mechanisms, fully aligned with Principle 31 of the UN Guiding Principles on Business and Human Rights, to help resolve any adverse environmental and social impacts communicated by project-affected people.¹¹ GCF partners are also obligated to cooperate with GCF's IAM, the Independent Redress Mechanism, should it receive a complaint implicating one of their projects.¹² If partners are acting in an intermediary function, they must require their executing entities to fulfill the effective grievance mechanism requirement while still maintaining their own grievance redress mechanism.¹³ Partners must provide evidence, through policy and case reporting, that grievance mechanisms are functioning effectively, efficiently, legitimately, and independently in a manner that is accessible, equitable, predictable, transparent, and that allows for continuous learning.¹⁴

The IKI, discretely focused on climate and biodiversity finance, has put forth a strong IAM policy designed to investigate breaches of environmental and social safeguards, budgetary law, incidents of financial crime, and reprisals and threats against complainants under the scope of IKI's funding activities.¹⁵ The policy understands that adverse environmental, social, and human rights impacts often indicate underlying corruption such as fraudulent impact reporting, or the illicit redirection of funds intended to implement safeguards.¹⁶ The IAM's provision of comprehensive accountability and anti-corruption services is supported by important requirements that IKI clients inform project-affected communities about the mechanism and report back on those outreach efforts.¹⁷ In addition, IKI clients are required to "proactively and promptly" connect with the IAM whenever they or their partners receive complaints concerning an IKI-funded project.¹⁸ These basic expectations promote access to accountability in ways that WBG's accountability frameworks fall short.

B. Private-sector engagement requires stronger governance.

The Evolution Roadmap includes a plan to increase lending to and engagement with the private sector. While public-private partnerships (PPPs) are frequently heralded as the way to

¹¹ See, Green Climate Fund, Revised Environmental and Social Policy, paras. 76-77, 79, 81, available at <https://www.greenclimate.fund/sites/default/files/document/revised-environmental-and-social-policy.pdf#page=25>.

¹² *Id.*, at para. 78.

¹³ *Id.*, at paras. 80-81.

¹⁴ *Id.*, at para. 79.

¹⁵ IKI Independent Complaints Mechanism Policy (1 Feb 2022), available at https://international-climate-initiative.com/fileadmin/iki/Dokumente/Beschwerdemechanismus/IKI_ICM_policy_EN_202202.pdf.

¹⁶ *Id.*, at section 2.1.

¹⁷ *Id.*, at section 2.7.

¹⁸ *Id.*, at section 3.6.

scale and mobilize capital quickly, the approach so far has not resulted in sustainable rights-abiding investments. Poor infrastructure governance on the part of public institutions risks not only project failure and wasteful public spending,¹⁹ but also environmental and social harm.²⁰ Introducing profit motives into development projects have enabled price hikes, layoffs, shutoffs, and aggressive bill collection.²¹ Nearly 80 complaints submitted to the IAM of WBG’s private-sector lending arm have raised claims of physical or economic displacement and related harm to livelihoods; other common harms are inadequate due diligence and consultation, negative impacts on health and safety, environmental destruction, and increased pollution (see Figure 1).

Figure 1: Issue categories identified in every known complaint submitted to the Compliance Advisor Ombudsman of IFC/MIGA.



The privatization of development is a serious matter that demands adherence to best practice in impact management, including human rights due diligence. Private sector partners must be able to demonstrate capacity to satisfy international standards for financing sustainable development, such as the OECD-UNDP Impact Standards for Financing Sustainable Development, which are designed to support the deployment of public resources through development finance institutions and private asset managers to maximize positive

¹⁹ See, Chishiro Matsumoto, Rui Monteiro, Isabel Rial, and Ozlem Aydin Sakrak, *Mastering the Risky Business of PPPs in Infrastructure*, International Monetary Fund (10 May 2021), available at <https://www.elibrary.imf.org/view/journals/087/2021/010/article-A001-en.xml>.

²⁰ See, Land Environmental and Social Issues, World Bank Public-Private Partnership Legal Research Center, available at <https://ppp.worldbank.org/public-private-partnership/legislation-regulation/framework-assessment/legal-environment/land-environment-social-issues>.

²¹ See, *History RePPPeated: How Public Private Partnerships Are Failing*, Heinrich Böll Stiftung, e.V. and Eurodad (Oct 2018), available at https://assets.nationbuilder.com/eurodad/pages/508/attachments/original/1590679608/How_Public_Private_Partnerships_are_failing.pdf?1590679608; *History RePPPeated II: Why Public-Private Partnerships Are Not the Solution*, Eurodad (Dec 2022), available at https://assets.nationbuilder.com/eurodad/pages/3071/attachments/original/1671445992/01_history-rePPPeated-2022-EN_19dec.pdf?1671445992; see also, Bhumika Muchhala and Maria José Romero, *Opinion: The Grand Narrative of Private Finance: Over-Reliance on Attracting Investment is Undermining Change at World Bank*, Inter Press Service (6 July 2023), available at <https://www.ipsnews.net/2023/07/grand-narrative-private-finance-reliance-attracting-investment-undermining-change-world-bank/>.

contribution toward the Sustainable Development Goals (SDGs).²² Among other things, they require development partners to (a) be transparent to donors and beneficiaries about how they manage and measure development impact, (b) ensure that effective processes to identify stakeholders affected by operations and an independent functioning grievance and reparation mechanism are in place, and (c) conduct meaningful stakeholder engagement *ex ante*, throughout an investment cycle, and *ex post*.²³

Robust oversight will be needed to ensure that private actors do not use their engagement with WBG to greenwash other harmful activities they enable. To accomplish this, a “deals over development” incentive structure, as is endemic at IFC/MIGA, must change.²⁴ Both the Independent Evaluation Group of the World Bank and the IAM of IFC/MIGA – the Compliance Advisor Ombudsman (CAO) – have called out a culture of avoiding responsibility for adverse development impacts.²⁵ Dramatic expansion of WBG activity without evolving away from that toxic perspective will do nothing to help achieve success with the SDGs and climate priorities.

C. Accountability and Governance are not barriers to climate finance.

For years, financial institutions have pushed back on better governance claiming that it will slow down financing. This argument is even more pronounced in the context of the climate crisis, which requires urgent attention. It is a straw man. First, the argument belies the

²² See, OECD-UNDP Impact Standards for Financing Sustainable Development (2021), available at https://read.oecd-ilibrary.org/development/oecd-undp-impact-standards-for-financing-sustainable-development_744f982e-en#page1.

²³ *Id.*

²⁴ See, Charles Kenny, Vijaya Ramachandran, and Scott Morris, *An Agenda for Makhtar Diop at the IFC*, Center for Global Development (18 Feb 2021) (“The ‘deals over development’ culture also affects the impact of the projects the IFC does support. . . . Prioritizing the wants of client companies over the needs of poor people in poor countries also helps explain why the IFC simply ignored compliance failures when it disagreed with the [CAO]”), available at <https://www.cgdev.org/blog/agenda-makhtar-diop-ifc>.

²⁵ See, Independent Evaluation Group (IEG), Annual Report 2022, p. 103 (“Independent evaluations are often seen as a burden, and staff disputes their merits. Critical results of major evaluations, especially those tackling core IFC and MIGA mandates, are easily contested”), available at <https://ieg.worldbankgroup.org/sites/default/files/Data/Evaluation/files/2022-External-Review-of-the-Independent-Evaluation-Group.pdf>; See also, IEG, *Behind the Mirror: A Report on the Self-Evaluation Systems of the World Bank Group*, p. 28 (2016) (“Fear of damage to one’s reputation and concerns about reputational risks attached to poor results was a recurrent theme in both the World Bank’s and IFC and linked to limits in candor: acknowledging that a project is not performing well was described as ‘exposing one’s dirty laundry’ and best avoided”), available at https://ieg.worldbankgroup.org/sites/default/files/Data/Evaluation/files/behindthemirror_0716.pdf; CAO Advisory Note: Insights on Remedy, The Remedy Gap: Lessons from CAO Compliance and Beyond, p. 15 (“CAO’s findings also highlight the need for a culture shift at IFC and MIGA toward staff not only valuing the client relationship but also embracing their role to protect the interests and wellbeing of impacted communities and the environment”) (Apr 2023), available at https://www.cao-ombudsman.org/sites/default/files/2023-04/CAO%20Advisory%20Note_Remedy%20Gap_April%2013%202023_updated.pdf.

imperative to build accountable and inclusive institutions at all levels per SDG 16²⁶ alongside the climate prerogatives of SDG 13.²⁷ It also ignores that people impacted by WBG projects bear the most risk if they go wrong. The 2015 Addis Ababa Action Agenda instructs how WBG must proceed – “Projects involving blended finance, including public-private partnerships, should share risks and reward fairly, include clear accountability mechanisms and meet social and environmental standards.”²⁸ Scaling private finance with weak public accountability is business, not development; it favors corporatocracy, not inclusiveness.

Second, accountability only slows the progress of projects to the extent that those being held accountable resist. The virtue of being accountable is as important as the mechanisms for providing accountability. If governance requirements give private actors pause, then they are not trustable partners to deliver positive development impacts.

Third, it is not better governance, but the perception of weak governance that discourages private sector participation in international development.²⁹ In this regard, accountability is an asset to private sector actors apprehensive about supporting projects in fragile contexts and with the uncertainties of climate change.³⁰ Private sector actors seeking risk mitigation should welcome WBG efforts to deliver strong risk-based due diligence and shared responsibility for remedying adverse development impacts.

III. The Evolution to Accountability Roadmap

WBG must evolve with a conviction for accountability and remedy. This evolution is occurring as civic space is decreasing and the private sector’s outsized economic and political power is increasing. Accountability must be the anchor to ensure that increased reliance on the private sector does not result in a prioritization of profit over development impacts.

The way to secure a just and inclusive transition to a green and climate-resilient economy is not through more finance alone but, rather, more *responsible* finance. The most responsible thing to do at this critical juncture is to be honest about the risks of unintended harm in

²⁶ Sustainable Development Goal 16 (“Promote Peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”), available at <https://sdgs.un.org/goals/goal16>.

²⁷ Sustainable Development Goal 13 (“Take urgent action to combat climate change and its impacts”), available at <https://sdgs.un.org/goals/goal13>.

²⁸ Addis Ababa Action Agenda of the Third International Conference on Financing for Development, para. 48 (27 July 2015), available at <https://ppp.worldbank.org/public-private-partnership/library/addis-ababa-action-agenda-third-international-conference-financing-development-aaaa>.

²⁹ See, *Business and International Development: Opportunities, Responsibilities, and Expectations: A Survey of Global Opinion Leaders in Business, Civil Society, and the Media*, Harvard University Center for Business and Government, available at https://www.hks.harvard.edu/sites/default/files/centers/mrcbg/programs/crj/files/report_5_edelman_survey.pdf.

³⁰ See, Leo Horn-Phathanthai, *The Private Sector and International Development: A Love Affair or Cold Feet?*, World Resources Institute (27 Mar 2013), available at <https://www.wri.org/insights/private-sector-and-international-development-love-affair-or-cold-feet>.

responding to the climate crisis rapidly, at scale, and with heavy reliance on the private sector. Those risks are high, and the only tenable way forward is with commitments to: (1) deliver on remedy as a discrete development objective; (2) take action to implement zero-tolerance commitments against reprisals; and (3) empower WBG IAMs through reforms that improve their effectiveness in ensuring positive environmental, social, and human rights impacts.

We have provided an outline of the actions the WBG needs to take to improve accountability for its project impacts in **Annex 2** of these comments.

1. Reforms to Plan for and Ultimately Ensure the Provision of Remedy for Environmental and Social Harm

Unintended harm can happen even with high environmental and social due diligence standards. This has been true of the WBG’s past portfolio, and it is true with respect to development projects intended for climate adaptation and resilience.³¹ Last year the WBG’s IAMs received their highest number of complaints having to do with renewable energy, conservation, and environmental protection projects (see Figure 2), and the most frequently raised issue in those complaints was due diligence failures (see Figure 3).

Figure 2: Complaints concerning renewable energy, conservation, and environmental protection projects submitted to WBG IAMs.

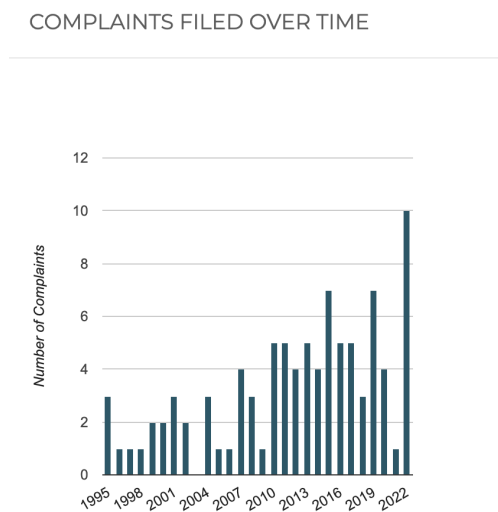


Figure 3: Issues raised in all complaints submitted to WBG IAMs.



³¹ See, Columbia Center on Sustainable Development, *Enabling a Just Transition: Protecting Human Rights in Renewable Energy Project – A Briefing for Policymakers*, (Apr 2023), available at [https://ccsi.columbia.edu/sites/default/files/content/docs/publications/final_RenewablesAndHumanRights%20\(Brief\).pdf](https://ccsi.columbia.edu/sites/default/files/content/docs/publications/final_RenewablesAndHumanRights%20(Brief).pdf).

The success and sustainability of projects depends on the satisfaction of those impacted. If communities express dissatisfaction in a project— either because they feel deprived of a voice in its design or implementation, or because they have experienced environmental and social harm or rights abuses—then a project cannot be deemed successful or even accomplished until those issues are remedied. Not only does this reflect the fundamental “do no harm” principle, but also ingraining remedy as a development objective will ultimately benefit the speed and outcomes of projects done in partnership with private sector actors who do not share the same claims of immunity from lawsuit as multilateral development banks.³²

It is time to approach remedy for unintended environmental and social harm as a development objective; indeed, it would be irresponsible to scale operations without doing so. We recommend the following minimum reforms:

a. The World Bank and IFC should require themselves and their respective borrowers and clients to have contingency funds available for remedy.

The World Bank project cycle requires certain things to be done by the Bank, certain things to be done by borrowers, and certain things to be done together.³³ The Bank has a clear role in screening for environmental and social risks, developing plans to mitigate those risks, integrating those plans into the design of projects, and ensuring adequate monitoring for progress and the satisfaction of safeguard requirements. Borrowers design and implement projects according to the environmental and social parameters defined by the Bank. Similarly, the IFC project cycle relies on IFC to select projects, appraise their risks, and monitor environmental and social performance; clients must implement projects according to the parameters set by the IFC.³⁴

The respective duties of WBG and borrowers/clients are not owed exclusively to each other, but also to the communities impacted by projects. Project-affected people depend on WBG and borrowers/clients to design and implement projects in a way that is rights-compatible and unharmful. When unintended harm occurs, it is only right for WBG to take responsibility for any due diligence and monitoring shortcomings that caused the risks of that harm to be overlooked and hence unanticipated. In turn, borrowers and clients must take responsibility

³² See, Angelina Fisher & Gráinne de Búrca, “Opinion: Challenging the World Bank Group’s Stance on Remedying Harm, Devex (15 June 2023) (“The adoption of a thoughtful approach that involves IFC/MIGA contributing to remediation would be much more likely to reduce the risk of litigation and to contribute positively to development outcomes”), available at <https://www.devex.com/news/opinion-challenging-the-world-bank-group-s-stance-on-remedying-harm-105724/amp>; see also, Report and Recommendations of the External Review of IFC/MIGA E&S Accountability, including CAO’s Role and Effectiveness, para. 143 (June 2020), available at <https://thedocs.worldbank.org/en/doc/578881597160949764-0330022020/original/ExternalReviewofIFCMIGAESAaccountabilitydisclosure.pdf#page=104>.

³³ World Bank Project Cycle, available at <https://projects.worldbank.org/en/projects-operations/products-and-services/brief/projectcycle>.

³⁴ IFC Project Cycle (Dec. 2017), available at <https://businessfinland.fi/globalassets/finnish-customers/02-build-your-network/developing-markets/kv-hankinnat-ja-kriisiliiketoiminta/ifc/investment-cycle.pdf>.

for any failures in implementing projects according to WBG standards and safeguards. Actors that cause or contribute to harm must contribute to remedy.³⁵

Communities that have implored WBG to correct undue harm caused by due diligence shortcomings or problems with project implementation have too often found remedy delayed or denied. WBG's default position so far has been to avoid financing remedy and instead rely on borrowers and clients to use their own resources. As a result, communities have been denied quick and full redress because of insufficient resources, decisions to proceed defensively against potential legal liability, or decisions to limit expenditures on remedy to minimize profit loss. After enduring what is often a multi-year IAM process validating their experiences of harm and negotiating from a position of loss with limited leverage, many aggrieved communities remain aggrieved and unsatisfied with WBG projects.³⁶

The present draft of the IFC/MIGA Remedial Action Framework fails to reconcile the IFC's direct role in assessing and monitoring for risks and its historic refusal to contribute directly to remedy caused by its own due diligence shortcomings. The framework was condemned as inadequate during public consultations,³⁷ and civil society organizations submitted recommendations for its overhaul.³⁸ The World Bank side of the house has yet to even admit it needs a better remedial environment.

We urge WBG to embrace remedy for unintended harm as a discrete development objective for all projects. Recommendations for an adequate remedial environment are in a

³⁵ See, UN OHCHR, Guiding Principles on Business and Human Rights, Principle 13, p. 14; Principle 15(c), p. 16; Commentary to Principle 19, p. 21; Principle 22, p. 24, available at https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf. ⁷ See, e.g., OECD, *Due Diligence for Responsible Corporate Lending and Securities Underwriting*, pp. 41-42, available at <https://mneguidelines.oecd.org/Due-Diligence-for-Responsible-Corporate-Lending-and-Securities-Underwriting.pdf>; Dutch Banking Sector Agreement, Discussion Paper: Working Group Enabling Remediation, pp. 33-35, available at <https://www.imvoconvenanten.nl/-/media/imvo/files/banking/paper-enabling-remediation.pdf>.

³⁶ See, e.g., CAO, *Compliance Monitoring Report: IFC Investments in Amalgamated Plantations Private Limited (APPL), India, Project Numbers 25074 and 34562* (23 Jan 2019) (finding serious lapses in IFC's supervision of APPL, including no evidence the IFC followed up with APPL in relation to a series of incidents of death and injury documented by the complainants in 2018), available at https://www.cao-ombudsman.org/sites/default/files/downloads/CAOComplianceMonitoringReport_APPL2019.pdf; see also, Accountability Counsel, *From Paper to Progress: Tracking Agreements Between Nomadic Herders and Mongolia's Largest Copper Mine* (2019-Present) (documenting slow and delayed progress on implementing an agreement reached through a CAO-facilitated dialogue process. Now six years in, full implementation of the dispute resolution agreement has yet to occur), available at <https://tpcprogress.com/commitments/>.

³⁷ See, Summaries of consultations on the proposed IFC/MIGA Approach to Remedial Action, available at <https://www.ifc.org/en/about/accountability/consultation-on-the-proposed-ifc-miga-approach-to-remedial-action>.

³⁸ Comment on IFC and MIGA's proposed Approach to Remedial Action, available at <https://accountabilitycounsel.org/wp-content/uploads/cso-comment-on-ifc-and-migas-proposed-approach-to-remedial-action-april-2023.pdf>.

joint submission to the IFC endorsed by 27 organizations and individuals.³⁹ A few recommendations in that submission are:

1. The WBG must ensure or provide remedy for all harms identified through its IAM processes. Too often, the WBG's IAMs will verify noncompliance or facilitate a resolution of issues, but the WBG and its borrowers/clients will not remediate noncompliance and related harm.
2. WBG must create contingency funding to directly support remedy for unintended harm. The 2020 external review of IFC/MIGA recommended establishing two complementary remedy funding mechanisms: (a) a contingent liability fund from the client that could be accessed in response to the client's failure to meet the performance standards of high-risk projects; and (b) funds contributed by IFC/ MIGA in situations for their own contributions to environmental and social harm. The Evolution Roadmap is an opportunity to finally implement these recommendations, not only at the IFC but at the World Bank as well.

If WBG is concerned that requirements for remedy will dissuade private sector actors from helping to scale climate finance, then all the more reason to build out its own ability to provide remedy as a facet of its evolution. Just as the Evolution Roadmap envisions contingency funds to support catastrophic crises that compromise development projects, the WBG can develop contingency funds to respond quickly to unintended harm that compromises the sustainability and development impact of a project.⁴⁰

3. WBG must require—and actually enforce—loan covenants to incentivize full and timely remedy, and to disincentivize incomplete and delayed remedy, where harm has been caused in the implementation of a project.⁴¹ To create leverage, WBG must require all borrowers and clients to have in place remediation plans in the event that environmental, social, and human rights risks identified through the due diligence process occur. It should commit to excluding further business with actors that refuse

³⁹ *Id.*

⁴⁰ The World Bank already has one model for how this could look – it has approved the use of an environmental and social performance bond that could be cashed by a contracting entity in situations in which the contractor fails to remedy cases of environmental and social non-compliance. See, World Bank, *First progress report on the implementation of the management action plan in response to the inspection panel investigation report (INSP/106710-UG) on the Republic of Uganda Transport Sector Development Project – Additional Financing P121097* (2017), pp. 8 and 28 (Detailing that the bond would be for a reasonable amount, normally not to exceed 10% of the contract amount and be cashable based on failure to comply with the engineer's notice to correct defects), available at <https://www.inspectionpanel.org/sites/www.inspectionpanel.org/files/ip/PanelCases/98-First%20Management%20Progress%20Report-30March2017.pdf>.

⁴¹ See, United Nations Office of the High Commissioner on Human Rights (UN OHCHR), *Remedy in Development Finance: Guidance and Practice*, p. 63 (2022), available at <https://www.ohchr.org/sites/default/files/2022-02/Remedy-in-Development.pdf#page=63>.

or lack the capacity to deliver on remedy for harm caused by the implementation of a project.

While it is good that WBG will pilot a program to buy down interest payments using grant resources after certain environmental performance targets are met,⁴² the same strategy could likewise be applied to reward strong human rights performance, potentially funded through the Human Rights, Inclusion and Empowerment Umbrella Trust Fund, or by some other vehicle. WBG could also integrate suspension clauses for human rights violations into its contracts, as is the practice of peer development institutions like the European Investment Bank.⁴³

b. WBG must disincentivize refusal to remediate harm.

The WBG can also take steps to improve client and borrower responsiveness to harm. Just as WBG can apply sanctions to the illicit use of its funds, it should also develop a debarment process for companies and financial intermediaries that are persistently recalcitrant in respecting environmental and social standards and safeguards, participating in IAM dispute resolution processes, or cooperating on remedial action plans in response to IAM compliance investigations. Similar steps have been taken to combat gender-based violence through a contractor disqualification mechanism,⁴⁴ although there are serious questions concerning its independence and effectiveness.⁴⁵ We urge an earnest effort to respond to all serious cases of unremediated harm by refusing to provide further support to those who shirk responsibility for remedy.

c. WBG must create a Responsible Exit Framework centered on the development impacts experienced by project-affected communities.

Embracing remedy as a distinct development objective requires WBG to develop responsible exit plans that ensure no harm to project-affected communities is overlooked or exacerbated when disengaging from projects.⁴⁶ Consistent and adequate obligations around responsible exit do not yet exist, and we urge WBG to make responsible exit commitments guiding pre-

⁴² See, World Bank Development Committee, Evolution of the World Bank Group – A Report to Governors, para. 37(iv) (30 Mar 2023), available at https://www.devcommittee.org/sites/dc/files/download/Documents/2023-03/Final_DC2023-0002%20evolution%20paper%20for%20DC%20website.pdf#page=22.

⁴³ European Parliament, “Report on the financial activities of the European Investment Bank – annual report 2019” (2020), para. 65, available at https://www.europarl.europa.eu/doceo/document/A-9-2020-0081_EN.html.

⁴⁴ See, World Bank, *Strengthening Prevention of Gender-Based Violence (GBV): Contractor Accountability and Disqualification* (2021), available at <https://worldbank.org/en/projects-operations/products-and-services/brief/prevention-of-gender-based-violence-contractor-accountability-and-disqualification>.

⁴⁵ See, *World Bank Gender-Based Violence Mechanism Raises ‘Serious Concerns’*, Bretton Woods Observer (13 July 2021), available at <https://www.brettonwoodsproject.org/2021/07/independence-of-world-bank-gender-based-violence-mechanism-raises-serious-questions/>.

⁴⁶ See, UN OHCHR, *Remedy in Development Finance: Guidance and Practice*, p. 91 (2022), available at <https://www.ohchr.org/sites/default/files/2022-02/Remedy-in-Development.pdf#page=103>.

investment environmental and social due diligence, as well as response to unintended adverse impacts that complicate the success of projects during implementation.

Fundamentally, WBG should seek to do no harm in every project. By committing to the SDGs, WBG commits to the central promise of “leaving no one behind.”⁴⁷ It therefore should not exit a project without first ensuring that any unremediated adverse impacts identified through an IAM process are addressed to the satisfaction of project-affected communities. Accordingly, the WBG should not exit a project while an IAM process is ongoing, unless affected communities consent. Further, IAMs must be empowered to underpin the Responsible Exit Framework by reviewing complaints that concern harm caused by failures in applying responsible exit criteria.

2. Reforms to Protect Civic Space and Address Reprisals

Sustainable development investments are difficult to achieve when civic space is under pressure and people fear the consequences of expressing discontent with WBG projects. Open civic space is also essential to achieving the SDGs.⁴⁸ WBG has acknowledged the importance of protecting civic space by asserting zero tolerance for reprisals and retaliation;⁴⁹ however, its responses (or lack of response) to ongoing attacks against those who raise concerns or voice opposition to its projects demonstrate that more is needed to actualize those commitments.⁵⁰ For any zero-tolerance policy to work, it must be enforced and not merely encouraged. We therefore call on WBG to respond to instances of reprisal as sanctionable activities.

WBG should also strengthen support for local communities to help them understand and defend their rights and to secure benefits from future renewable investments. We endorse and refer to the following recommendations made by civil society organizations in a statement, titled “World Bank Group’s Evolution Roadmap must prioritize Civic Space and Participation” and primarily authored by the Defenders in Development campaign, in

⁴⁷ See, United Nations Sustainable Development Group, *Universal Values, Principle Two: Leave No One Behind*, available at <https://unsdg.un.org/2030-agenda/universal-values/leave-no-one-behind>.

⁴⁸ See, e.g., United Nations Sustainable Development Group, *Operationalizing Leaving No One Behind: Good Practice Note for UN Country Teams*, p. 55 (2022), available at <https://unsdg.un.org/sites/default/files/2022-04/Operationalizing%20LNOB%20-%20final%20with%20Annexes%20090422.pdf#page=56>.

⁴⁹ World Bank Commitments Against Reprisals (Mar 2020) (“We do not tolerate reprisals and retaliation against those who share their views about Bank-financed projects”), available at <https://worldbank.org/en/projects-operations/environmental-and-social-framework/brief/world-bank-commitments-against-reprisals>. IFC Position Statement on Retaliation Against Civil Society and Project Stakeholders (Oct 2018) (“IFC does not tolerate any action by an IFC client that amounts to retaliation – including threats, intimidation, harassment, or violence – against those who voice their opinion regarding the activities of IFC or our clients”), available at <https://www.accountabilitycounsel.org/wp-content/uploads/10518-ifc-position-statement-on-retaliation-and-threats-of-reprisals.pdf>.

⁵⁰ See, e.g., Shabtai Gold, “World Bank Project Complaints Plagued by Fear of Reprisal,” Devex (15 May 2023), available at <https://devex.com/news/world-bank-project-complaints-plagued-by-fear-of-reprisal-105215>.

response to the Evolution Roadmap: (1) the Roadmap should acknowledge the importance of civic space and participation to foster inclusive development; (2) the Roadmap should recognize that participation and protection of defenders are crucial for a just transition; (3) the Roadmap should advance participatory development using a rights-based framework; and (4) the Roadmap should incorporate increased financing needs to address participation and civic engagement related issues.

3. Reforms to the World Bank Group’s Independent Accountability Mechanisms

The Evolution Roadmap does not presently address how the WBG’s accountability mechanisms will be strengthened to manage complaints with the new pace and reach of lending activities. To protect against harm and improve the likelihood of positive impact, increased finance must be matched with a commensurate expansion of accountability.⁵¹ At minimum, the following reforms to the WBG IAMs are necessary to govern the implementation of new projects envisioned by the Evolution Roadmap:⁵²

- a. The World Bank Group must ensure that all project-affected people are aware and adequately understand the purpose of the World Bank’s Accountability Mechanism (Inspection Panel + Dispute Resolution Service) and the IFC’s Compliance Advisor/Ombudsperson.**

The biggest barrier to the effective use of WBG IAMs is that too few project-affected people know that they exist, and the problem is particularly acute in the context of lending through financial intermediaries.⁵³ IAMs cannot be effective if they are unknown, so it is essential that WBG policies be updated to require timely distribution of information on how to access IAMs and other avenues to remediate concerns during the design and lifecycle of every project. We strongly urge WBG to implement the following:

⁵¹ This expectation comports with the October 2022 IFC/MIGA Approach to Remedial Action recommendation that, “the appropriate allocation of resources for E&S due diligence and supervision will need continued attention through the normal budgetary process,” especially as efforts increase in Fragile and Conflict-Affected Situations (FCS) and IDA countries. See, *IFC/MIGA Approach to Remedial Action*, p. iv, para. F (Oct 2022), available at <https://www.ifc.org/wps/wcm/connect/5a975e12-f30c-4d78-90cd-6e52b992d77b/IFC-MIGA-Approach-to-Remedial-Action.pdf?MOD=AJPERES&CVID=opQ-ara#page=6>.

⁵² This comment includes key reforms for the WBG’s IAMs and is not exhaustive. Further, we encourage the WBG to not merely meet good practice of other international financial institutions but exceed it.

⁵³ See, CAO, *The Remedy Gap: Lessons for CAO Compliance and Beyond*, Insights on Remedy Advisory Note, p. 14 (Apr 2023), available at <https://www.cao-ombudsman.org/sites/default/files/2023-04/CAO%20Advisory%20Note%20Remedy%20Gap%20April%2013%202023%20updated.pdf#page=14>; see also, External Review of IFC/MIGA E&S Accountability, including CAO’s Role and Effectiveness, Report and Recommendations, para. 357 (June 2020), available at <https://thedocs.worldbank.org/en/doc/578881597160949764-0330022020/original/ExternalReviewofIFCMIGAESAaccountabilitydisclosure.pdf#page=105>; Vivek Maru, *The World Bank Shouldn’t Hide When it Funds Projects that Harm Communities*, The Washington Post (9 May 2018), available at <https://www.washingtonpost.com/news/posteverything/wp/2018/05/09/the-world-bank-shouldnt-hide-when-it-funds-projects-that-harm-communities/?noredirect=on>.

1. WBG staff must be required to inform project-affected people about available IAMs at the onset of project preparation and during implementation.
2. The World Bank's Environmental and Social Framework and the IFC's Performance Standards must require borrowers and clients respectively to provide project-affected people with information on relevant bank-level IAMs.

b. Overly high and arbitrary eligibility barriers for accessing the Accountability Mechanism must be removed.

Communities seeking to access WBG IAMs often have to overcome hurdles at the very beginning of filing complaints. For example, the policy of the World Bank Inspection Panel imposes an unnecessary and arbitrary hurdle for communities who seek so-called “non-local” representation, requiring them to seek special approval.⁵⁴ Imposing requirements that limit communities’ agency over their choice of representation is a surefire way to create distrust in an IAM process, and it imposes a particular burden on communities and advocates living in closed and repressive spaces where it is unsafe to publicly raise concerns about development projects. We are aware of multiple complaints that were not filed with the Inspection Panel because local representatives were threatened and non-local representatives are not routinely allowed.

The Inspection Panel policy also allows the Board to deny or restrict the scope of an investigation at the appraisal stage of the complaints processes.⁵⁵ Board intervention prior to investigation is an unnecessary check on an independent mechanism and risks politicizing oversight and promoting disparities in accountability.

c. The Inspection Panel must be given the mandate to recommend remedial actions and monitor their implementation.

WBG IAMs are often the only viable means communities have to seek redress for harm caused by bank projects. Because of their independent status, the IAMs are optimally positioned to recommend remedial actions responsive to the underlying issues of a complaint in a way that does not further compromise the trust of aggrieved communities.

While the policy of the IFC/MIGA CAO provides it the mandate to recommend remedial actions, the Inspection Panel is not given the same ability. The Inspection Panel can issue findings about compliance with policies but cannot recommend actions to improve compliance and remediate harm. Many other mechanisms, including the CAO, issue remedial recommendations.⁵⁶ It is common practice for good reason, as communities come to IAMs to seek redress.

⁵⁴ See, Inspection Panel Operating Procedures, para. 15(c) (Dec 2022). The only other mechanism with a similar policy is the Project-affected People’s Mechanism of the Asian Infrastructure Investment Bank.

⁵⁵ Inspection Panel Operating Procedures, para. 56 (Dec 2022).

⁵⁶ Mechanisms at the following institutions have the power to recommend remedial actions: IKI, GCF, UNDP, IDB, AfDB, EIB, IFC, EBRD, and FMO, DEG, Proparco.

Further, the Inspection Panel’s effectiveness for communities who need it is limited by its lack of an actual monitoring mandate. Instead, it has an overly technical “verification” power that is unique among IAMs. The Dispute Resolution Service has a monitoring mandate; the Inspection Panel should too.

d. Communities should be able to choose an investigation, dispute resolution, or both, in any order or simultaneously.

WBG IAM policies apply inflexible sequencing of compliance investigation and dispute resolution,⁵⁷ and as a result efficiency for remedy suffers. First, aggrieved communities are denied access to an IAM’s dispute resolution function after a compliance investigation, despite the fact that investigations sometimes uncover challenges that are best resolved through facilitated dialogue.⁵⁸ Second, denying compliance investigation and dispute resolution in tandem stifles opportunities to resolve acute issues between communities and borrowers/clients as investigations into WBG actions and oversight proceed.⁵⁹ It also fails to consider how independent fact finding is sometimes needed to inform dispute resolution.⁶⁰

Permitting both dispute resolution and compliance investigation in any order or in tandem is an emerging best practice for climate-focused IAMs, including those of the UNDP, GCF, and IKI. There are intrinsic differences between the functions of the IAMs, and project-affected people should have the right to decide the most appropriate path(s) for remediation.⁶¹ As a matter of efficiency and effectiveness, the CAO, the Accountability Mechanism, and

⁵⁷ IFC/MIGA Independent Accountability Mechanism (CAO) Policy, para. 59 (28 June 2021), *available at* <https://documents1.worldbank.org/curated/en/889191625065397617/pdf/IFC-MIGA-Independent-Accountability-Mechanism-CAO-Policy.pdf>; The Inspection Panel at the World Bank Operating Procedures, para. 58 (Dec 2022), *available at* <https://www.inspectionpanel.org/sites/default/files/documents/IPN%20Operating%20Procedures-1%20December%202022.pdf>; Accountability Mechanism, Dispute Resolution Service, Interim Operating Procedures, paras. 7.7, 13.4 (13 Oct 2021), *available at* <https://thedocs.worldbank.org/en/doc/eb47509513bb29ab629f64450c465351-0330032021/original/DRS-Interim-Operating-Procedures.pdf>.

⁵⁸ *See, e.g.*, Inspection Panel Investigation Report No. 93722-NP, *Nepal: Power Development Project (P043311)*, para. 289 (“The Panel is of the view that several issues and lessons will need to be taken into account to enhance the sustainability of this engagement, including . . . fostering close contact, consultation and “buy-in” of impacted communities, particularly where Indigenous Peoples and other vulnerable communities are present, and ensuring careful preparation of resettlement, compensation and grievance redress measures”) (12 Feb 2015), *available at* <https://www.accountabilitycounsel.org/wp-content/uploads/2017/10/87-Investigation-Report-Nepal-Power-Development-Project1.pdf#page=89>).

⁵⁹ *See*, Paco Gimenez-Salinas, *Experience with Parallel Processes*, Grievance Redress and Accountability Mechanism (GRAM) Partnership Webinar (49:25-1:01:50) (31 Mar 2023), *available at* <https://www.youtube.com/watch?v=pSkTyk4cVZ4>.

⁶⁰ *See, e.g.*, *Overview of ICSID Fact Finding*, International Centre for Settlement of Investment Disputes, World Bank Group, *available at* <https://icsid.worldbank.org/procedures/fact-finding/overview/2022>.

⁶¹ *See*, *Good Policy Paper: Guiding Practice from the Policies of Independent Accountability Mechanisms*, para. 36 (Dec 2021), *available at* <https://accountabilitycounsel.org/wp-content/uploads/2021/12/good-policy-paper-final.pdf#page=51>.

Inspection Panel procedures should all be updated to reflect flexible sequencing of processes.

- e. The World Bank and IFC/MIGA should each develop public policies describing how they will effectively engage with their respective IAM processes to produce and implement remedial actions.**

No matter how good an IAM's policy is, its effectiveness is impacted by its bank's behavior. Banks must engage in good faith with an IAM process by providing access to project information, responding with remedial proposals, and implementing changes to bring projects into compliance and remediate harm. Although the WBG has policies for other aspects of project governance, it has no public policies stating how it will engage with its own IAMs. The actions required of the WBG can instead be found in IAM policies themselves and at times in board resolutions. The WBG should publish policies explaining how it engages with and supports the independent mandate of its IAMs.

- f. The Board—not the Bank's President or other representatives from Bank management—should select the Inspection Panel Chairs, CAO DG, and Accountability Mechanism Secretary.**

To protect the independence and legitimacy of IAMs, bank management should not participate in the hiring of IAM principals. To date, the WBG President has had primary say in the selection of all of the IAMs' current principals. Worse yet, the WBG President is not even required to select the top-ranked candidate(s) presented from the hiring committee. At a minimum, the WBG President's ultimate authority over IAM leadership negatively impacts the *perceived* independence and legitimacy of IAMs, and there could be an impact on the *actual* independence and legitimacy if a principal is chosen because they seem to be management-friendly or if the selected candidate feels an obligation towards WBG management as a result of being selected. For the same reasons, the hiring committees for the WBG IAMs' principals should not include members of bank management, which has a history and culture of reacting defensively against accountability processes.⁶²

- g. The World Bank's Accountability Mechanism and IFC/MIGA's CAO should have the mandate to hear complaints about global public goods.**

Broadening WBG's mission to protect global public goods demands that WBG hold itself accountable for its impacts on those frontiers. Presently, the policy of the CAO requires that it transfer to IFC/MIGA any complaint focused "exclusively on global impacts of a global public good" for in-house handling.⁶³ The provision aims to handle matters of great public

⁶² See, *Report and Recommendations of the External Review of IFC/MIGA E&S Accountability, including CAO's Role and Effectiveness*, paras. 34-36 (June 2020), available at <https://thedocs.worldbank.org/en/doc/578881597160949764-0330022020/original/ExternalReviewofIFCMIGAESAAccountabilitydisclosure.pdf#page=104> .

⁶³ IFC/MIGA Independent Accountability Mechanism (CAO) Policy, para. 42(g).

importance through less transparent and publicly accountable channels. The World Bank Accountability Mechanism framework requires that complaints contain an allegation of harm “suffered by or threatened to” the aggrieved party,⁶⁴ thereby imposing a legal standing requirement that could limit the ability of people to speak on behalf of forests, rivers, species, and similar global public goods. This eligibility barrier also means that the WBG is less likely to hear about noncompliance and harm occurring from their projects in closed civic spaces.

Our planet is enduring extreme biodiversity loss, of which the main drivers often overlap as development finance priorities, *i.e.*, expansion of agricultural production and the promotion of extractive industries.⁶⁵ Confronted with this crisis, WBG should proactively leverage its IAMs to protect biodiversity, empowering their oversight of complaints that primarily concern adverse impacts to biodiversity, including risks to threatened and endangered species, disruption of key biodiversity areas, and deforestation.

The same should be true of WBG progress in promoting and achieving SDG 13 (taking urgent action to combat climate change and its impacts). IAMs are the platform to receive direct community evidence challenging the veracity of borrower/client reporting under what-we-assume-to-be-forthcoming climate standards to govern WBG’s broadened mission.

h. The World Bank’s Environmental and Social Framework should apply to all financial instruments, and the WBG should be accountable for compliance.

The World Bank Environmental and Social Framework does not presently apply to development policy loans, whose environmental and social requirements are regulated in OP/BP 8.60 (Operational Policy/Bank Procedure), nor to Program-for-Results Financing (P4R), whose environmental and social requirements are regulated in OP/BP 9.00. In failing to align the accountability system with the financing instruments through the ESF reform, the Bank has ignored high environmental and social risks often linked to DPLs and P4R lending. The share of loans covered by environmental and social policies have decreased by about 50% from the late 1990s to today under the ESF.

⁶⁴ The World Bank Inspection Panel, Resolution No. IBRD 2020-0004 and Resolution No. IDA 2020-0003, para. 17 (8 Sep 2020), available at <https://www.inspectionpanel.org/sites/www.inspectionpanel.org/files/documents/InspectionPanelResolution.pdf>.

⁶⁵ *Biodiversity loss: what is causing it and why is it a concern?*, European Parliament (6 Sep 2021), available at <https://www.europarl.europa.eu/news/en/headlines/society/20200109STO69929/biodiversity-loss-what-is-causing-it-and-why-is-it-a-concern>.

Conclusion

Scaling resources to respond to crises must be done in tandem with scaling accountability. The WBG's environmental and social safeguards exist to confer and protect the rights of community stakeholders, not simply to provide them with a "development benefit."⁶⁶ They exist to promote resilient and inclusive development. Expanding the mission and reach of WBG projects requires more than maintaining existing standards; it requires a commensurate scaling up of safeguards and accountability. Accordingly, requests for capital increases to support the WBG's expanded mission must be supported by commitments to enhance safeguards, accountability, and transparency.

Finally, we would be remiss not to recognize that, although President Ajay Banga's vision of creating a world free from poverty on a livable planet is a step in the right direction, "livable" is far below the expectations of the human right to a clean, healthy, and sustainable environment.⁶⁷ The UN General Assembly has called upon States and international organizations to "scale up efforts to ensure a clean, healthy, and sustainable environment for all," and not simply a livable planet for all. The WBG must embrace this mandate, and it can begin by adopting stronger safeguards and accountability practices.

These comments are submitted by Accountability Counsel,⁶⁸ and endorsed by:

1. African Law Foundation
2. Arab Watch Coalition
3. AsoCAMBIUM
4. Bank Information Center
5. Bretton Woods Project
6. CEE Bankwatch Network
7. Center for International Environmental Law (CIEL)
8. EarthRights International
9. Fundeps
10. Green Advocates International – Liberia
11. Inclusive Development International
12. Initiative for Right View (IRV)
13. Interamerican Association for Environmental Defense (AIDA)
14. International Accountability Project
15. Jamaa Resource Initiatives
16. Just Ground













⁶⁶ Remarks made by Ed Mountfield, World Bank Vice President for Operations Policy and Country Services, during a public video conference to discuss the World Bank Evolution Process (15 June 2023).













⁶⁷ UN General Assembly, *Draft Resolution on the Human Right to a Clean, Healthy and Sustainable Environment*, Seventy-sixth session, Agenda item 74(b), A/76/L.75 (26 July 2022), available at <https://digitallibrary.un.org/record/3983329?ln=en>.

⁶⁸ Please contact Gregory Berry, Policy Associate at Accountability Counsel, if you would like to discuss our recommendations further. Email: info@accountabilitycounsel.org.

17. New Apostlic Centre for Development
18. NGO Forum on ADB
19. Oxfam
20. Recourse
21. urgewald e.V.
22. Witness Radio

Annex 1: IAM Policy Benchmarks on Key Effectiveness Criteria

INDEPENDENT ACCOUNTABILITY MECHANISM POLICIES	Public Finance		Public and Private Finance							Private Finance		
	 WB	 IKI	 GCF	 ADB	 UNDP	 IDB	 AfDB	 AIIB	 EIB	 IFC/MIGA	 FMO/DEG/Proparco	 EBRD
Safeguards require the Bank and/or its Clients and Borrowers to notify project-affected people about the IAM.		✓	✓			✓	✓	✓	✓			
Policy does not restrict who complainants can choose as their representative(s).		✓	✓		✓	✓	✓		✓	✓	✓	✓
Policy supports the independence of the IAM by allowing it to investigate complaints without having to seek Board approval for the investigation and its scope.		✓	✓		✓		✓		✓		✓	✓
Policy does not require Board approval for parties to enter into dispute resolution.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Policy supports leveraging IAM perspective and insight on potential remedy, allowing the IAM to recommend remedial actions.		✓	✓		✓	✓	✓		✓	✓	✓	✓

INDEPENDENT ACCOUNTABILITY MECHANISM POLICIES	Public Finance		Public and Private Finance							Private Finance		
	 WB	 IKI	 GCF	 ADB	 UNDP	 IDB	 AfDB	 AIIB	 EIB	 IFC/MIGA	 FMO/DEG/Proparco	 EBRD
Policy supports the delivery of remedy by allowing the IAM to monitor the implementation of remedial action commitments made in response to findings of non-compliance.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Annex 2: Evolution to Accountability Roadmap, List of Reforms

The World Bank Group's broadened mission must be matched by improvements to accountability. Not only will enhancing support for remedy, civic space, and effective and efficient accountability processes attract private sectors hesitant to engage in uncertain contexts, but it will also help protect the interests of communities seeking to defend their rights under a just and inclusive development agenda. Moving fast and big may be necessary in this time of crisis, but it is not without risk. The below steps are essential to evolving accountability for a new era of finance.

1. Provide and enable remedy as a distinct development objective.

- Ensure or provide remediation of all noncompliance and harm identified in the Independent Accountability Mechanisms' case processes.
- Develop a funding mechanism to remedy unintended harm.
- Ensure that borrowers and clients can and will fund remedy.
- Develop actionable consequences for disregarding environmental and social safeguards and the duty to provide remedy.
- Develop protocols for Responsible Exit that reinforce the development imperatives to Do No Harm, and Leave No One Behind.

2. Protect civic space and address reprisals

- Enforce zero-tolerance commitments with sanctions as a deterrent.
- Protect civic space and participation to foster inclusive development.
- Ensure the participation and protection of defenders for a just transition.
- Advance transparent, accountable and participatory development using a rights-based framework.
- Incorporate increased financing needs to address participation and civic engagement related issues.

3. Strengthen Independent Accountability Mechanism (IAM) policies.

- Require Bank staff and borrowers/clients to inform project affected people about the IAMs.
- Remove requirements for communities to seek Board approval for non-local representation.
- Remove the ability of the Board to stifle the Inspection Panel's independence with respect to decisions to investigate and the scope of review.
- Allow the Inspection Panel to recommend remedial actions and monitor their implementation.
- Promote the efficiency and effectiveness of WBG IAMs by allowing use of their compliance investigation and dispute resolution functions in any order or simultaneously.
- Develop public policies describing how World Bank and IFC/MIGA will effectively engage with their respective IAM processes to produce and implement remedial actions.

- Rely on the Board—not the Bank’s President or other representatives from Bank management—to select the Inspection Panel Members, CAO Director General, and Accountability Mechanism Secretary.
- Give the World Bank Accountability Mechanism and IFC/MIGA CAO the mandate to hear complaints about global public goods.
- Ensure that the Environmental and Social Framework applies to all WBG financial instruments, and that WBG is accountable for compliance.