

Washington, DC December 12, 2017

Dear President Kim,

We are writing to you as organizations focused on accountability at international financial institutions that not only use and/or support communities to use the mechanisms, but also support efforts to strengthen and promote their work. We are writing to express our concerns about the hiring process used most recently to fill the previous vacancy at the Inspection Panel, as the hiring committee included two members of Bank Management along with two Executive Directors, and no external stakeholders. We urge the World Bank to not repeat this process in the future.

The World Bank Inspection Panel plays a critical role as the Bank's *independent* accountability mechanism to ensure that when communities are harmed or potentially harmed by Bank-funded projects there is a place for them to seek redress. To properly perform its work and be recognized as legitimate, it is vital that the Inspection Panel be independent. As part of this, Panel Members must be independent, which is enhanced not only by maintaining cooling off periods before and after hiring, a practice already in place at the Bank, but also by including independent external stakeholders on the selection committee. We are aware that in the coming months, the World Bank will begin the process of selecting a new member of the Inspection Panel, as Panel Chairperson Gonzalo Castro de la Mata's term is ending in late 2018. We strongly recommend that the selection committee formed to replace Mr. Castro de la Mata include an external stakeholder.

As noted in *Glass Half Full? The State of Accountability in Development Finance*, including external stakeholders on the selection committee that assists in the hiring of members of the Independent Accountability Mechanisms (IAMs) is best practice and helps ensure legitimacy.¹ Several IAMs do so. For example, the independent Examiners for the Guidelines of the Japan International Cooperation Agency (JICA) and the Japan Bank for International Cooperation (JBIC) are chosen through a process that includes a selection committee that has members from academia and NGOs, among others.² In a similar process, the procedure for the selection of the Vice President and Compliance Advisor Ombudsman (CAO) of the International Finance Corporation (IFC) includes a nominating committee composed exclusively of external stakeholders including representatives from civil society organizations, academia, and the private sector.³ Additionally, the European Bank for Reconstruction and Development (EBRD) creates a nomination committee composed of members internal and external to the EBRD to select the Project Complaint Mechanism (PCM) Officer and Experts.⁴ Further, the Director of the Independent Consultation and Investigation Mechanism (MICI) of the Inter-American Development Bank (IDB) included external stakeholders on the selection committee for the Consultation and Compliance Review Coordinators. Moreover, the 2011 External Review of the World Bank's Accountability Units recognized that the selection committee for Inspection Panel members should include civil society.⁵ In

¹ See C. Daniel, K. Genovese, M. van Huijstee & S. Singh, *Glass Half Full? The State of Accountability in Development Finance*, secs. 3.1, 5.1 (SOMO, Jan. 2016), available at glass-half-full.org.

² Japan Int'l Cooperation Agency (JICA), *Objection Procedures*, para. 4 (2010), http://www.jica.go.jp/english/our_work/social_environmental/guideline/pdf/objection100326.pdf; Japan Bank for Int'l Cooperation, *Major Rules for Establishment of Examiner for Environmental Guidelines* (2010), <http://www.jbic.go.jp/wp-content/uploads/page/2013/08/757/en-examinar-2012.pdf>; see also *Glass Half Full?*, *supra* note 2, at Annex 13.

³ See *Glass Half Full?*, *supra* note 2, at Annex 12.

⁴ EBRD, *Project Complaint Mechanism Rules of Procedure*, para. 57 (2014); see also *Glass Half Full?*, *supra* note 2, at Annex 8.

⁵ "External Review of the Oversight and Accountability Units of the World Bank Group," COGAM2011-0014, p. 41 (June 9, 2011) (which also notes that the process to choose the CAO Vice President had a search committee entirely

general, including Bank Management in the selection of Inspection Panel members creates a real or perceived conflict of interest. As such, it is best practice to not have members of Management on the selection committee.

We request that an independent external stakeholder be included on the selection committee. This is critical for ensuring the Panel's legitimacy and independence. To that end, we additionally request that Bank Management not be on the hiring committee.

Thank you for your attention to our concerns. As this process is in the early stages, we look forward to hearing your response about the hiring process for the next Inspection Panel Member and hope to further engage with you on this process.

Sincerely,

Accountability Counsel
Bank Information Center (BIC)
Bank Information Center Europe
Both ENDS
Bretton Woods Project
CEE Bankwatch Network
Center for International Environmental Law (CIEL)
Centre for Human Rights and Development
Centre for Research on Multinational Corporations (SOMO)
Collectif Camerounais des Organisations des Droits de l'Homme et de la Démocratie (COCODHD)
Crude Accountability
Derecho Ambiente y Recursos Naturales (DAR)
Forest Peoples Programme
Foundation for the Development of Sustainable Policies (FUNDEPS)
Gender Action
Green Advocates International (Liberia)
Inclusive Development International
International Accountability Project
Interamerican Association for Environmental Defense (AIDA)
International Labor Rights Forum
International Rivers
Lumiere Synergie pour le Developpement (LSD) (Senegal)
NGO Forum on ADB
Oxfam International
Oyu Tolgoi Watch (Mongolia)
Urgewald

CC: World Bank Chief Executive Officer Kristalina Georgieva
Senior Vice President and General Counsel Sandie Okoro
World Bank Executive Directors

composed of external stakeholders and that both people inside and outside the World Bank saw including outside stakeholders in the selection committee as valuable).