

July 5th, 2017

Dear Mr. Canuto, Mr. Allford, and all World Bank Board of Directors,

We are writing to you today with urgency regarding the World Bank proposal on “Streamlining Restructuring Procedures for Investment Project Financing and Program-for-Results Multi-phased Approach” currently scheduled for Board approval on July 6 2017.

As civil society organizations concerned with ensuring the Bank is fulfilling its development mandate and is accountable to its shareholders, stakeholders and the communities it intends to serve, we ask that a decision on such a fundamental change to the Bank’s decision making processes **be postponed and proposal(s) be made public and open for discussion and consultation with stakeholders before being voted on. Even if this is a pilot, which is not clear, given the implications for oversight and accountability, it is imperative that the parameters of this proposal are subject to public scrutiny before going forward.**

With the limited information available to us, we understand that with this new proposal, not all individual investment project financing (IPF) and Program-for-Results (P4R) financing will come to the Board for a vote and rather sector envelopes or multi-phased projects will come to the Board for approval instead. We also understand that restructuring of projects will no longer need to come back to the Board as is currently the case.

We have several concerns and are surprised to see a reduction in Board oversight at a moment when the Bank has not yet tested the adaptive risk management approach under the new Environmental and Social Framework (ESF), and is just rolling out its cascade approach, which comes with its own questions. We believe that there ought to be some serious and transparent discussion around this proposal before it is approved. Some of our main concerns are outlined below:

- Board oversight: The Board provides an important oversight function of projects and the Board approval date is a key moment in the lifecycle of the project. **What are the checks and balances being considered with this proposed change? Would Management report regularly to the Board on all projects’ in the pipeline before they are approved such that the Board can raise questions if there are any red flags** regarding project objectives, risk classification, use of country systems, due diligence, etc?
- Transparency: Given that a great deal of disclosure of information is based on timing relative to projects going to the board and board approval, **disclosure of drafts and final project documents must still occur for individual projects at comparative timings as current procedures.** A date for Board discussion should still be set in order to ground the process for disclosure, and the World Bank Policy on Access to Information must continue to apply to all documents, at the time they would have been disclosed to the Board prior to the pilot.
- Accountability: We are concerned that with such a proposal for reduced Board oversight of project, it is now more important than ever that accountability be strengthened at the World Bank by **expanding the tools that the Inspection Panel has at its disposal to provide redress and accountability according to current best practice at other independent accountability mechanisms.** The Panel must be adequately equipped to fill this accountability gap, serve as an accessible and reliable forum for remedy when harm occurs (across Bank programs, projects

and financing arrangements) and advise on lessons learned across the Bank's portfolio. These checks and balances are essential for a development institution, particularly one that holds immunity.

- Exceptions: We understand that individual Category A projects would still come to the Board but we would suggest that **Category B projects should come to the Board as well as Financial Intermediary (FI) projects with any Category A or B subprojects**. Similarly, once the new ESF goes into effect, we hope that both high and substantial risk projects would come to the Board and FI projects with high and substantial risk subprojects. This is critical given that Inspection Panel experiences have shown us that Category B projects can be highly risky, and the [Independent Evaluation Group 2010 report on safeguards](#) also revealed a problem with misclassification of projects. Due diligence and accountability challenges with the World Bank Group's FI portfolio are well documented.

We, the undersigned organizations, thank you for your consideration and look forward to a positive response **assuring us of the opportunity to feed into these proposed changes before they are approved by the Board.**

Sincerely, and on behalf of the following organizations:

1. Accountability Counsel, USA
2. Action Paysanne Contre La Faim Signe, DRC
3. Alyansa Tigil Mina (ATM)-Alliance Against Mining, Philippines
4. Ambiente y Sociedad, Colombia
5. Bank Information Center, International
6. Both ENDS, Netherlands
7. Bretton Woods Project, UK
8. Buliisa Initiative for Rural Development Organisation (BIRUDO) Uganda
9. Center for International Environmental Law (CIEL), USA
10. Centre for Applied Legal Studies, South Africa
11. Conectas Direitos Humanos, Brazil
12. Community Policing Partners -COMPPART, Nigeria
13. Derecho Ambiente y Recursos Naturales (DAR), Peru
14. Equitable Cambodia, Cambodia
15. Hakijamii, Kenya
16. Heinrich Boell Stiftung-North America
17. International Accountability Project, International
18. Inclusive Development International, International
19. Instituto de Estudos Socioeconômicos – Inesc, Brazil
20. Jubilee Debt Campaign, UK
21. Le Conseil Régional des Organisations Non Gouvernementales, DRC
22. Lumière Synergie pour le Développement, Senegal
23. Narasha Community Development Group, Kenya
24. NGO forum on ADB, Regional - Asia
25. OT Watch and Rivers without Boundaries, Mongolia
26. Oxfam, International
27. Phenix Center for economic and Informatics Studies, Jordan
28. Ulu foundation, United States

29. Urgewald, Germany

To:

Chair of CODE: Octaviano Canuto,

Chair of COGAM: Jason Allford

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