

July 12th 2017

Dear Mr. Schafer and Ms. Ferro,

Thank you for taking time to meet with CSOs yesterday, July 11th 2017, regarding the proposed “Streamlining Restructuring Procedures for Investment Project Financing and Program-for-Results Multi-phased Approach (MPA)”. We look forward to continuing the conversation with you and your teams on these changes, on measuring success of these pilots, and on other agility pilots being considered.

We continue to have concerns around the checks and balances that will apply to the MPA as a new approach with the unprecedented flexibility and delegation of approval authority that comes with it. We urge you to consider the points raised in our previous letter as you go into the Board meeting tomorrow, which we feel are all still applicable, including the types of projects that should go back to the Board. Critically, we ask you to please recommend to the Board that the following two accountability measures be added to the approach before it is approved:

- **A defined and publicly disclosed Management Approval Date:** As not all project phases of an MPA will come back to the Board, the timing around when documents will need to be prepared and disclosed relative to approval of a project by management, as well as how stakeholders will obtain knowledge of the existence and timing of future phases is unclear. For the sake of ensuring at least the same level of transparency and opportunity for engagement as there currently exists for individual projects – regardless of categorization – we would like to ensure there is a defined and publicly disclosed Management Approval date. For projects that will not go to the Board, applicable policies that currently reference a Board date (for example the Access to Information Policy) would instead reference the Management Approval Date.
- **Jurisdiction of the Inspection Panel over the MPA program as a whole:** One of the apparent strengths of the MPA is that it is greater than the sum of its parts and allows for several interconnected phases/projects to fall under one coherent program with a clear programmatic objective which the Board would approve. Limiting the Inspection Panel’s jurisdiction to individual phases rather than the program as a whole could not only lead to accountability gaps, but also changes the scope of its mandate—which currently includes program financing such as Adaptable Program Loans. Such a change is also inconsistent with the approach taken by the Asian Development Bank, which subjects both the overall program as well as each of the phases of its multi-phase instrument, the Multi Tranche Financing Facility, to the jurisdiction of its accountability mechanism. To maintain coherence across bank instruments, and ensure consistency with peer institutions, the MPA as a whole should remain under the jurisdiction of the Inspection Panel.

We also note that these proposals do involve policy changes as we’ve understood it and are deeply concerned at the lack of public consultation and the failure to provide written materials to the public prior to decision-making on these substantive issues that change governance of projects and as such may directly affect the people and environment impacted by these projects. We hope you will incorporate these important points to ensure these proposals do not undermine and weaken existing transparency and accountability standards.

Sincerely and on behalf of the following organizations,

1. Accountability Counsel, USA
2. Bank Information Center, International
3. Both ENDS, Netherlands
4. Center for International Environmental Law
5. International Accountability Project, International
6. Oxfam, International
7. Ulu Foundation, USA