MESSAGE FROM THE PANEL

Fiscal Year (FY) 2026 was an active and consequential year for the Inspection Panel. It was marked by a significant caseload and the continuation of intense debates and key decisions taken on the envisaged integration of the World Bank Group's independent accountability mechanisms, as well as sustained engagement with project-affected people, civil society organizations, the Board of Executive Directors, and the broader accountability community.

Casework remained at the core of the Panel's work. The Panel processed ten new Requests for Inspection relating to Bank-funded projects in Nigeria, Tanzania, Serbia, the Philippines, Ecuador, Uganda, Sierra Leone, Indonesia, and Mozambique. For the first time, the Panel also carried out its mandate to verify the implementation of the Management Action Plans that followed its investigations of the Togo WACA project and the Tanzania REGROW project. Furthermore, the Panel commenced investigating a project in Uganda and completed its investigation of a project in Viet Nam, a case that had returned to the Panel after the dispute resolution process was concluded without a signed dispute resolution agreement.

FY 2026 was also a significant year for the integration of the World Bank Group's independent accountability mechanisms. Throughout the year, the Panel actively supported the Boards' work on the integration of the Inspection Panel, Compliance Advisor Ombudsman (CAO) and the Dispute Resolution Service (DRS) as one World Bank Independent Accountability Mechanism. As the process evolved from a Working Group supported by the Committee on Development Effectiveness to a dedicated Task Force, the Panel contributed information and data,

participated in thematic discussions, engaged with CAO and DRS, and supported the dissemination of the Task Force's draft report for public consultation. This work culminated in the Task Force's submission of its final Report and Recommendations to the Boards on May 6, 2026, and the Boards' approval on June 8, 2026. At the close of FY 2026, together with CAO and DRS the Panel stood ready to embark upon the integration transition period envisaged for FY 2027.

Alongside these developments, the Panel continued its engagement and collaboration with other independent accountability mechanisms through the IAMNet (network of Independent Accountability Mechanisms – IAMs) and beyond. This work included deepening collaboration with the IAMs' Reprisal Working Group and IAMNet, completing a Framework Agreement with the Asian Development Bank's (ADB) Compliance Review Panel supporting the Full Mutual Reliance Framework which the World Bank Group and the ADB had concluded in February 2025, as well as engaging with the Inter-American Development Bank (IDB) and the Complaints Mechanism of the European Investment Bank (EIB) on a potential project-specific reliance agreement.

The Panel also revised and issued new Operating Procedures to reflect institutional changes resulting from the external review of the reforms of the Panel's toolkit and provide updated guidance for implementing its mandate, following the reorganization of the Accountability Mechanism with the Panel and the DRS as two parallel entities for the World Bank Group's public sector financing, with each entity reporting separately and directly to the Board. The Panel further invested in knowledge and innovation through the development of a Case Compendium and the exploration of artificial intelligence tools, while continuing to monitor case-processing efficiency to support timely and effective delivery of its mandate.

The Panel also maintained an active program of engagement, outreach, and knowledge sharing, including participation in meetings of the annual IAMNet and International Association of Impact Assessment (IAIA) events, regional and civil society outreach, and collaboration with other independent accountability mechanisms. These activities reinforced the Panel's commitment to accessibility, institutional learning, and meaningful engagement with project-affected people, communities and other accountability stakeholders. This included engagements with civil society organizations during the annual and spring meetings and outreach activities in Quebec City, Zagreb, and Panama.

Indeed, FY 2026 reflected both continuity and transition for the Panel: continuity in delivering on its independent compliance review mandate for the World Bank Group's public sector financing and responding to the concerns of project-affected people and communities, and transition as the World Bank Group moved toward establishing an integrated Group-wide Independent Accountability Mechanism.

Ibrahim James Pam
Evelyn Dietsche
Ajay Deshpande

MESSAGE FROM MATTEO BUGAMELLI, THE DEAN OF THE WORLD BANK BOARD OF EXECUTIVE DIRECTORS

The World Bank Group continues to advance the One World Bank Group initiative, working more closely across its institutions to deliver greater development impact while maintaining strong standards of accountability.

Fiscal Year 2026 marked a significant step in this direction, with the Boards' approval of the integration of the Inspection Panel, the Dispute Resolution Service (DRS), and Compliance Advisor Ombudsman (CAO) into one World Bank Group Independent Accountability Mechanism (IAM). This decision offers an important opportunity to strengthen the coherence and effectiveness of accountability across the World Bank Group while safeguarding the independence and integrity of its accountability functions. The policy framework for the new IAM will be developed under Board oversight and in consultation with stakeholders, building upon the experience of the three existing mechanisms and guided by the principle of non-regression.

Throughout this period of institutional change, the Inspection Panel has continued to fulfill its mandate as an independent avenue for people and communities who believe they have been or may be adversely affected by World Bank-financed projects. This fiscal year, the Panel received ten Requests for Inspection, demonstrating an increased demand for accountability in public sector projects. The level of demand also underscores the importance of the Panel's role in assessing the Bank's compliance with its operational policies and procedures, contributing to institutional learning, and ensuring that the World Bank remains accountable to the people adversely affected by its operations. The importance of this mandate remains

unchanged as the institution moves through this period of transition. In fact, it is more relevant than ever.

Throughout the year, the Panel engaged effectively with civil society, project-affected communities, peer accountability mechanisms, and other stakeholders in the form of outreach, policy forum, and various dialogues. The Board supports this critical work, which helps make accountability more accessible, promotes the exchange of experience and lessons, and contributes to thought leadership across independent accountability mechanisms.

As the World Bank Group moves into this new accountability chapter, Board remains committed to an independent, accessible, and effective accountability system, guided by the principle of no regression. The Inspection Panel's more than three decades of experience provides an important foundation for this transition and the development of the new one IAM mechanism. We remain committed to ensuring that the World Bank Group's independent accountability system continues to evolve while keeping the voices and concerns of affected people central to its work.

Matteo Bugamelli
Dean of the World Bank Board of Executive Directors