

# **The Inspection Panel at the World Bank**

## **Operating Procedures June 2022 (Final Draft)**

[Open Consultation July 18 – September 12, 2022]

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## Introduction and Background

These Operating Procedures (the “Procedures”) replace the Operating Procedures issued by the Inspection Panel (the “Panel”) in 2014 and the annex added in February 2016. They provide details on how the Inspection Panel operates, and aim to make the process user-friendly, transparent, predictable and up-to-date.

The Panel was established by the Board of Executive Directors (referred to as the “Board” or the “Executive Directors”) of the World Bank (referred to as the “Bank”) through IBRD<sup>1</sup> Board Resolution No. 93-10 and an identical IDA<sup>2</sup> Board Resolution No. 93-6 on September 22, 1993. The 1993 Resolution was reviewed twice by the Board, in 1996 (referred to as “the 1996 Review”) and again in 1999 (referred to as “the 1999 Clarification”). On September 8, 2020, after the conclusion of its 2017-2020 review of the Inspection Panel’s toolkit, the Board added new functions to the Panel through IBRD Board Resolution 2020-0004 and an identical IDA Board Resolution 2020-0003 (collectively referred to as the “2020 Panel Resolution”). The 2020 Panel Resolution also consolidated text from the 1993 Resolution and the 1996 and 1999 reviews. In approving the 2020 Panel Resolution, the Board reaffirmed the importance of the Panel’s function, independence and integrity. The 2020 Panel Resolution can be found [here](#).

At the same time that the Board approved the 2020 Panel Resolution, it established the World Bank Accountability Mechanism (AM) through IBRD Board Resolution No. 2020-0005 and an identical IDA Board Resolution No. 2020-0004 (the “AM Resolution”). The AM comprises two constituent parts: the Panel to carry out compliance reviews and a Dispute Resolution Service (“DRS”) to facilitate a voluntary and independent process to resolve disputes in the context of Panel Requests for Inspection. The AM has its own operating procedures. The complete text of the AM Resolution can be found [here](#).

Particularly, these Operating Procedures:

- a. Specify how the Panel determines whether to register a Request and receive a formal response from the Management of the Bank.
- b. Specify what factors the Panel will assess prior to making its recommendation to the Board on whether an investigation is warranted.
- c. Describe how the Panel’s compliance-review process relates to the dispute resolution process carried out by the DRS.
- d. Explain the sharing modalities and requirements of the Panel’s Investigation Report with Requesters once it is submitted to the Board.
- e. Detail the process for the Panel to propose for Board approval, where needed, independent risk-based proportionate verification of Management Action Plan (MAP) implementation.<sup>3</sup>
- f. Describe how the Panel process fosters interaction between its different stakeholders.

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<sup>1</sup> International Bank for Reconstruction and Development: established in 1944, IBRD is the lending-arm of the World Bank which serves middle-income countries with capital investment and advisory services.

<sup>2</sup> International Development Association: established in 1960, IDA is the part of the World Bank that helps the world’s poorest countries.

<sup>3</sup> The Framework for Proportionality Criteria and Modalities for Independent Verification of Management Action Plan Implementation, dated February 3, 2021, is available at:

<https://www.inspectionpanel.org/sites/www.inspectionpanel.org/files/documents/Framework-for-Proportionality-Criteria-and-Modalities-for-Independent-Verification-of-Management-Action-Plan-Implementation.pdf>.

- g. Describe ways in which the Panel process may contribute to institutional learning, including through advisory services in the form of lessons from its cases through its different reports and publications.

These Operating Procedures are not an interpretation of the 2020 Panel Resolution, or the Accountability Mechanism Resolution (the 2020 Resolutions). The Panel’s application of the 2020 Resolutions, including through these Operating Procedures, is subject to the Executive Directors’ review. In the event of any potential inconsistencies between these Operating Procedures and these Resolutions, the 2020 Resolutions prevail.

The text below is organized in four sections:

**Section 1** provides a brief overview of the role of the Panel and key features of the Panel process.

**Section 2** explains how people who believe they are negatively affected by a project supported by the Bank may submit a Request for Inspection to the Panel regarding their concerns.

**Section 3** describes the main phases of the Panel process in response to a Request for Inspection (see Figure 1), and explains the roles and responsibilities of the Requesters, the Panel, Management of the Bank (referred to as “Management”), the Board, and the Borrower in each phase. These phases include:

- a. Receipt of a Request for Inspection by the Panel and subsequent Panel determination on whether to register the Request.
- b. Confirmation of technical eligibility by the Panel and making a recommendation by the Panel on whether to investigate.
- c. Steps taken by the Panel when the World Bank Accountability Mechanism Secretary (AMS) refers the Request to the DRS, when an investigation is approved, and if agreed to by the Requesters and Borrower.
- d. Investigation by the Panel of claims raised by the Request if dispute resolution is not agreed to by the parties, does not result in agreement, is not concluded within the stipulated timeframe, or is otherwise terminated – the investigation phase.
- e. Panel actions following an investigation, including the sharing of the report with the Requesters.
- f. Panel verification of the implementation of Management Action Plans following Board approval.

**Section 4** describes measures to make the Panel better known in borrowing countries, including outreach activities, and to facilitate learning for the institution based on lessons drawn from Panel cases through its advisory services.

## *Definitions*

**Bank Management or Management.** World Bank staff charged with managing World Bank operations, including the design, appraisal and/or implementation of Bank-financed Projects, as distinct from the Board of Executive Directors and other parts of the World Bank.

**Bank-financed project.** Any IBRD/IDA project or program approved by the Executive Directors or under consideration by Bank Management. The 2020 Panel Resolution states that the word “project” has the same meaning as it generally has in Bank’s practice, and includes operations under consideration by Bank Management as well as those already approved by the Executive Directors. Requests for Inspection (see definition below) may relate to projects financed by an investment loan or credit; or programs funded through development policy lending (formerly known as structural adjustment operations); or projects financed through a trust fund administered by the Bank (e.g., Global Environmental Facility-funded projects); or projects/programs for which IBRD or IDA has provided only a guarantee (not actual loan/credit); or projects/programs co-financed with other International Financial Institutions; or Program- for-Results operations. This is not a restrictive list and there might be other financing instruments of IBRD/IDA that might be subject to a Panel process.

**Board.** The Board of Executive Directors of the IBRD and IDA (also referred to as Executive Directors).

**Borrower.** In these procedures, the borrowing or guaranteeing country, or potential Borrower or guaranteeing country, project or implementing agency, the trustee, etc., as the context requires.

**Business days.** Days on which the Bank is open for business in Washington, D.C.

**Dispute Resolution Service (DRS).** Facilitates a voluntary independent dispute resolution option for Requesters and Borrowers in the context of Requests for Inspection to the Panel once an investigation has been authorized. It operates as part of the World Bank Accountability Mechanism.

**Operational policies and procedures.** Bank’s Operational Policies, Bank Procedures, and Operational Directives, and similar documents issued before these series were started, and do not include guidance in the form of guidance notes, good practice notes and similar documents or statements. Operational policies and procedures include not only the Bank’s environmental and social policies, but also all other policies and procedures applicable to the design, appraisal and implementation of a Bank-financed project. The Bank’s operational policies and procedures are subject to revisions, and new types of documents may be considered relevant for the Panel process.

**Panel process.** This term refers to the phased process including admissibility, registration, eligibility, investigation and verification processes conducted by the Panel.

**Request for Inspection (also referred to as Request or complaint).** A written complaint submitted to the Inspection Panel raising issues of harm resulting from alleged non-compliance with Bank operational policies and procedures.

**Requesters (also referred to as complainants).** Those who have submitted or later signed on to a Request for Inspection.

**Requesters’ Representative.** A person or an organization designated by the Requesters to represent them in the Panel process.

**World Bank or Bank.** These terms refer interchangeably to IBRD and IDA.

**World Bank Accountability Mechanism.** The Accountability Mechanism (**Accountability Mechanism** or **AM**), established by the Board on September 8, 2020, comprises two constituent parts: The Inspection Panel and the Dispute Resolution Service.

**World Bank Accountability Mechanism Secretary (AMS).** Heads the Accountability Mechanism.

## **1 THE PANEL AND THE PANEL PROCESS**

### **1.1 The Panel's Role**

1. The Inspection Panel serves as an independent forum to provide accountability and recourse for people adversely affected by IBRD and IDA-financed projects. They can bring their concerns to the Panel in the form of a written complaint. A complaint is referred to as a “Request for Inspection” and those who submit a Request are referred to as “Requesters”. When it carries out an investigation, the Panel reports to the Board on whether the harm, as alleged by the Requesters, has totally or partially resulted from a serious failure of the Bank to comply with its policies and procedures, including social and environmental policies, during design, appraisal and implementation of Bank-financed projects (also where the Bank is alleged to have failed in its follow-up on the Borrower’s obligations under loan agreements with respect to such policies and procedures).

2. The Inspection Panel serves two important accountability functions:

a. It provides a forum for people, including those who are often poor and vulnerable, to seek recourse for harm which they believe results from Bank-supported operations. As such, the Panel is a “bottom-up” or citizen-driven accountability mechanism that responds to grievances and demands for redress. This promotes more inclusive and sustainable development by giving project-affected people a greater voice in Bank-financed projects that impact them. A fundamental premise of the Panel’s function is that affected people can access it safely. If Requesters believe they may face intimidation or reprisals, the Panel applies its Guidelines to Reduce Retaliation Risks and Respond to Retaliation During the Panel Process (available [here](#)).

b. It provides an independent and impartial assessment of claims about harm and related non-compliance with Bank policies as a check-and-balance for the Board and other concerned stakeholders. This contributes towards institutional learning and helps to improve development effectiveness of World Bank operations.

### **1.2 The Panel Process**

3. The Panel’s governing framework outlines a phased and interactive process involving actions by the Requesters, the Panel, Management, Group Internal Audit (GIA), the Board and the AMS, and also includes consultation with the Borrower. The Panel process is included Figure 1 and is referred to as the “Panel process”.

4. The Panel process is part of a wider set of remedies to address grievances stemming from Bank-supported operations; such remedies may be available within a project itself, be part of a borrowing country’s own systems, or be part of a wider set of options available within the Bank to respond to grievances at various levels. In addition to the Panel process, the DRS facilitates a voluntary and independent dispute resolution option for Requesters and Borrowers in the context of Requests for Inspection to the Panel that have been authorized for an investigation by the Executive Directors. The sequencing between the Panel and DRS processes is explained later in these Procedures.

5. The following are some key features of the Panel process of importance to people who

consider making use of this accountability mechanism:

a. **Accessibility.** The Panel is accessible to people who are concerned about actual or potential harm resulting from Bank-financed operations. Any two or more affected persons can submit a Request for Inspection to the Panel; they will be treated fairly, and their identities will be kept confidential if requested.<sup>4</sup>

b. **Independence and impartiality.** The Panel is independent from Bank Management and reports directly to the Board, and conducts its work impartially.

c. **Informing the Bank.** A key requirement is that the issue of concern to the Requesters is brought to the attention of Bank Management to seek a resolution to the concern, prior to the submission of a Request.

d. **Focus on the Bank.** The Panel process focuses on the Bank. The Panel does not investigate other parties, such as the Borrower. The process places a responsibility on Bank Management to address the Panel's findings resulting from its investigations.

e. **Broad interaction.** The Panel interacts with all stakeholders involved during all stages of the process, as consistent with its basic principles of independence and impartiality.

f. **Transparency.** The Panel process promotes transparency in Bank operations through publication of its reports.

### 1.3 The Panel's Organization

6. The Panel is a constituent part of the AM. While the AMS is the head of the AM, the Panel Chairperson leads the Inspection Panel. In exercising their duties, Inspection Panel members and the Panel Chairperson will coordinate with but not be subject to the supervision of the AMS and report directly to the Board on compliance matters. The Committee on Development Effectiveness (CODE) is the main Board interlocutor for the Panel.

7. The Panel is composed of three Members of different nationalities who serve non-renewable five-year terms. Members of the Panel are selected based on their ability to deal thoroughly and fairly with the Requests brought to them, their integrity and their independence from the Bank's Management, and their exposure to development issues and to living conditions in developing countries. The Chairperson of the Inspection Panel participates in the interview process of the new Panel Member, but does not vote in the selection. Members of the Panel may not be employed by the World Bank Group following the end of their service on the Panel. In addition, staff of the World Bank Group, including Executive Directors and their advisors, can only be appointed as Panel Members two years after the end of their service with the World Bank Group. The Members of the Panel elect a fulltime Chairperson of the Panel who works at Bank headquarters.

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<sup>4</sup> The Panel facilitates access to all potential Requesters and relies on culturally appropriate and gender responsive means of communication. Additionally, in its engagement with persons with disabilities, the Panel adopts the four main principles of the World Bank's Disability Inclusion and Accountability framework: nondiscrimination and equality, accessibility, inclusion and participation, and partnership and collaboration. World Bank, 2018. Disability Inclusion and Accountability Framework. Available at: <https://documents1.worldbank.org/curated/en/437451528442789278/pdf/126977-WP-PUBLIC-DisabilityInclusionAccountabilitydigital.pdf>.

#### **1.4 Role of Accountability Mechanism Secretary with Respect to the Inspection Panel.**

8. The AMS heads the AM. The Inspection Panel carries out its compliance review functions independently, in accordance with the 2020 Resolutions and these Operating Procedures. The AMS establishes and manages the AM's work program, budget and staffing, as well as oversees all administrative matters. The Chairperson determines the work program on compliance matters for the staff assigned to the Panel, and this work program will be determined for the most part by the needs of the case work. This program forms part of the work program of the AM.

9. Regarding the Panel's budget, the Chairperson and the AMS will work together to agree on it. The Chairperson decides on the budgetary expenditure requirements of the Panel in accordance with the budgetary resources allocated to the operations of the Panel. The Chairperson submits the Panel's financial expenditure requirements to the AMS for prompt and timely execution and implementation.

10. The AMS heads the recruitment process for the AM. Where this involves staff to be assigned to the Inspection Panel, the Inspection Panel Chairperson leads on technical selection criteria and their assessment and submits selections decisions in respect of all staff positions assigned to the Panel as per Board-approved budgets.

11. The AM Secretary and the Chairperson of the Inspection Panel develop and agree on appropriate internal protocols for administration, budget, recruitment, case management and record keeping, and communications.

12. In order to ensure the continued independence of the Inspection Panel's compliance function, the AMS' role with respect to the Inspection Panel is limited as follows:

- a. Functions assigned to the Inspection Panel are performed independently by the Inspection Panel including reporting to Executive Directors on compliance matters.
- b. In exercising their duties, the Inspection Panel Members and Chairperson will coordinate with but not be subject to the supervision of the AMS.
- c. AM staff assigned to the Inspection Panel report to the AMS on administrative matters but to Inspection Panel Members on technical matters, such as the compliance investigation itself, the composition of compliance teams and their mission travel, and the selection of consultants.
- d. The AMS consults with the Inspection Panel Chairperson on the appointment and performance reviews of technical and administrative staff of the Inspection Panel and works with the Inspection Panel Chairperson on the allocation and oversight of the Inspection Panel budget.
- e. The AMS ensures that information disclosed in a dispute resolution process is not used in a later compliance investigation.

#### **1.5 Decisions of the Panel**

13. All decisions of the Panel on procedural matters, its recommendations to the Board on whether to proceed with the investigation of a Request, its findings reported to the Board, and its recommendations to the Board on independent verification of MAP implementation are reached by consensus by the three Panel Members and, in the absence of a consensus, the majority and



minority views are stated.

Figure 1: The Process Timeline

1. Receipt of Request and Decision on Registration	2. Eligibility and Panel Recommendation	3. Referral to Dispute Resolution (DR)	4. Investigation	5. Post- Investigation	6. Verification of MAP Implementation
<ul style="list-style-type: none"> <li>The Panel notifies the public that it has received a Request for Inspection through a Notice of Receipt on its website.</li> <li>Within 15 business days after receiving the Request, the Panel decides whether to issue a Notice of Registration or a Notice of Non-Registration (a Notice of Non-Registration closes the case).</li> </ul>	<ul style="list-style-type: none"> <li>Bank Management responds within 21 business days after registration.</li> <li>Panel conducts a field visit, if needed.</li> <li>Within 21 business days after receiving the Management Response, the Panel recommends to the Board of Executive Directors whether an investigation is warranted.</li> <li>Board decision on Panel recommendation, usually after 10 business days (a recommendation not to investigate, if approved, closes the case).</li> </ul>	<ul style="list-style-type: none"> <li>If an investigation is approved, the World Bank Accountability Mechanism Secretary offers the option of dispute resolution facilitated by the Dispute Resolution Service to the Requesters and Borrower (Parties).</li> <li>If the Parties agree to DR (within 30 business days), the Panel holds its investigation in abeyance.</li> <li>The maximum length of the DR process is one year (extendable by six months).</li> <li>If the Parties reach agreement through DR, the Panel does not investigate.</li> </ul>	<ul style="list-style-type: none"> <li>If the Parties do not choose DR or no DR agreement is reached, the Panel commences its investigation.</li> <li>Panel conducts an investigation visit.</li> <li>The Panel submits its Investigation Report to the Board (aims to complete it within six months after posting Investigation Plan).</li> </ul>	<ul style="list-style-type: none"> <li>The Panel's Investigation Report is shared with Requesters.</li> <li>Bank Management consults with the affected parties and prepares the Management Action Plan (MAP).</li> <li>Management submits its Report and Recommendation, including the MAP, to the Board (within six weeks after receiving the Investigation Report).</li> <li>Board meets to consider the Panel's Investigation Report, and to discuss and approve the MAP.</li> </ul>	<ul style="list-style-type: none"> <li>Based on risk-based proportionality criteria and modalities, the Panel, with input from GIA, may recommend verification of MAP implementation for Board approval.</li> <li>With Board approval, the Panel verifies the implementation of MAP actions that address Panel findings; GIA verifies MAP actions addressing the Bank's governance, policy and procedures and other internal operational arrangements.</li> <li>The Panel submits a verification report to the Board.</li> <li>Management submits its follow-up to Board, indicating its views on the Panel's verification.</li> </ul>

The main phases of the process involve actions by the Requesters, the Panel, Bank Management, the Board, the AMS, the DRS, GIA, and includes consultation with the Borrower and affected parties.

## 2 PREPARATION AND SUBMISSION OF A REQUEST FOR INSPECTION

### 2.1 Who can Submit a Request for Inspection and when

14. Persons seeking access to the World Bank AM in all cases first file a Request for Inspection to the Inspection Panel.
15. A Request for Inspection may be submitted to the Panel by:
  - a. two or more people with common interests and concerns who claim that they have been or are likely to be directly adversely affected by a Bank-financed project, and who are in the country where the Bank-financed project is located; or
  - b. a duly appointed local representative acting on behalf of affected people; or
  - c. in exceptional cases, a non-local representative where the party submitting the Request contends that appropriate representation is not locally available and the Board so agrees at the time it considers the Request; or
  - d. an Executive Director of the Bank in special cases of serious alleged violations of the Bank's policies and procedures; or
  - e. the Executive Directors acting as a Board. The Resolution provides that the Board, at any time, may instruct the Panel to conduct an investigation.<sup>5</sup>
16. A Request may be submitted starting at the stage at which a project is under consideration by Management. For projects approved by the Board before September 8, 2020, the Request cannot be submitted after the closing date of the loan financing the project or after 95 percent or more of the loan has been disbursed. For projects approved by the Board on or after September 8, 2020, the Request cannot be filed more than 15 months after the Closing Date of the loan financing the project.

### 2.2 Contents of a Request for Inspection

17. A Request for Inspection should contain the following information:
  - a. **Harm.** A description of how the Requesters believe that their rights or interests may be adversely affected by a Bank-financed project, and the material adverse effects (harm) that they believe they are suffering, or are likely to suffer as a result.<sup>6</sup>
  - b. **The project.** A description of the Bank-financed project or proposed project<sup>7</sup> as far as it may be known to the Requesters, stating how, in their view, the harm suffered or likely to be suffered by them is linked to the project activities that the Requesters believe may be relevant to their concerns.
  - c. **Actions or omissions of the Bank.** A description of actions or omissions of the Bank with respect to the design, appraisal and/or implementation of the Bank-financed project (including

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<sup>5</sup> 2020 Panel Resolution, paragraph 13.

<sup>6</sup> Past cases of the Inspection Panel have addressed different types of harm or potential harm to people or the environment. These have included harm to: people and environment resulting from infrastructure projects or from involuntary resettlement in such projects (e.g., by a dam, road, pipeline, landfill, or other infrastructure project); indigenous peoples, their culture, traditions, lands tenure and development rights; cultural property, including sacred places; and the environment and natural habitats (e.g., air and water pollution, stress on water supplies, adverse impacts on wetlands, forests, fisheries, protected areas, etc.). Panel cases have also addressed gender-based violence, peoples' rights and interests related to consultation, participation and access to information for affected peoples and communities.

<sup>7</sup> See Definitions for definition of the term 'Bank-financed project'.

situations where the Bank is alleged to have failed in its follow-up on the Borrower's obligations under loan agreements with respect to such policies and procedures). Requesters are not required to mention or quote specific Bank operational policies and procedures, but if known, may elaborate upon how that action or omission is a result of a failure by the Bank to follow its operational policies and procedures, including, but not limited to, the Bank's environmental and social policies.

d. **Informing the Bank.** A Request should describe steps taken or efforts made to bring the issue to the attention of Bank staff (if possible, with dates, people contacted, and copies of the correspondence with the Bank), and a statement explaining why, in the Requesters' view, the Bank's response was inadequate.

18. If some information cannot be provided at the time of submitting the Request, an indication should be included as to when such information may be made available to the Panel.

### 2.3 How can a Request for Inspection be Submitted

19. **Format.** All Requests must be submitted in writing, but no specific form or format is necessary. The Request should be dated and signed by the Requesters or their representative. Requests with original signatures, and any supporting documentation, may be sent via mail or may also be submitted electronically. Requesters may ask for confidentiality in the handling of the Request (see paragraph 23 of these Procedures). For additional guidance, a Requester may wish to refer to the Inspection Panel and World Bank AM website.

20. **Language.** Requests may be submitted in the Requesters' local language. The working language of the Panel is English. If Requests are not in English, the time needed to translate and ensure the accuracy of the translation may add some days to the Panel's initial determination of whether to register the Request.

21. **Representatives.** If desired, Requesters may identify a representative or multiple representatives who will assist them in the Case handling process. If the Request is submitted by a local representative of the affected people, or if Requesters choose to have a representative at a later stage of the process, s/he must provide written evidence that s/he is acting on behalf of the people submitting the Request. Non-local representatives are also allowed in exceptional cases where the party submitting the Request contends that appropriate representation is not locally available and the Board so agrees at the time it considers the Request for Inspection. In such cases the Panel will bring the issue to the attention of the Board. The Request must include an explanation of the reasons for why there is no available representation in the country where the project is located or where the harm has occurred or may occur.

22. **Supporting information.** If available, the Requesters may include any other evidence that documents their concerns.

23. **Confidentiality.** Requesters may elect for their names, contact details and any identifying information to be kept confidential. If Requesters ask for confidentiality, the information will not be disclosed to anyone outside of the AM without written permission from the Requesters. However, for purposes of correspondence the name of a contact person should be provided.

24. **Submission of the Request.** Requests may be submitted in hard copy by mail or

electronically to [ipanel@worldbank.org](mailto:ipanel@worldbank.org) or [accountability@worldbank.org](mailto:accountability@worldbank.org). Requests by mail should be sent to the Inspection Panel, Mail Stop MC 10-1007, 1818 H Street, N.W., Washington, D.C. 20433, U.S.A. or to the Bank's country office in the country where the project is located. In the latter case, the country office will, after issuing a receipt to the Requester, forward the Request to the Panel unopened through the next pouch.

25. **Questions and additional information.** People who have questions about the Panel process or the procedures for submitting a Request for Inspection may contact the Panel. Those who have questions about the dispute resolution process may contact the DRS. Both the Panel and the DRS will provide information about the relevant requirements, in some cases simultaneously. Such inquiries may be made by mail or electronically at the addresses indicated above, or by direct contact at tel. +1-202-458-5200. Additional information about the Inspection Panel and its process is available on the AM website.

### 3 ACCOUNTABILITY MECHANISM PROCESS

26. As described in more detail in this section, the Panel process may involve the following main phases:

- a. Receipt of a Request for Inspection by the Panel and subsequent Panel determination on whether to register the Request.
- b. Confirmation of technical eligibility by the Panel and making a recommendation by the Panel on whether to investigate.
- c. Steps taken by the Panel when the Accountability Mechanism Secretary refers the Request to the Dispute Resolution Service, when an investigation is approved, and if agreed to by the Requesters and Borrower.
- d. Investigation by the Panel of claims raised by the Request if dispute resolution is not agreed to or does not result in agreement – the investigation phase.
- e. Panel actions following an investigation, including the sharing of the report with the Requesters.
- f. Panel verification of the implementation of Management Action Plans following Board approval.

#### 3.1 Receipt of a Request for Inspection by the Panel and subsequent Panel determination on whether to register the Request

##### Panel actions

##### *Initial review and verification of admissibility*

27. The Panel process formally begins when the Panel receives a Request for Inspection. The date of receipt of the Request gets recorded through a Notice of Receipt on the AM website.

28. The Panel promptly makes an initial review to check that the Request is submitted by a qualified party as stipulated in Section 2.1 above, and contains the basic information stipulated in Section 2.2.

29. The Panel may ask the Requesters for further information. The Panel may also request information and clarification about the Project from Management.

30. The Panel confirms the following as a basis for registration:

- a. The Request is not frivolous, absurd or anonymous.
- b. The project/program, which is the subject of the Request, appears to be supported, or is being considered for support, at least in part, by the Bank.
- c. At least one component of the project/program which is the subject of the Request can be plausibly linked to the alleged harm.
- d. For projects approved by the Board before September 8, 2020, the loan has not been closed or 95 percent or more disbursed. For projects approved on or after September 8, 2020, 15 months have not yet passed from the date the related loan has been closed.
- e. The subject matter of the Request does not concern issues of procurement, which is the process of acquisition of goods, work and services required for a project.

- f. The Request is not the same as a previous Request on which the Panel has already made a recommendation. If the Request raises similar matters as a previous Request, then the new Request must present new evidence or circumstances not known at the time of the prior request related to the Requesters' concerns.

31. On the basis of this review, within 15 business days of receipt of the Request, the Panel decides whether: (a) to ask for additional information from Requesters; (b) to issue a Notice of Registration; or (c) to find the Request not to be admissible. The decision is recorded on the AM website, and the Panel will keep Requesters, Management and the Borrower (through the Executive Director representing it) informed on next steps in its process.

***Ask for additional information***

32. If the Panel determines that the Request is insufficient or unclear in meeting the requirements for registration, it may ask the Requesters to supply further information. In this case, the Panel sends an acknowledgement to the Requesters that the Panel has received the Request, and specifies what additional information is required. This additional information may be considered part of the Request.

***Issue a Notice of Registration***

33. If the Panel determines that the Request meets the requirements for registration, the Panel sends a Notice of Registration to the Requesters, the Board, the Bank President ("President") and the Borrower (through the Executive Director representing it). The Panel also transmits to the President, as head of Management, a copy of the Request itself with accompanying documentation, if any. The Panel also informs the AMS. If Requesters have asked that their identities be kept confidential, no information that may identify them is disclosed in the Notice of Registration and in any accompanying documentation transmitted to Bank Management and the Board, as well as to the Borrower (through the Executive Director representing it).

34. The Notice of Registration triggers the requirement of a response to the Request by Bank Management within twenty-one business days.

35. The Notice of Registration:

- a. Records the date of receipt of the Request and the date of its registration.
- b. Presents the Requesters and their names, or that of their representative, unless confidentiality is requested.
- c. Includes a brief description of the project, including its location.
- d. Summarizes the concerns of and claims by the Requesters.
- e. Includes a summary description of steps that have been taken to bring the issue to the attention of the Bank prior to approaching the Panel, as explained by the Requesters.
- f. May include other relevant information in particular with respect to efforts made to address the issues raised in the Request.
- g. Specifies the due date of the Management Response.

### ***Request considered not admissible***

36. If the Panel finds, on the basis of the initial review or after seeking additional information, that the Request does not meet one or more of the criteria outlined in paragraphs 28 and 30 above, it will issue a Notice of Non-Registration and will notify the Board, the Bank President, the AMS and the Requesters.

### **3.2 Confirmation of technical eligibility by the Panel and making a recommendation by the Panel on whether to investigate**

37. This phase of the Panel process begins when the Panel sends a Notice of Registration to the Board and Management, as well as to the Borrower (through the Executive Director representing it). In this phase, Management is required to prepare a response to the Request for Inspection (called the “Management Response”). The main outcome of this phase is the Board’s approval, or non-approval, of the Panel recommendation of whether the matters presented in the Request warrant an investigation. The steps in this second phase of the Panel process are elaborated below.

#### **Management actions**

38. Management, within twenty-one business days after receiving the Notice of Registration, submits to the Panel the Management Response. After the Panel receives the Management Response, it enters the date of receipt on the AM website. The time limit for the Management Response is strictly observed except in circumstances clearly beyond the Management’s control. In practice, in such situations, and after consulting with the Panel, Management seeks Board approval for any proposed extension of the deadline.

39. The 2020 Panel Resolution requires the Management Response to include:

- a. Management’s view that it has complied with relevant Bank operational policies and procedures, or instead that serious failures are attributable to Management’s own actions or omissions, to the Borrower or to other factors external to the Bank, or both.
- b. Evidence that Management has complied with the relevant Bank operational policies and procedures, or that it intends to comply with the policies and procedures relevant to the Requesters’ claims.

40. As and when appropriate, the Management Response may include a description of measures to address the concerns raised in the Request that have been implemented or are being planned.

#### **Panel actions**

41. Once it receives the Management Response, the Panel has twenty-one business days to decide whether to recommend an investigation to the Board. The Panel’s recommendation is presented in a report called the “Report and Recommendation” (or “Eligibility Report”). The time limit for this report is strictly observed except for reasons clearly beyond the Panel’s control. In such cases the Panel informs the AMS, consults Management and will request the Board for an extension of the period in which it presents its report.

42. During the twenty-one day period, a Panel team normally conducts a field visit to the project area if necessary to help confirm the technical eligibility of the Request and inform the Panel's recommendation to the Board. During the field visit, the Panel team meets with the Requesters, and briefs them orally about relevant information in the Management Response, including any proposed remedial actions, as relevant to the Panel's recommendation to the Board. Bank staff of the country office, officials of the implementing agency and other interested parties may provide relevant information. The Panel also meets with representatives of the Borrower and the Executive Director at the Board representing the country or countries where the project is planned or is being implemented to seek further views and inputs that may be important to inform the Panel's decision on whether to recommend an investigation. The Borrower is provided with information about the Panel and its process.

43. In order to make an informed recommendation, the Panel may also request further clarification from Management or from the Requesters. Such a request for information does not affect the requirement of the Panel to submit its Report and Recommendation to the Board within twenty-one days after receipt of the Management Response.

#### ***The Panel's confirmation of technical eligibility***

44. As set forth in the 2020 Panel Resolution, a basic responsibility of the Panel during this phase of its process is to confirm whether the six technical eligibility criteria (see paragraphs 13-15 and 29 of the 2020 Panel Resolution) are met. Some of these criteria will have been fully or partly reviewed during the receipt and registration phase of the Panel process (see Section 3.1 above). The Panel's confirmation is guided by the following:

Criterion (a): *“The affected party consists of two or more persons with common interests and concerns who are in the Borrower's territory.”*

Criterion (b): *“The Request asserts in substance that a serious violation by the Bank of its operational policies and procedures has or is likely to have a material adverse effect on the Requester.”* The Panel confirms that the Request includes a description of the harm or potential harm (material adverse effects) that, according to Requesters, is the result of a serious violation by the Bank of its policies and procedures.

Criterion (c): *“The Request asserts that its subject matter has been brought to the attention of Management and that, in the Requesters' view, Management has failed to respond adequately demonstrating that it has followed or is taking steps to follow the Bank's policies and procedures.”* The Panel confirms that, prior to the submission of the Request, steps were taken to bring the concerns raised in the Request directly to the attention of Bank Management, and that Management had a reasonable opportunity to respond. Requesters need not approach the Bank themselves, but the Request should describe what steps and actions were taken to make sure that the issues included in the Request were brought to the attention of the Bank, as well as Management's response to these actions. Requesters can ask to maintain their confidentiality.

Criterion (d): *“The matter is not related to procurement.”* The Panel's confirmation is based on Bank policy OP/BP 11.00 which refers to procurement as *“the procurement by World Bank*



*borrowers of all goods, works, non-consulting services, and consulting services required for the Project and financed in whole or in part out of the proceeds of Bank loans.”*

Criterion (e): *“The related loan has not been closed or substantially disbursed.”* At the time of receipt of the Request, the Panel confirms that for projects approved by the Board before September 8, 2020, the related loan has not been closed or 95 percent or more disbursed. For projects approved on or after September 8, 2020, the Panel confirms that 15 months have not yet passed from the date the related loan has been closed.

Criterion (f): *“The Panel has not made a recommendation on the subject matter or, if it has, that the Request does assert that there is new evidence or circumstances not known at the time of the prior Request.”* If a Request raises concerns about the same project and substantive matter as in a previous Request about which the Panel already made a recommendation on whether an investigation was warranted, the Panel confirms that new facts or circumstances not known at the time of the prior Request are submitted to the Panel that distinguish the new Request from the previous one.

45. The Panel confirms the technical eligibility of the Request independently of any views that may be expressed by Management.

***The Panel’s recommendation on whether an investigation is warranted***

46. After confirming the technical eligibility of the Request, the Panel further assesses the Request and Management Response and exercises its judgment in deciding whether the matters presented in the Request warrant an investigation. The Panel may decide not to recommend an investigation even if it confirms that the technical eligibility criteria for an investigation are met, based on the considerations indicated in paragraph 48 below. The Panel explains the basis for its decision in its report.

47. The Panel prepares its recommendation on the basis of:

- a. The information in the Request, Management Response, and any other documents the Panel may have asked for and received from the Requesters, Management, the Borrower, as well as relevant third parties.
- b. Information gathered during the field visit in discussions with Requesters, Management and staff of the Bank’s country office, national and local authorities, the implementing agencies and other interested parties.
- c. Information gathered in interactions with the Executive Director representing the country.

48. In making its recommendation, the Panel takes into account the following:

- a. Whether there is a plausible causal link between the harm alleged in the Request and the Project.
- b. Whether the alleged harm and possible non-compliance by the Bank with its operational policies and procedures may be of a serious character.
- c. Whether Management, in the Panel’s view, has dealt appropriately with the issues raised in the Request and demonstrated clearly that it has followed or is taking steps to follow the required policies and procedures, or Management acknowledged that

it did not comply with relevant policies and procedures.

- d. Whether Management has provided a statement of specific remedial actions, and whether, in the judgment of the Panel and taking into account the view of the Requesters, these proposed remedial actions may adequately address the matters raised by the Request.

49. The Panel may not include, in its Report and Recommendation, an assessment of the Bank's compliance with its policies and procedures or its resulting harm to the Requesters, nor may it make any definitive assessment of the existence of a serious failure by the Bank that has caused harm. The Panel may make these assessments in an Investigation Report.

50. In a limited number of cases, the Panel has deferred its recommendation on whether to investigate the matters raised by the Request and proposed to the Board a time period for such a deferral. Without prejudice to the dispute resolution process, the purpose of such deferrals has been to provide additional time for Management and Requesters to seek a solution to the matters raised, taking into account specific remedial actions presented by Management.

#### ***Contents of the Panel's Report and Recommendation***

51. The Panel's confirmation of the technical eligibility of the Request for Inspection, and its assessment of whether to recommend an investigation, are set forth in the Panel's Report and Recommendation to the Board. This Report also includes a summary of the claims of the Request and the Management Response. The Panel's assessment is based on the Request and Management Response and additional information and observations, including the Borrower's views, as may be needed to explain the justification for the Panel's recommendation on whether or not an investigation is warranted.

52. The Report concludes with the Panel's recommendation to the Board, which includes an explanation of its basis. If the Panel recommends an investigation, it may specify the intended focus of the proposed investigation. Not all claims raised in the Request may warrant an investigation.

53. In addition, the Report and Recommendation will be accompanied by:
- a. The Request in full and, where applicable, any other relevant information provided by the Requesters supplementing the Request.
  - b. The Management's Response in full, and, where applicable, any clarifications provided.
  - c. Any other documents relevant to the Panel's analysis.

#### ***Submission of the Panel's Report and Recommendation***

54. The Panel's recommendation, which is included in its Report and Recommendation, is submitted to the Board for approval.

#### **Board decision**

55. The Panel's recommendation is circulated to the Board for approval within the normal

distribution period, under an absence of objection procedure.<sup>8</sup> If an Executive Director asks for a discussion, the decision by the Board will await the outcome of the Board meeting to be scheduled. If the Panel so recommends, the Board, according to the 2020 Panel Resolution, will authorize an investigation without making a judgment on the merits of the claimants' Request, and without discussion, except with respect to the technical eligibility criteria (see paragraph 44 above).<sup>9</sup>

### **Notification and public disclosure**

56. The Panel notifies the Requesters that the Report and Recommendation has been sent to the Board. Within two weeks of the Board's decision, the Panel informs the Requesters of the Board's decision and sends the Requesters a copy of the Panel's Report and Recommendation. At this time, Management and the Panel also make the full Report and Recommendation (including the Request and Management Response) publicly available (barring any confidential information). Translations of the Panel's Report and Recommendation, the Request and Management Response are also made available on the Panel's website.

### **3.3 Steps taken by the Panel when the Accountability Mechanism Secretary refers the Request to the Dispute Resolution Service, when an investigation is approved, and if agreed to by the Requesters and Borrower**

57. Following the authorization of an investigation, the AMS offers an opportunity for dispute resolution to the Requesters and the Borrower (the Parties) in accordance with Part III of the AM Resolution and the AM Operational Procedures. No later than 30 business days after authorization of the investigation, the AMS informs the Board, the Panel and Management of the Parties' decision.

58. The Panel will not initiate an authorized investigation until it is informed by the AMS of the Parties' decision. If the Parties do not agree to engage in a dispute resolution process, the Panel will commence the investigation. If, however, the AMS indicates that the Parties agree to pursue dispute resolution, the Panel will hold its compliance process in abeyance until the dispute resolution process is concluded in accordance with the AM Resolution. The Panel will have no role in dispute resolution and will not opine on policy compliance in dispute resolution or the outcome of the dispute resolution process.

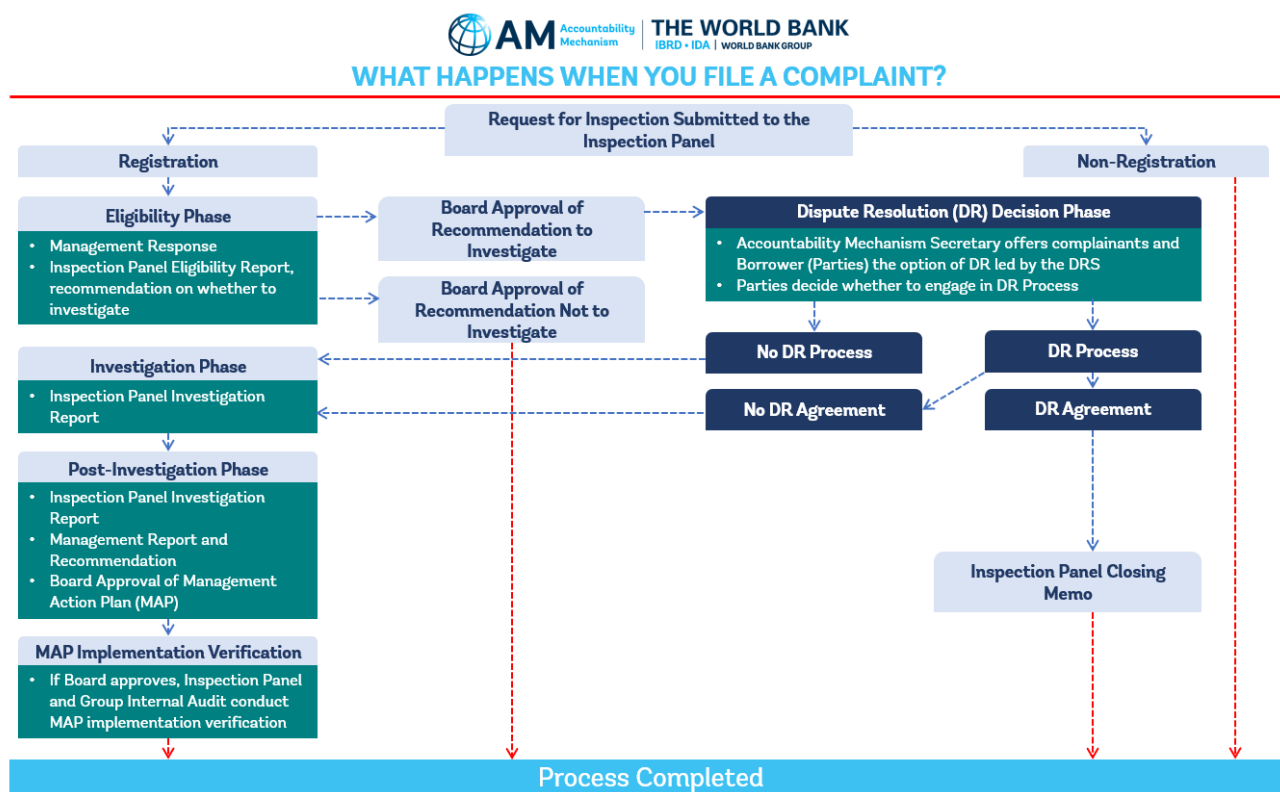
59. Upon receiving a report from the AMS that a dispute resolution process has concluded (as defined in paragraph 13 of the AM Resolution), the Panel will take one of the following steps: (i) If the AMS informs the Executive Directors that agreement has not been reached by the Parties within the stipulated period, the Panel will commence the investigation as set forth below; (ii) If the AMS informs the Executive Directors that the Parties have reached agreement and signed a Dispute Resolution Agreement, the case will be considered closed; the Panel will issue a memorandum closing the case and take no further action with respect to the Request.

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<sup>8</sup> This period is currently 10 business days.

<sup>9</sup> 2020 Panel Resolution, paragraph 29.

Figure 2: The sequencing between the Panel & DR Processes



### 3.4 Investigation by the Panel of claims raised by the Request if dispute resolution is not agreed to or does not result in agreement – the investigation phase

60. This section describes some of the key steps and outcomes of the investigation phase of the Panel process. It also addresses the organization and methodology of the investigation and the timeline for completing investigations.

#### Panel actions

##### *Organization of the investigation*

61. When an investigation is approved and after the AMS informs the Executive Directors and the Panel that: (i) the Parties do not agree to engage in a dispute resolution process or (ii) a dispute resolution process has taken place but an agreement was not reached by the Parties within the stipulated period, the Panel will commence the investigation. The Panel Chairperson will designate a Panel Member as the Lead Inspector and promptly put in place an investigation team, including a lead staff member for the investigation.

62. During the investigation, the Panel investigation team:

- a. Prepares and gathers relevant materials needed to initiate the investigation process.
- b. Prepares an investigation plan which includes: the key questions/issues the investigation is expected to address and the timeline of the investigation. The

- investigation plan is made publicly available and is posted on the AM website.
- c. Initiates and organizes all operational elements needed for the investigation, including identification of expert consultants and preparations for the field visit and meetings with relevant Bank staff and other relevant stakeholders.
  - d. Coordinates and maintains regular and timely contacts and interaction with Requesters and Management throughout the investigation process.

### ***Investigation methodology***

63. The methods used by the investigation team for its fact-finding and analysis include:
- a. Reviewing and researching Bank project documents and files. Management makes available to the Panel all available project documentation.
  - b. Visiting the borrowing country, project sites and project areas of impact.
  - c. Meeting with Requesters during visits.
  - d. Requesting or receiving information from the Requesters, affected people, government officials, project authorities, and others likely to have relevant information. The latter may include representatives of other development and UN organizations, non- governmental organizations and experts. In cases involving allegations of sexual exploitation and abuse or sexual harassment, information will be obtained in a form and manner that is survivor-centered and complete confidentiality will be maintained.
  - e. Interviews with individual Bank staff. Management enables the Panel to talk to staff involved with the project, both past and present.
  - f. Consulting scientific literature and publications relevant to the issues of harm raised in the Request.
  - g. Any other relevant methods the team considers appropriate to the specific investigation.
  - h. Information disclosed in a dispute resolution process is not used in the Inspection Panel's compliance investigation

### ***Interaction with the Requesters***

64. The Panel consults with the Requesters during the investigation process to ensure accuracy and completeness of available information, and to ensure that the Panel is updated on the status of any matters under investigation.

### ***Interaction with Management***

65. The Panel consults with Management during the investigation process, to ensure accuracy and completeness of available information, and to ensure that the Panel is updated on the status of any matters under investigation.

### ***Interaction with the Borrower***

66. The Panel and its investigation team brief the Executive Director representing the Borrower on the Panel's investigation process and plans, and consult with the Borrower and the Executive Director representing the borrowing (or guaranteeing) country during the investigation process

to seek views and input that may be important to the Panel in carrying out its investigation. The investigation team meets with representatives of the borrower government during its visit to the country.

### ***Additional aspects of the investigation process***

67. The Panel's investigation takes place independently of project preparation or implementation, and the Panel has no authority to delay or stop these processes.

68. On occasion, during the course of the investigation, the Panel may encounter situations that require urgent attention, for example actions that may result in imminent or irreversible harm and pose the risk of serious non-compliance with Bank policies. The Panel brings these matters promptly to the attention of the Board and Senior Management to help ensure that appropriate responsive action is considered and taken, without having to wait for the completion of the Panel's investigation.

69. The existence of an investigation does not prevent Management from taking steps to address concerns raised by the Requesters during the course of the investigation. These developments will be taken into account by the Panel, as relevant, in its investigation.

70. When both the Inspection Panel and the Office of the Compliance Advisor/Ombudsman (CAO)<sup>10</sup> receive a complaint regarding a project jointly financed by IBRD or IDA (with regard to the Panel), and IFC/MIGA (with regard to CAO), the Panel will coordinate with CAO to achieve efficiencies and avoid potential duplications, consistent with the mandate and responsibilities of each mechanism.

### ***Collaboration with other accountability mechanisms***

71. If the Panel receives a complaint that is also submitted to the independent accountability mechanism(s) of other international financial institutions relating to a co-financed project, the Panel will make its best efforts to coordinate with the accountability mechanism(s) of co-financier(s) to process the complaints in the most efficient and effective way possible. At all times, the cooperation must remain within the requirements and constraints of the Resolutions, rules and procedures including requirements of confidentiality and disclosure of information. Building on past practice, and sharing of experience across the Independent Accountability Mechanisms Network,<sup>11</sup> the elements of such cooperation will be set forth in a Memorandum of Understanding agreed between the Panel and the other mechanism(s).

### ***The Investigation Report***

72. In general, the Investigation Report of the Panel includes, *inter alia*, the following elements:

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<sup>10</sup> The [Compliance Advisor/Ombudsman \(CAO\)](#) is the independent recourse mechanism for the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA). The CAO responds to complaints from project-affected communities with the goal of enhancing social and environmental outcomes on the ground.

<sup>11</sup> The Independent Accountability Mechanisms (IAMs) Network is a network of members and staff of IAMs who seek to identify and foster means of cooperation within their respective mandates, contribute to regular exchange of ideas and practices, and assist with institutional capacity-building in accountability as components of corporate governance. Its members meet periodically.

- a. An Overview and/or Executive Summary of the Request for Inspection and the Panel's main findings.
- b. A Table of Findings presenting the claims raised in the Request and the corresponding Panel findings regarding the Bank's compliance or non-compliance.
- c. An analysis of relevant facts and information, and findings on issues of harm and compliance. If the Panel finds that an issue of alleged harm is not related to the Project or does not relate to a Bank policy or procedure, this will be stated in the report and the issue will not be further analyzed.
- d. The main report is divided into relevant chapters addressing the claims by the Requesters which constitute the focus of the investigation. For each allegation of harm the report will provide basic factual information on the link to the project, document the Panel's findings with respect to the Bank's action or omission and its compliance with relevant policies and procedures, and assess the causal link between the Bank's non-compliance and the alleged harm.

### *Timeline for completing investigations*

73. The Panel carries out investigations without undue delay. The Panel makes public an investigation plan within six weeks after the AMS informs the Executive Directors and the Panel that the Parties have not opted for Dispute Resolution, or that dispute resolution concluded without agreement on the issues identified in the Panel's Report and Recommendation pursuant to paragraph 33 of the Panel resolution. The Panel seeks to complete its investigations within six months following completion of the investigation plan. Depending on the specific circumstances of the case at hand, the time frame may be longer, for instance in the case of particularly complex cases or when unforeseen events intervene, or it may be shorter, when for example an investigation is narrowly focused or calls for a more urgent consideration.

74. The final Investigation Report is submitted to the Board and conveyed to Management via the President. The Panel sends a copy to the Group Internal Audit (GIA).

### **3.5 Panel actions following an investigation, including the sharing of the report with the Requesters**

75. This section addresses relevant actions in the Panel process that are or may be taken once the Panel completes its Investigation Report and submits it to the Board.

76. Following submission of the Investigation Report, the Panel shares the report's Table of Findings with the Requesters. The Bank also makes the Panel's full Investigation Report accessible in hard copy to Requesters at the nearest country office. The Requesters will be given the opportunity to read the report in the Bank's country office during two consecutive working days, but may not remove the report, make photocopies, take pictures or reproduce the report or parts of it by any other means.

77. A confidentiality agreement is signed by the Requesters before they are provided access to the Table of Findings and the full report. If the meeting is held off Bank premises in order to preserve the confidentiality of the Requesters, the modalities will be agreed between the Panel and Management.

78. The sharing of the Investigation Report is intended to allow Requesters to be more meaningfully involved in the consultations with Management on the development of the MAP.

### **Management actions following the Investigation Report**

79. Within six weeks from receiving the Panel's findings, Management will submit to the Board for their consideration a report indicating its recommendations in response to such findings (the "Management Report and Recommendation" (MRR)).

80. The MRR shall include a management action plan, comprising actions that Management proposes for addressing Panel findings of non-compliance and for which it seeks the Executive Directors' approval. Management shall consult with the affected parties during the preparation of the management action plan and shall communicate to the Panel the nature and outcomes of consultations with affected parties. Management shall also confirm to the Executive Directors that it has reached agreement with the borrower with respect to those actions in the management action plan that require the borrower's collaboration to implement.

### **Panel report on consultations with Requesters**

81. Management will communicate to the Panel the nature and the outcomes of the consultations with the affected parties on the action plan agreed between the Borrower and the Bank. The Panel may submit to the Board, for its consideration, a written or verbal report on the adequacy of these consultations. The Panel's reporting may be based on information available to the Panel by all sources, and the Panel may decide, in consultation with the Executive Director representing the Borrower, that a country visit is needed to be able to prepare its report accurately, but additional country visits will take place only by government invitation.

### **Board decision and public disclosure**

82. Following Management's submission of the MRR, the Board meets to consider the Panel's Investigation Report and the MRR. In this meeting the Board decides whether to approve the MAP that Management includes in its report.

83. Within two weeks after the Board meeting, the Bank makes the Investigation Report and the MRR publicly available. At this time, the Panel promptly informs the Requesters of the actions approved by the Board, if any, and ensures that the Requesters receive a copy of the Panel's Report. The Panel makes the following information available on its website:

- a. The Panel's Investigation Report.
- b. Management Report and Recommendation.
- c. Information relating to the results of the investigation and the Board's decision.
- d. Generally, a joint press release between the Panel and Management.

84. These documents are, to the extent possible, translated into the language of the Requesters.



## **Management Action Plan monitoring and MAP progress reports**

85. Management is responsible for monitoring the implementation of the MAP. Management submits progress reports to the Executive Directors on the implementation of the MAP at such intervals as the Executive Directors may request in a particular case. A progress report summarizes the status of implementation of the MAP in the period covered by the report, including actions completed, actions under ongoing implementation, and upcoming actions based on timelines included in the Management Action Plan. It also may include information on engagements undertaken during the reported period.

86. When Management submits its progress reports to the Board, these reports are made available on the AM website and the Panel provides them to the Requesters.

87. Management prepares summary reports on MAP implementation. Management submits these reports bi-annually to the Executive Directors and shares them with the Panel for information. These summary reports will be made publicly available on the Panel and AM website.

### **3.6 Panel verification of the implementation of Management Action Plans following Board approval**

88. The Executive Directors may approve, as an additional reassurance tool for avoiding reputational risks, independent risk-based proportionate verification of the implementation of the MAPs approved after September 8, 2020, by the Panel and/or Group Internal Audit (GIA). The modality adopted for such additional verification will be proportionate to the complexity and seriousness of the case.

89. The following principles apply for independent verification: (i) verification will focus solely on the Bank's actions as outlined in the MAP, distinguishing between periodic tracking of progress and terminal verification; (ii) verification will assess the status (including completion) of specific Management actions included in the Management Action Plan based on appropriate evidence of implementation status; (iii) to ensure efficiency of the verification process, it is important to have a timeline for verification based on timelines of agreed actions to avoid premature review of actions; and (iv) there will be a role for the Panel and/or GIA during the verification process that is consistent with their expertise and institutional roles as laid out below.

#### **Role of the Panel and GIA in verification**

90. The Panel verifies the implementation of Management's actions in the MAP that have been agreed between Management and the Borrower, designed to address harm that occurred as a result of the Bank's noncompliance. GIA verifies Management's actions in the MAP that are intended to address the Bank's governance, policy and procedures, and other internal operational arrangements for its oversight of environmental and social risks of Bank projects. GIA may also verify MAP actions at the project level if Management actions refer to internal policies and practices of the Bank.

## Scope of verification

91. Verification by the Panel and GIA focuses on the Management actions related to the specific concerns that form the basis of the Board’s decision to authorize verification. In recommending independent verification to the Executive Directors, the Panel, with input from GIA, describes the situation in response to the specific concerns identified.

## Proportionality criteria and verification modality

92. The framework for proportionality criteria and modalities for verification uses as a basis parameters that include: (i) urgency of redress, (ii) risk of repetitive harm, (iii) number and vulnerability of project-affected people, (iv) complexity of the case, and (v) risk of retaliation against Requesters.<sup>12</sup>

93. Based on the risk-based proportionality criteria, the modalities for verification and the above-mentioned roles, the Panel, with input from GIA, recommends to the Executive Directors whether there is a need for verification in light of specific concerns identified by the Panel and GIA, and if so, the scope and timeline for verification, and under what modality the Panel and/or GIA verifies the MAP.<sup>13</sup>

94. The risk-based proportionality criteria and modalities for verification are elaborated below: in cases of 6 to 8 positive indicators, the recommendation to verify MAP implementation includes a site visit; in cases of 3 to 5 positive indicators, the verification is desk-based; in cases of up to 2 positive indicators, no recommendation to verify MAP implementation is made.

<b>Risk-Based Proportionality Criteria Applied to the MAP</b>			
	<b>Yes</b>	<b>No</b>	<b>Comments</b>
<b>Urgency of redress</b>			
1. Is urgent or immediate redress required based on the severity of harm experienced?			
<b>Risk of repetitive harms materializing</b>			
2. Is there a risk of repetitive harm in this project?			
3. Is there a risk that the harm in this project might be repeated in other projects?			
<b>Number and vulnerability of project affected people</b>			
4. Does the MAP address vulnerable groups such as women, children, indigenous peoples, marginalized communities, etc., requiring special attention?			
5. Are there significant numbers of project-affected people?			
<b>Complexity of the case</b>			
6. Is the case unusually complex <sup>14</sup> ?			

<sup>12</sup> 2020 Panel Resolution, para. 50.

<sup>13</sup> 2020 Panel Resolution, para. 52.

<sup>14</sup> The complexity of a case reflects the issues covered or where the types of harm experienced are multiple and/or of large variety.

7. Are the issues new or unique <sup>15</sup> , with a high potential for learning?			
Risk of retaliation against Requesters			
8. Is there a risk of retaliation against Requesters or communities?			

Assessment of Risk-Based Criteria for Basis of Verification and Modalities			
Number of Positive indicators	Basis of Verification	Desk-based Verification	Verification with site visit
6-8	✓		✓
3-5	✓	✓	
0-2	✗		

### Verification Recommendation

95. As set forth in paragraph 53 of the 2020 Panel Resolution, the Panel’s recommendation for verification, generally, is made after substantial implementation of the MAP or if the progress report indicates lack of implementation, at any stage of implementation. This process will avoid an automatic “one-size-fits-all” approach. Site visits will be minimized to usually not more than one. The modality adopted for such additional verification will be proportionate to the complexity and seriousness of the case.

96. In exceptional cases, upon the Panel’s recommendation, with input from GIA, the Executive Directors may discuss and assign verification at the stage of approval of the MAP or shortly after. When the Panel proposes such verification for Executive Directors’ consideration, it will include a recommendation on the timing of the verification. The circumstances are deemed exceptional based on the gravity of the harm.

97. The Panel makes the verification recommendation to the Executive Directors. The Panel recommendation includes input from GIA. GIA identifies, in coordination with the Panel, the actions within the MAP that it recommends to verify. The Panel seeks Management’s input on the verification recommendation ahead of submission to the Executive Directors and includes it as an annex to the recommendation.

98. The verification recommendation includes the modality of the Panel’s verification and GIA’s approach for verification. If the Panel’s recommended modality and GIA’s approach require a field visit, the Panel includes this in its recommendation.

99. The Panel’s verification recommendation is considered by the Executive Directors on an absence of objection basis.<sup>16</sup> If the Executive Directors approve the independent verification, the

<sup>15</sup> The uniqueness of the issues provides weight to emerging issues where additional attention is required, and where learning can benefit the Bank.

<sup>16</sup> 2020 Panel Resolution, para. 53.

Panel discloses the recommendation for verification on its website and informs the Requesters.

### **Verification Process**

100. During verification, the Panel reviews the implementation status of Management's actions set forth in the MAP as identified in the verification recommendation approved by the Executive Directors. The Panel reports on the status of such actions.

101. The verification focuses solely on Management's actions and assesses the status of such actions. The verification considers Management's reporting of the status of actions as described in the MAP Progress Report and involves the description of the situation in response to the specific concerns identified when recommending verification to the Executive Directors.

102. Once GIA has completed its verification, a draft Assurance Review report is shared with relevant stakeholders from Management and the Panel for feedback and comments. In addition, GIA provides the Panel with a verification memo containing a high-level summary of the Assurance Review outcomes and the status of MAP actions verified for public disclosure. This is necessary as Assurance Review reports are confidential. GIA follows up with Management on all outstanding Management actions that were verified as per its process to monitor 'Critical'<sup>17</sup> rated audit issues. 'Critical' rated audit issues are followed up and reported to the Audit Committee in GIA's quarterly report until such issues are addressed by Management.

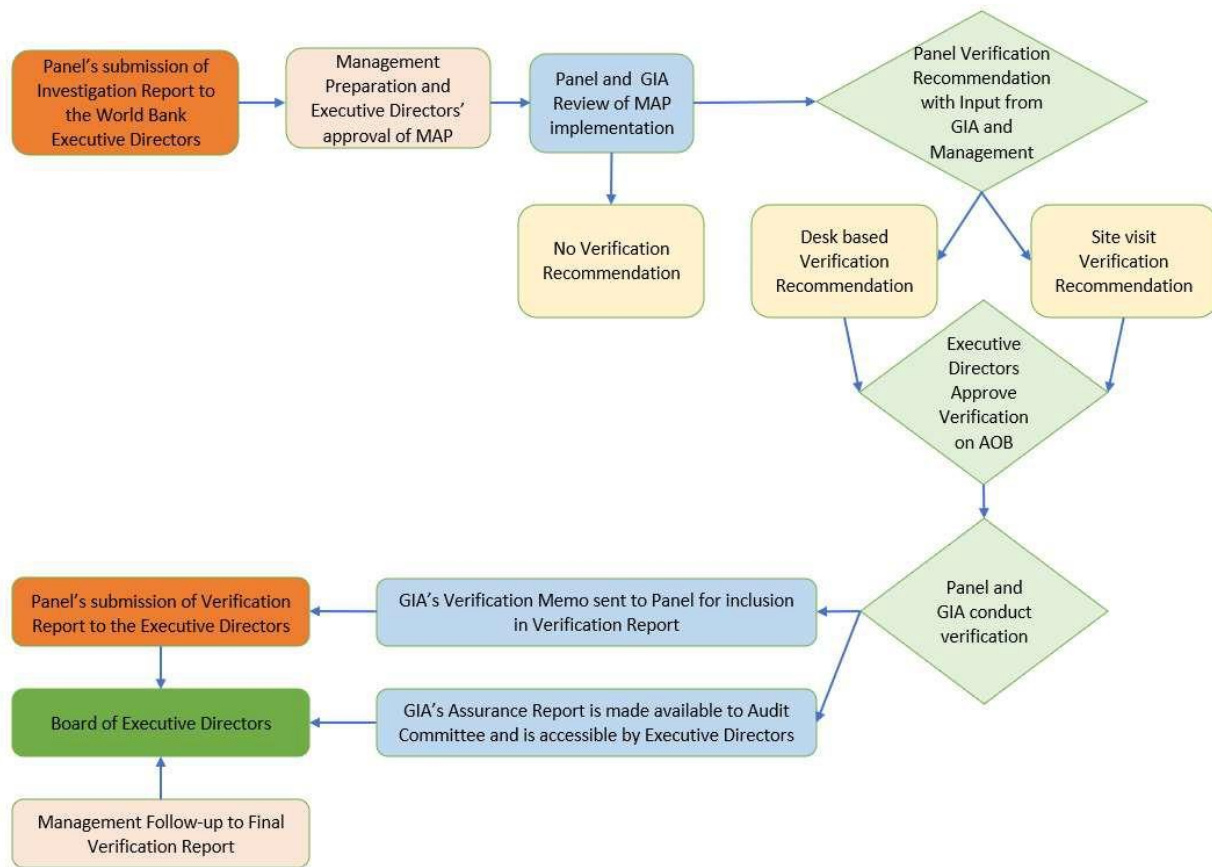
103. At the end of the verification process, the Panel will submit, for information, its verification report to the Executive Directors and the President. The Panel's verification report will incorporate GIA's verification memo if and when available, without amendments. In response to the Panel's final verification report, Management will submit its follow-up, indicating its views on Panel's findings to the Executive Directors. This is the case both for desk-based verification and verification with a field visit. Management follow-up reports that suggest modifications or adjustments to the MAP should be discussed and approved by the Board. Both the Panel's verification report and Management's follow-up will be made publicly available on websites of the Inspection Panel and the AM.

104. The flowchart below set out the process and steps to be followed if the Panel proposes and the Executive Directors approve verification.

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<sup>17</sup> A critical rated issue is an issue that: (a) requires urgent senior management attention; (b) is extremely likely to constrain the ability to achieve strategic or operational objectives of the audited unit, function, process, or system, and/or; (c) causes severe financial or reputational damage to the World Bank Group.

Figure 3: Verification Flowchart<sup>18</sup>



<sup>18</sup> See paragraphs 102 and 103 of these Operating Procedures for additional details on GIA's reporting and follow-up of MAPs.

## **4 OUTREACH AND LEARNING FROM THE PANEL PROCESS**

### **4.1 Raising awareness of the Panel and the Panel process**

105. A prerequisite for the effective functioning of the AM is that available options are known to people whose rights and interests may be affected by Bank-financed projects. The Panel coordinates with the AMS on any outreach it proposes to conduct. When Panel participation is required in AM outreach, the AMS coordinates with the Panel Chairperson on who will represent the Panel.

106. Management will make significant efforts to make the Panel and DRS better known in borrowing countries but will not provide technical assistance or funding to potential Requesters.

107. Public information materials are produced in several languages. The AM ensures that user-friendly information is easily retrievable through the internet and social media or other means of informational dissemination, as appropriate. The AM organizes in-country and virtual outreach events, often in collaboration with other independent accountability mechanisms and civil society organizations. The AM also organizes meetings and participates in relevant conferences and civil society events. All of the above activities that involve the Panel are coordinated with the Panel Chairperson. If the Panel initiates any such activities, the Panel Chairperson coordinates with the AMS.

### **4.2 Advisory services and facilitation of learning from Panel cases**

108. The Panel may provide advisory services in the form of lessons from its cases through its different reports and publications. The Panel's advisory services may not extend to providing specific operational guidance, or advice on the merits of a specific Bank policy, procedure, directive or similar document.

109. Additionally, the Panel presents systemic issues and reflections discerned from its work to the Board, Management, and the public via the Annual Report and other publications as well as through meetings with the Board and Management as and when requested. The Panel may also present such observations to the Board's CODE in its periodic meetings.

110. The Panel hosts meetings and events to discuss outcomes of its investigations and other reports with Management and relevant stakeholders so as to facilitate institutional learning.