

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**

Resolution No. IBRD 2020-0004 and Resolution No. IDA 2020-0003

The World Bank Inspection Panel

September 8, 2020

The Executive Directors:

Hereby resolve:

1. Reference is made to:
 - (a) Resolution No. IBRD 93-10 and Resolution No. IDA 93-6 (1993) whereby the Executive Directors established an independent Inspection Panel (hereinafter “the Panel”), with the powers and functions as therein stated (the “Panel Resolution”).
 - (b) The document entitled Clarification of Certain Aspects of the Resolution, approved by the Executive Directors on October 17, 1996 (the “1996 Clarification”).
 - (c) The document entitled 1999 Clarification of the Board's Second Review of the Inspection Panel, approved by the Executive Directors on April 20, 1999 (the “1999 Clarification”).
 - (d) Resolution No. IBRD 2000-0005 and Resolution No. IDA 2020-0004 (2020) whereby the Executive Directors establish the World Bank Accountability Mechanism (the “Accountability Mechanism Resolution”).
2. The Executive Directors reaffirm the importance of the Panel’s function, its independence and integrity. This Resolution restates and consolidates the Panel Resolution, the 1996 Clarification and the 1999 Clarification, and amends the same to reflect decisions of the Executive Directors dated October 31, 2018 and March 5, 2020.

Composition of the Panel

3. The Panel shall consist of three members of different nationalities from World Bank (the “Bank”) member countries. The President, after consultation with the Executive Directors, shall nominate the members of the Panel to be appointed by the Executive Directors.
4. Each member of the Panel shall be appointed for a period of five years, provided that no member may serve for more than one term. The term of appointment of each member of the Panel shall be subject to the continuity of the inspection function established by this Resolution.
5. Members of the Panel shall be selected on the basis of 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 developmental issues and to

living conditions in developing countries. Knowledge and experience of the Bank's operations will also be desirable.

6. Executive Directors, Alternates, Advisors and staff members of the World Bank Group may not serve on the Panel until two years have elapsed since the end of their service in the World Bank Group. For purposes of this Resolution, the term "staff" shall mean all persons holding World Bank Group appointments as defined in Staff Rule 4.01 including persons holding consultant and local consultant appointments.
7. A Panel member shall be disqualified from participation in the hearing and investigation of any request related to a matter in which he/she has a personal interest or had significant involvement in any capacity.
8. The members of the Panel shall elect a Chairperson for a period of one year.
9. Members of the Panel may be removed from office only by decision of the Executive Directors, for cause.
10. With the exception of the Chairperson who shall work on a full-time basis at Bank headquarters, members of the Panel shall be expected to work on a full-time basis only when their workload justifies such an arrangement, as will be decided by the Executive Directors on the recommendation of the Panel.
11. In the performance of their functions, members of the Panel shall be officials of the Bank enjoying the privileges and immunities accorded to Bank officials, and shall be subject to the requirements of the Bank's Articles of Agreement concerning their exclusive loyalty to the Bank and to the obligations of subparagraphs (c) and (d) of paragraph 3.1 and paragraph 3.2 of the Principles of Staff Employment concerning their conduct as officials of the Bank. Once they begin to work on a full-time basis, they shall receive remuneration at a level to be determined by the Executive Directors upon a recommendation of the President, plus normal benefits available to Bank fixed-term staff. Prior to that time, they shall be remunerated on a *per diem* basis and shall be reimbursed for their expenses on the same basis as the members of the Bank's Administrative Tribunal. Members of the Panel may not be employed by the World Bank Group, following the end of their service on the Panel.
12. The Panel shall be given such budgetary resources as shall be sufficient to carry out its activities.

Powers of the Panel

13. The Panel shall receive requests for inspection presented to it by an affected party in the territory of the borrower which is not a single individual (i.e., a community of persons such as an organization, association, society or other grouping of individuals), or by the local representative of such party or by another representative in the exceptional cases where the party submitting the request contends that appropriate representation is not locally available and the Executive Directors so agree at the time they consider the request for inspection. Any such representative shall present to the Panel written evidence that he is acting as agent of the party on behalf of which the request is made. The affected party must demonstrate that its rights or interests have been or are likely to be directly affected by an action or omission of the Bank as a result of a failure of the Bank to follow its operational policies and

procedures with respect to the design, appraisal and/or implementation of a project¹ financed by the Bank (including 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) provided in all cases that such failure has had, or threatens to have, a material adverse effect. In view of the institutional responsibilities of Executive Directors in the observance by the Bank of its operational policies and procedures, an Executive Director may in special cases of serious alleged violations of such policies and procedures ask the Panel for an investigation, subject to the requirements of paragraphs 14 and 15 below. The Executive Directors, acting as a Board, may at any time instruct the Panel to conduct an investigation. For purposes of this Resolution, "operational policies and procedures" consist of the Bank's Operational Policies, Procedures and Directives, and similar documents issued before these series were started, and does not include guidance in the form of guidance notes, good practice notes and similar documents or statements.

14. The Panel shall satisfy itself before a request for inspection is heard that the subject matter of the request has been dealt with by the Management of the Bank and Management has failed to demonstrate that it has followed, or is taking adequate steps to follow the Bank's policies and procedures. The Panel shall also satisfy itself that the alleged violation of the Bank's policies and procedures is of a serious character.
15. In considering requests under paragraph 13 above, the following requests shall not be heard by the Panel:
 - (a) Complaints with respect to actions which are the responsibility of other parties, such as a borrower, or potential borrower, and which do not involve any action or omission on the part of the Bank.
 - (b) Complaints against procurement decisions by Bank borrowers from suppliers of goods and services financed or expected to be financed by the Bank under a loan agreement, or from losing tenderers for the supply of any such goods and services, which will continue to be addressed by staff under existing procedures.
 - (c) Requests filed:
 - (i) with respect to any project approved by the Executive Directors before the date of this Resolution, after the Closing Date of the loan financing the project or after the loan financing the project has been substantially disbursed²;
 - (ii) with respect to any project approved by the Executive Directors on or after the date of this Resolution, more than fifteen months after the Closing Date of the loan financing the project.
 - (d) Requests related to a particular matter or matters over which the Panel has already made its recommendation upon having received a prior request, unless justified by new evidence or circumstances not known at the time of the prior

¹ The word "project" as used in this Resolution has the same meaning as it generally has in the Bank's practice and includes projects under consideration by Bank Management as well as projects already approved by the Executive Directors.

² This will be deemed to be the case when at least ninety five percent of the loan proceeds have been disbursed.

request.

16. The Panel shall seek the advice of the Bank's Legal Vice Presidency on matters related to the Bank's rights and obligations with respect to the request under consideration.

Procedures

a. Requests for inspection

17. Requests for inspection shall be in writing and shall state all relevant facts, including, in the case of a request by an affected party, the harm suffered by or threatened to such party or parties by the alleged action or omission of the Bank. All requests shall explain the steps already taken to deal with the issue, as well as the nature of the alleged actions or omissions and shall specify the actions taken to bring the issue to the attention of Management, and Management's response to such action.
18. The Chairperson of the Panel shall inform the Executive Directors and the President of the Bank promptly upon receiving a request for inspection.

b. Management Response

19. Within 21 business days of being notified of a request for inspection, the Management of the Bank shall provide the Panel with evidence that it has complied or intends to comply with the Bank's relevant policies and procedures.
20. In its initial response to the request for inspection, Management will provide evidence that:
 - (a) it has complied with the relevant Bank operational policies and procedures; or that
 - (b) there are serious failures attributable exclusively to its own actions or omissions in complying, but that it intends to comply with the relevant policies and procedures; or that
 - (c) the serious failures that may exist are exclusively attributable to the borrower or to other factors external to the Bank; or that
 - (d) the serious failures that may exist are attributable both to the Bank's non-compliance with the relevant operational policies and procedures and to the borrower or other external factors.

The Inspection Panel may independently agree or disagree, totally or partially, with Management's position and will proceed accordingly.

21. When Management responds, admitting serious failures that are attributable exclusively or partly to the Bank, it will provide evidence that it has complied or intends to comply with the relevant operating policies and procedures. This response will contain only those actions that the Bank has implemented or can implement by itself.

c. Eligibility Determination and Panel Recommendation

22. Within 21 business days of receiving the response of the Management as provided in paragraph 19 above, the Panel shall determine whether the request meets the eligibility criteria set out in paragraphs 13 to 15 above and shall make a

recommendation to the Executive Directors as to whether the matter should be investigated.

23. The Inspection Panel will satisfy itself as to whether the Bank's compliance or evidence of intention to comply is adequate and reflect this assessment in its reporting to the Executive Directors.
24. The Panel will determine the eligibility of a request for inspection independently of any views that may be expressed by Management. With respect to matters relating to the Bank's rights and obligations with respect to the request under consideration, the Panel will seek the advice of the Bank's Legal Vice Presidency as required in paragraph 16 above.
25. For its recommendation on whether an investigation should be carried out, the Panel will satisfy itself that all the eligibility criteria provided for in the Resolution have been met. It will base its recommendation on the information presented in the request, the Management response, and other documentary evidence.
26. The Panel may decide to visit the project country if it believes that this is necessary to establish the eligibility of the request. In respect of such field visits, the Panel will not report on the Bank's failure to comply with its policies and procedures or its resulting material adverse effect; any definitive assessment of a serious failure of the Bank that has caused material adverse effect will be done after the Panel has completed its investigation.
27. The time limits, set forth in paragraphs 19 and 22 for both Management's response to the request and the Panel's recommendation, will be strictly observed except for reasons of force majeure, i.e. reasons that are clearly beyond Management's or the Panel's control, respectively, as may be approved by the Executive Directors on an absence of objection basis.

d. Executive Directors' Authorization to Investigate

28. The recommendation of the Panel shall be circulated to the Executive Directors for decision within the normal distribution period. In case the request was initiated by an affected party, such party shall be informed of the decision of the Executive Directors within two weeks of the date of such decision.
29. If the Panel so recommends, the Executive Directors will authorize an investigation without making a judgment on the merits of the claimants' request, and without discussion except with respect to the following technical eligibility criteria:
 - (a) The affected party consists of any two or more persons (the "requesters") with common interests or concerns and who are in the borrower's territory.
 - (b) The request does assert 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 requesters.
 - (c) The request does assert that its subject matter has been brought to Management's attention 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.
 - (d) The matter is not related to procurement.

- (e) For projects approved by the Executive Directors before the date of this Resolution, the related loan has not been closed or substantially disbursed or for projects approved by the Executive Directors on or after the date of this Resolution fifteen months have not yet passed from the date the related loan has been closed.
- (f) The Panel has not previously 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.

e. Referral to Dispute Resolution

- 30. Following the authorization of an investigation in accordance with paragraph 29 above, the Accountability Mechanism Secretary shall offer an opportunity for dispute resolution to the requesters and the borrower (the Parties) in accordance with Part III of the Accountability Mechanism Resolution.
- 31. In accordance with the Accountability Mechanism Resolution, no later than 30 business days after authorization of the investigation, the Accountability Mechanism Secretary shall inform the Executive Directors, the Panel and Management of the Parties' decision.
- 32. The Panel shall not initiate an authorized investigation until it is informed by the Accountability Mechanism Secretary per paragraph 31 above of the Parties' decision. If the Parties do not agree to engage in a dispute resolution process, the Panel shall commence the investigation as set forth in part (f) below. If, however, the report indicates that the Parties agree to pursue dispute resolution, the Panel shall hold its compliance process in abeyance until the dispute resolution process is concluded in accordance with the Accountability Mechanism 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.
- 33. Upon receiving a report from the Accountability Mechanism Secretary that a dispute resolution process has concluded (as defined in paragraph 13 of the Accountability Mechanism Resolution) the Panel shall take one of the following steps:
 - (a) If the Accountability Mechanism Secretary informs the Executive Directors that agreement has not been reached by the Parties within the stipulated period, the Panel shall commence the investigation as set forth in part (f) below.
 - (b) If the Accountability Mechanism Secretary informs the Executive Directors that the Parties have reached agreement and signed a Dispute Resolution Agreement, the case shall be considered closed. The Panel shall issue a memorandum closing the case and take no further action with respect to the request.

f. Investigation

- 34. If a decision is made by the Executive Directors to investigate the request, the Chairperson of the Panel shall designate one or more of the Panel's members (Inspectors) who shall have primary responsibility for conducting the inspection. The Inspector(s) shall report his/her (their) findings to the Panel within a period to be

determined by the Panel taking into account the nature of each request.

35. In the discharge of their functions, the members of the Panel shall have access to all staff who may contribute information and to all pertinent Bank records and shall consult as needed with the Director-General, Independent Evaluation Group and the Auditor General, Group Internal Audit. The borrower and the Executive Director representing the borrowing (or guaranteeing) country shall be consulted on the subject matter both before the Panel's recommendation on whether to proceed with the investigation and during the investigation. Inspection in the territory of such country shall be carried out with its prior consent.
36. The Panel shall submit its report to the Executive Directors and the President. The report of the Panel shall consider all relevant facts and shall conclude with the Panel's findings on whether the Bank has complied with all relevant Bank policies and procedures.
37. The profile of Panel activities, in-country, during the course of an investigation, should be kept as low as possible in keeping with its role as a fact-finding body on behalf of the Executive Directors. The Panel's methods of investigation should not create the impression that it is investigating the borrower's performance. However, the Executive Directors, acknowledging the important role of the Panel in contacting the requesters and in fact-finding on behalf of the Executive Directors, welcome the Panel's efforts to gather information through consultations with affected people. Given the need to conduct such work in an independent and low-profile manner, the Panel – and Management – should decline media contacts while an investigation is pending or underway. Under those circumstances in which, in the judgement of the Panel or Management, it is necessary to respond to the media, comments should be limited to the process. They will make it clear that the Panel's role is to investigate the Bank and not the borrower.
38. The Panel's report to the Executive Directors will focus on whether there is a serious Bank failure to observe its operational policies and procedures with respect to project design, appraisal and/or implementation. The report will include all relevant facts that are needed to understand fully the context and basis for the Panel's findings and conclusions. The Panel will discuss in its written report only those material adverse effects, alleged in the request, that have totally or partially resulted from serious Bank failure of compliance with its policies and procedures. If the request alleges a material adverse effect and the Panel finds that it is not totally or partially caused by Bank failure, the Panel's report will so state without entering into analysis of the material adverse effect itself or its causes.
39. For assessing material adverse effect, the without-project situation should be used as the base case for comparison, taking into account what baseline information may be available. Non-accomplishments and unfulfilled expectations that do not generate a material deterioration compared to the without-project situation will not be considered as a material adverse effect for this purpose. As the assessment of material adverse effect in the context of the complex reality of a specific project can be difficult, the Panel will have to exercise carefully its judgement on these matters and be guided by Bank policies and procedures where relevant.

g. Management Report and Recommendation and Management Action Plan

40. Within six weeks from receiving the Panel's findings, Management will submit to the Executive Directors for their consideration a report indicating its recommendations in response to such findings (the "Management Report and Recommendation".)
41. The Management Report and Recommendation 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.
42. The Panel may submit to the Executive Directors for their consideration a report on their view of the adequacy of consultations with affected parties in the preparation of the management action plan. Except as set forth in paragraphs 48 through 53 below, the Executive Directors shall not ask the Panel for its view on other aspects of the management action plan nor would it ask the Panel to monitor the implementation of the management action plan. The Panel's view on consultation with affected parties will be based on the information available to it by all means, but additional country visits will take place only by government invitation.
43. In all cases of a request made by an affected party, the Bank shall, within two weeks of the Executive Directors' consideration of the matter, inform such party of the results of the investigation and the action taken in its respect, if any.
44. When an investigation by the Panel concerns a project under preparation (see footnote 1), the findings of the Panel and the actions completed during project preparation also will be discussed in the project appraisal document when the project is submitted to the Executive Directors for financing.

h. Sharing the Investigation Report with Requesters

45. Following submission of the Panel's investigation report to the Executive Directors and President, the Panel shall share the report's table of findings with the requesters. The Bank also shall make 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.
46. A confidentiality agreement shall be 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.

i. Reporting on and Verification of Management Action Plan Implementation

47. Management shall be responsible for monitoring the implementation of the management action plan. Management shall submit progress reports to the

Executive Directors on the implementation of the management action plans, at such intervals as the Executive Directors may request in a particular case. A progress report shall summarize the status of implementation of the management action plan 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.

48. The Executive Directors may approve, as an additional reassurance tool for avoiding reputational risks, independent risk-based proportionate verification of the implementation of the management action plan by the Panel and/or Group Internal Audit. The modality adopted for such additional verification will be proportionate to the complexity and seriousness of the case.
49. The following principles apply for independent verification: (i) verification will focus solely on the Bank's actions as outlined in the management action plan, 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 Group Internal Audit during the verification process that is consistent with their expertise and institutional roles as laid out below.
50. The framework for proportionality criteria and modalities for verification is elaborated by the Panel, Management and Group Internal Audit for the Committee on Development Effectiveness (CODE)'s and the Executive Directors' consideration, using as the basis parameters which include: (i) urgency of redress, (ii) risk of repetitive harms, (iii) number and vulnerability of project affected people, (iv) complexity of the case and (v) risk of retaliation against Requesters.
51. The Panel will verify the implementation of Management's actions in the management action plan that have been agreed between Management and the borrower, designed to address harm that occurred as a result of the Bank's non-compliance. Group Internal Audit will verify Management's actions in the management action plan that are intended to address the Bank's governance, policy and procedures, and other internal operational arrangements for the oversight of environmental and social risks of Bank projects. Group Internal Audit may also verify management action plan actions at the project level if Management actions refer to internal policies and practices of the Bank. The Group Internal Audit report will be sent to the President and the Audit Committee. In addition, the report will be made available to the Executive Directors and the Panel. Group Internal Audit's report could be considered jointly by the Audit Committee and CODE.
52. While Management is responsible for its monitoring function of management action plans, the Executive Directors will decide about the verification of the progress and/or completion of management action plans. Based on the risk-based proportionality criteria and the above-mentioned roles, the Panel, with input from Group Internal Audit, will recommend to the Executive Directors whether there is a need for verification, and if so, the scope and timeline for verification, and

under what modality the Panel and/or Group Internal Audit will verify the management action plan.

53. The Panel recommendation, generally, will be made after substantial implementation of the management action plan or, if the progress report indicates lack of implementation, at any stage of implementation. In exceptional cases, upon the Panel's recommendation, with input from Group Internal Audit, the Executive Directors may discuss and assign verification at the stage of approval of the management action plan or shortly after. This process will avoid an automatic "one-size-fits-all" approach. Site visits will be minimized to usually not more than one. The recommendation for verification will be submitted to the Executive Directors for decision on absence of objection basis.

Decisions of the Panel

54. All decisions of the Panel on procedural matters, its recommendations to the Executive Directors on whether to proceed with the investigation of a request or verify the implementation of a management action plan, and its reports pursuant to paragraphs 36 and 53, shall be reached by consensus and, in the absence of a consensus, the majority and minority views shall be stated.

Reports

55. After the Executive Directors have considered a request for an inspection as set out in paragraph 28, the Bank shall make such request publicly available together with the recommendation of the Panel on whether to proceed with the inspection and the decision of the Executive Directors in this respect. The Bank shall make publicly available the report submitted by the Panel pursuant to paragraph 36 and the Bank's response thereon within two weeks after consideration by the Executive Directors of the report.
56. Prompt disclosure of information to requesters and the public, as stipulated in paragraphs 43 and 55 is important. The Executive Directors require that such information be provided by Management to claimants in their language, to the extent possible.
57. The Panel shall furnish an annual report to the President and the Executive Directors concerning its activities. The annual report shall be published by the Bank.
58. Management will make its response to requests for inspection available to the public within three days after the Executive Directors have decided on whether to authorize the inspection. Management will also make available to the public opinions of the General Counsel related to Inspection Panel matters promptly after the Executive Directors have dealt with the issues involved, unless the Executive Directors decide otherwise in a specific case.

Advisory services of the Panel

59. 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 shall not extend to providing specific operational guidance, or advice on the merits of a specific Bank policy, procedure, directive or similar document.

Other

60. In applying this Resolution to specific cases, the Panel will apply it as it understands it, subject to the Executive Directors' review. The Executive Directors will have the authority to interpret this Resolution.
61. Management will make significant efforts to make the Inspection Panel better known in borrowing countries but will not provide technical assistance or funding to potential requesters.
62. Management will not communicate with the Board on matters associated with a request for inspection, except as provided for in the Resolution. It will thus direct its response to the request, including any steps it intends to take to address its failures, if any, to the Panel. Management will report to the Executive Directors any recommendations it may have, after the Panel completes its inspection and submits its findings.
63. The Executive Directors recognize that enhancing the effectiveness of the Inspection Panel process assumes adherence to this Resolution by all parties in good faith. They also assume the borrowers' consent for field visits envisaged in the Resolution. If these assumptions prove to be incorrect, the Executive Directors will revisit the above conclusions.