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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

Resolution No. IBRD 2025-0001 and Resolution No. IDA 2025-0001

The World Bank Accountability Mechanism: Inspection Panel and Dispute Resolution Service

March 7, 2025

The Executive Directors:

Hereby resolve:

A. Reference is made to:

i. Resolution No. IBRD 2000-0005 and Resolution No. IDA 2020-0004, dated September 8, 2020 (the "AM Resolution") establishing the World Bank Accountability Mechanism. The AM Resolution provides that the Accountability Mechanism comprises two constituent parts: the Inspection Panel and the Dispute Resolution Service and is headed by the Accountability Mechanism Secretary (the "AM Secretary").

ii. Resolution No. IBRD 2020-0004 and Resolution No. IDA 2020-0003, dated September 8, 2020 (the "Panel Resolution," and together with the AM Resolution "the 2020 Resolutions"), setting forth the structure, powers and functions of the World Bank Inspection Panel.

iii. The January 8, 2025, approval by the Executive Directors of changes to the structure and functions of the Accountability Mechanism.

B. With a view to implementing the Executive Directors' January 8, 2025, decision, the Executive Directors adopt this Resolution, which supersedes the 2020 Resolutions as of the date of this Resolution.

Part I: The Accountability Mechanism

1. The Accountability Mechanism operates with two parallel entities, both of which report independently to the Executive Directors:

   a. The Inspection Panel (the "Panel"), the structure, role and functions of which are set forth in Part II of this Resolution; and

   b. The Dispute Resolution Service (the "DRS"), the structure, role and functions of which are set forth in Part III of this Resolution.

2. The Panel and DRS, with the assistance of the Executive Secretary, shall cooperate as necessary to ensure the prompt, effective, efficient, and independent operation of the Panel and the DRS in accordance with the terms of this Resolution. Such cooperation extends to matters related to administrative support, information and outreach regarding the Accountability Mechanism through a single website and other means, reporting, knowledge sharing and other matters necessary for the operation of the Panel and the DRS.

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Part II: The Inspection Panel

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

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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 project[1] 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:

[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.

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i. with respect to any project approved by the Executive Directors before September 8, 2020, after the Closing Date of the loan financing the project or after the loan financing the project has been substantially disbursed[2];

ii. with respect to any project approved by the Executive Directors on or after September 8, 2020, 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 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, the Head of DRS, 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

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

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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:

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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 September 8, 2020, the related loan has not been closed or substantially disbursed or for projects approved by the Executive Directors on or after September 8, 2020, 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 Head of DRS shall offer an opportunity for dispute resolution to the requesters and the borrower (the Parties) in accordance with paragraphs 68 to 86 of this Resolution.

31. No later than 30 business days after authorization of the investigation, the Head of DRS 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 Head of DRS 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. 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 Head of DRS that a dispute resolution process has concluded (as defined in paragraph 79 of this Resolution) the Panel shall take one of the following steps:

a. If the Head of DRS 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 Head of DRS 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.

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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

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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.

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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

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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

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policy, procedure, directive or similar document.

Other

60. 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.

61. 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.

62. 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.

Part III: The Dispute Resolution Service

Purpose

63. The purpose of the Dispute Resolution Service is to facilitate a voluntary and independent dispute resolution option for Requesters and borrowers (the Parties) in the context of Inspection Panel Requests for Inspection. Subject to the provisions of this Part, the dispute resolution option is available after the Executive Directors have approved the recommendation of the Inspection Panel to investigate a Request in accordance with paragraph 29 of this Resolution.

Structure and staffing

64. The DRS is overseen by the Head of DRS, to whom the following provisions apply:

    a. The President, after consultation with the Executive Directors, shall nominate the Head of DRS, to be appointed by the Executive Directors. The Head of DRS reports to the Executive Directors and is independent of Bank Management. S/he may be removed from this position only by decision of the Executive Directors, for cause.

    b. The Head of DRS is appointed for a term of five years and may not serve for more than one term. The Head of DRS will be prohibited from working for the World Bank Group in any capacity following the conclusion of his/her appointment.

    b. Executive Directors, Alternates, Senior Advisors, Advisors and staff members of the World Bank Group (defined according to Staff Rule 4.01 to include any persons holding an appointment with the World Bank Group), will not be considered for the position of Head of DRS until two years have elapsed since the end of their service in the World Bank Group.

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c. The Head of DRS is selected on the basis of his/her ability to deal thoroughly and fairly with the matters brought before him/her; integrity and independence from Bank Management; and experience with international development and multilateral financial institutions.

d. The Head of DRS has a responsibility to avoid situations and activities that may lead to real or perceived conflicts of interest. S/he will be subject to the World Bank Code of Ethics and Professional Conduct and other relevant World Bank policies.

e. In the performance of his/her functions, the Head of DRS shall be an official 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 his/her 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 his/her conduct as an official of the Bank.

65. The staff of the DRS includes (i) one or more Dispute Resolution Officers, selected and appointed by the Head of DRS, and (ii) such other staff as the Head of DRS may consider necessary.

66. The DRS shall furnish an annual report to the President and the Executive Directors concerning its activities. The annual report shall be published by the Bank.

67. The DRS shall be given such budgetary resources as shall be sufficient to carry out its activities.

Dispute Resolution Option

68. Upon approval by the Executive Directors of an Inspection Panel investigation, the Head of DRS:

a. offers an opportunity for dispute resolution to the Parties as set forth in paragraph 30 above.

b. informs the Executive Directors, the Inspection Panel and Management, within 30 business days after the Executive Directors approval of the investigation, whether or not the Parties voluntarily agree to pursue dispute resolution. If the Parties agree to use the dispute resolution process, the Inspection Panel shall hold its investigation in abeyance as set forth in paragraph 32 of this Resolution and the Head of DRS convenes the dispute resolution process as described below. If the Parties do not agree to pursue dispute resolution, the Inspection Panel will commence its investigation in accordance with paragraph 34 of this Resolution.

Scope and Conduct of the Dispute Resolution Process

69. The Head of DRS convenes the Parties to initiate the dispute resolution process. The dispute resolution process will be facilitated by the Dispute Resolution Service in order to reach a mutually agreed solution between the Parties.

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70. The Parties jointly agree on mediators. The Dispute Resolution Service may facilitate the selection process by recommending to the parties one or more mediators from a pool of mediators maintained by the Dispute Resolution Service who are qualified to deliver dispute resolution services in a culturally appropriate manner.

71. The Parties agree on the objectives, scope, participants, methods, stages and timelines of the dispute resolution process. The method of dispute resolution in a particular case depends on the preferences of the Parties in consultation with the Dispute Resolution Service, and may include consultative dialogue, information sharing, joint fact-finding, mediation, conciliation and other approaches.

72. The scope of the dispute resolution is limited to project-related issues raised in the Request for Inspection and identified as the issues to be investigated in the Inspection Panel's report to the Executive Directors recommending investigation (see paragraph 22 above).

73. If the Parties agree, Bank Management may be present as observers in the dispute resolution process.

74. Either Party may withdraw from the dispute resolution process at any time, in which case the process is considered concluded in accordance with paragraph 77 below.

75. The maximum length of the dispute resolution process is one year from the date on which the Head of DRS informs the Executive Directors, Management and the Inspection Panel of the Parties decision to pursue dispute resolution, as referred to in paragraph 68.b above. If both Parties agree the process may be extended for up to an additional six months. If so extended, the Head of DRS informs the Executive Directors, the Inspection Panel and Bank Management.

76. At the end of the dispute resolution process, the Head of DRS will issue a report to the Executive Directors informing them of the outcome.

Conclusion of Dispute Resolution Process

77. The dispute resolution process concludes upon the earlier to occur of (i) the Parties reaching agreement; (ii) one or both Parties withdrawing from the dispute resolution process; or (iii) the expiration of the dispute resolution period.

78. If the Parties reach agreement, such agreement is memorialized in a Dispute Resolution Agreement signed by the Parties, containing a time-bound implementation schedule for agreed actions.

79. Upon conclusion of the dispute resolution process, the Head of DRS issues a report to the Executive Directors, the Inspection Panel and Bank Management informing them of the outcome. The report indicates either that the Parties have reached agreement or have been unable to reach agreement within the stipulated period.

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80. When the Inspection Panel receives the report of the Head of DRS, it takes the steps set forth in paragraph 33 above.

Independence of the Dispute Resolution Process

81. To protect the independence of the dispute resolution process and the free and unconstrained participation of the Parties, no member or staff of the Inspection Panel shall communicate with the Parties, their representatives or the Dispute Resolution Service staff in connection with the case while the dispute resolution process is ongoing. Neither the Inspection Panel members nor any Inspection Panel staff involved in compliance review will take part in the dispute resolution process in any form.

82. In the event the Inspection Panel initiates an investigation in accordance with paragraph 33 of this Resolution, the information disclosed solely within a dispute resolution process shall not be transferred to or relied upon in the Inspection Panel's compliance investigation. The Head of DRS, Dispute Resolution Service staff, Management observers and mediator(s) do not communicate with or share information with the Inspection Panel concerning the dispute resolution process. The Head of DRS and the DRS Staff will not opine on the compliance review process or outcome.

Disclosure and confidentiality

83. The Parties have the option to keep their agreement confidential or disclose it. If the Parties choose to disclose their agreement, the Head of DRS discloses the Dispute Resolution Agreement on the website.

84. If, when submitting their Request to the Inspection Panel, the Requesters had asked that their identities be kept anonymous by the Inspection Panel, the Dispute Resolution Service will ask the Requesters if they seek similar treatment in the context of dispute resolution.

85. Either party may appoint, in consultation with the Head of DRS, a third-party person or organization to serve as their authorized representative during the dispute resolution process.

86. Management will make significant efforts to make the Dispute Resolution Service better known in borrowing countries but will not provide technical assistance or funding to potential requesters.

Part IV: Other

Role of Executive Directors, Executive Secretary, Bank Management, and staff

87. There shall be appointed an Executive Secretary to perform secretarial, administrative, and coordination functions for both the Panel and the DRS, under the joint supervision of the Panel Chair and the Head of DRS. The duties and qualifications of the Executive Secretary shall be set forth in terms of reference.

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88. Bank Management and staff will ensure that the parallel entities of the Accountability Mechanism have full access to project-related information in carrying out their functions.

89. Bank Management and staff will assist in mission arrangements for the Inspection Panel, the Head of DRS and their staff and provide other assistance to them as needed.

90. The Panel Chair or the Head of DRS, as the case may be, shall seek the advice of the Bank's Legal Vice Presidency on matters related to the Bank's rights and obligations with respect to any request whether it is addressed through Dispute Resolution or through compliance review carried out by the Inspection Panel.

91. In applying this Resolution to specific cases, the Panel and DRS will apply it as they understand it, subject to the Executive Directors' review. The Executive Directors will have the authority to interpret this Resolution.

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