

June 29, 2023

*Via Electronic Mail*

Mr. Ajay Banga  
President of the World Bank Group  
The World Bank  
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Dear President Banga,

First, we would like to extend congratulations on your new role as President of the World Bank Group. The undersigned organizations write to introduce ourselves and welcome you at this critical moment for the institution.

We represent a community of civil society organizations who engage with financial institutions on the improvement of their policies, operations, and systems. We strive to expand public participation in development decisions through meaningful and inclusive stakeholder engagement and we advocate for transparency, accountability, and remedy for communities who experience unintended negative impacts of development projects.

Our collective decades of advocacy in collaboration with project-affected communities have granted us intimate knowledge of how failures in project design, implementation, and monitoring can cause devastating harm to people and the environment. These harms include displacement from land, homes and livelihoods, destruction of forests and rivers, and labor rights violations, among many others. We have dedicated time and effort to support the creation and operation of independent accountability mechanisms because we know how crucial they are in helping communities seek justice for harms. Our experience has also confirmed the fact that the World Bank Group's accountability mechanisms, despite their ability to identify the sources of harm, are woefully unequipped when it comes to providing remedy or resolution for communities experiencing harm from Bank-financed projects, without the buy-in of the institutions themselves.

As the World Bank Group moves forward in the Evolution Roadmap process, the institution cannot focus on expanding its financial capacity without reflecting on and addressing the adverse consequences of its investments. Urgently addressing the climate, health, and food crises without effective safeguards in place can have unintended negative impacts for those who are meant to receive the benefits and who are often the most vulnerable.

Therefore, our concern is that scaling up public and private lending to address the global crises will translate into speeding up project approval in the name of improved efficiency but resulting in irresponsible investments that fail to meet human rights, social and environmental standards. We can attest to the fact that harmful oversights and failures often arise when project due diligence is fast-tracked, or stakeholder engagement is cut short. We strongly urge you to take steps to reduce the risk of this happening. High risk projects, including large infrastructure and all extractive projects, should warrant particularly careful attention and adherence to the environmental and social policies that the World Bank Group has spent decades putting into place.

However, even with the most rigorous due diligence and the strictest safeguards, we know that things can still go wrong, and that development may cause harm. International legal standards now dictate that those who contribute to harm should contribute to providing remedy. Yet, under its current mission and mandate, the World Bank has failed countless times to ensure adequate remedy to those negatively impacted by its financing. We are deeply concerned that if the Bank hastily implements the Evolution Roadmap, evolving its mission and expanding its investments without a strong commitment to providing remedy where harm ensues, many more communities will suffer the consequences.

As you are aware, IFC and MIGA released a long-awaited draft framework on remedial action and responsible exit in March of this year. The framework, which resulted from an independent expert review requested by the Board, was supposed to explain how the institutions would address the well-known human rights and environmental harms caused by some of their investments. But it fell far short of what is needed — the proposal did not acknowledge that the institutions have a human rights obligation to contribute to remedy for harms to which they have contributed, and it failed to provide a comprehensive plan for delivering remedy to affected communities.

To that end, we have called on the IFC/MIGA management and the board of directors to follow through on their international human rights obligations and their own development mandate by providing a remedial action and responsible exit framework that:

- Details a plan for how IFC and MIGA will ensure specific types of remedy in discussion with communities who have been harmed. Remedy can take many forms, including compensation, apology, rehabilitation, satisfaction, and commemoration, among others.
- Commits IFC and MIGA to provide financial contributions to remedy when their actions or inactions contribute to harm or when a client cannot provide financial contributions, in line with the recommendations of the external review and per international standards.
- Commits IFC and MIGA to not exiting a project subject to an ongoing accountability process without the consent of community complainants or until all remedial actions have been delivered to communities.

- Addresses past and ongoing harms communities are facing as a result of IFC and MIGA-funded projects, not just projects moving forward.

As you take stock of the World Bank Group's current state and consider what legacy you will work to leave during your tenure at the institution, we ask that you prioritize finding solutions to the question of this gap in remedy and accountability and work with management and the Board to put in place a framework to codify those solutions. The World Bank Group has an opportunity to demonstrate leadership among development finance institutions and the wider financial sector by bringing the IFC/MIGA proposal in line with prevailing international human rights norms. A failure to do so would mark a concerning precedent and setback for the realization of the institution's goal to improve lives.

We welcome your call to forge new partnerships with civil society organizations, and we are willing and able to share our experiences and knowledge to help create a robust remedy framework that centers communities and sets a standard for banks around the world to follow.

Sincerely,

Accountability Counsel  
Arab Watch Coalition  
Bank Information Center  
Center for International Environmental Law  
CEE Bankwatch Network  
Centre for Financial Accountability, India  
EarthRights International  
Friends with Environment in Development  
Green Advocates  
Inclusive Development International  
Initiative for Right View (IRV), Khulna Bangladesh  
Inter-American Association for Environmental Defense  
Jamaa Resource Initiatives Kenya  
NGO Forum on ADB  
Oyu Tolgi Watch  
Peace Point Development Foundation (PPDF) Nigeria  
Rivers without Boundaries Mongolia  
Urgewald