

WE FEAR THE DEMISE OF ACCOUNTABILITY AT THE WORLD BANK GROUP

An Open Statement to World Bank Group Shareholders on the Proposed Integration of Independent Accountability Mechanisms



May 2026

We are writing with an urgent message ahead of today's meeting of the Committee on Development Effectiveness (CODE): that the Board should delay any decision that would commit the Board now to adopting a specific structure for the *compliance functions* of the World Bank Group.

What is being decided today is not an administrative adjustment. It is a test of whether the World Bank Group is willing to preserve the one institutional innovation that, more than any other, signaled its willingness to be accountable to people around the world and influenced other development finance institutions to prioritize citizen driven accountability.

We are writing hours before a Board meeting at which, by the accounts reaching us, a restructuring option will be considered that would effectively eliminate the Inspection Panel as an independent compliance mechanism. We do not have the final recommendation in our hands. What we have are consistent signals from people close to the process, and those signals are alarming enough that we cannot remain silent.

We are writing to make our position unambiguous: we reject this outcome, we reject the process that produced it, and we urge Board members to use whatever authority they have to stop an irreversible decision from being made today. The urgency of this letter is deliberate. So is its directness.

THE FIRST INDEPENDENT ACCOUNTABILITY MECHANISM WAS NOT JUST A POLICY. IT WAS A PROMISE

The Inspection Panel was established in 1993 in direct response to a record of harm that could no longer be ignored. Communities in the Narmada Valley had been displaced by the hundreds of thousands. Indigenous peoples across multiple continents had watched their lands and livelihoods destroyed by projects financed in their name but designed without them. The political pressure that forced the creation of the Panel did not come from within the Bank. It came from the people the Bank was supposed to serve, and from the governments and civil society organizations that refused to let those harms go unaddressed.

The Panel was one of the most important innovations in development finance governance. For the first time, an international financial institution gave affected people a formal, independent pathway to hold it accountable and seek redress. It was imperfect from the start. Management and some member states never fully accepted it, and its operational independence was perpetually contested. But along with the Compliance Advisor Ombusman (CAO), for over thirty years it has investigated and documented social and environmental harm and forced institutional responses. And in doing so, these independent accountability mechanisms have given the Bank something no public relations strategy could manufacture: a credible claim to accountability and legitimacy.

This is not a minor asset. It is a foundation on which shareholders and citizens of donor countries have justified continued public support for the World Bank Group. It is the reason that civil society organizations deeply skeptical of the World Bank have nonetheless engaged with Bank processes rather than written them off entirely. The Inspection Panel and the CAO did not solve the Bank's problems. But they created a space in which those problems could be named, documented, and addressed. It is the response given when asked why the World Bank enjoys immunity. That claim to accountability and legitimacy is what is now at risk.

YOU CONSULTED EVERYONE EXCEPT THE PEOPLE WHO MATTER MOST

In undertaking its mission, the Task Force consulted Bank management and staff, member state representatives, academic experts and former officials, and a group of civil society organizations. It held a webinar, which complainants could join. This does not constitute sufficient stakeholder engagement on a decision of this magnitude.

The people who have actually suffered harm from World Bank-financed projects, who have walked through the Panel's doors because there was nowhere else to go, were not placed at the center of this process. This is not a procedural complaint. It is a fundamental indictment of the process. The independent accountability system at the World Bank Group exists to serve these communities. The question of what replaces it cannot be answered without them.

The final report of the Task Force has not been publicly disclosed. There has been no transparency about the specific inputs from stakeholders on the draft report either. There has been no opportunity for those who submitted written comments to respond to the final recommendation. This is not how a legitimate governance process works. It is how decisions get made when the favored result is clear before the consultation process has started.

ON THE FALSE CLAIM THAT CIVIL SOCIETY SUPPORTS OPTION 3

We are compelled to address directly something that is being said about civil society positions on the proposed restructuring. It has been claimed that civil society organizations are broadly supportive of the most far-reaching integration option, the one that would eliminate the Inspection Panel as a distinct compliance body.

This is not true. Let us be precise: We reject the characterization that civil society is overall supportive of Option 3. That claim is being used to manufacture a consensus that does not exist.

Those who have expressed openness to some form of integration have done so on the explicit condition that the independence and strength of the compliance function be preserved and even improved through strengthened policies. Without sufficient safeguards for independence and strong policy, it is not a reformed Panel. It is an abolished one.

THIS IS ABOUT TRUST IN MULTILATERALISM

We are writing at a moment when public trust in multilateral institutions is under serious pressure. In this context, the decision before the Board is not simply about internal efficiency or organizational design. It is a signal. A decision to eliminate or fundamentally weaken the accountability architecture tells the world that the World Bank Group, when given the choice between accountability and expediency will choose the latter.

The reputational consequences of this decision will not remain within the accountability community. They will reach the Bank's financing relationships, its political standing in major shareholder countries, and the credibility of development policy more broadly. At a time when investment in multilateral institutions needs defenders in democratic legislatures, the Bank is proposing to give critics exactly the evidence they are looking for. The Inspection Panel was one of the few things that made it possible to argue, in good faith, that the World Bank Group takes accountability seriously. A weakening in accountability makes the argument very difficult to make.

You as board members know this too: the political winds have shifted. This makes it more important, not less, that the institutions themselves hold the line. History will judge whether the World Bank Group used this moment to strengthen its foundations or to quietly dismantle them. Today is when that judgment begins.

THE FUTURE OF ACCOUNTABILITY AT THE WBG IS IN YOUR HANDS: WHAT WE ARE CALLING ON YOU TO DO

We are not asking the Board to abandon the question of integration. There are legitimate reasons to consider whether the Bank's accountability architecture can be improved, and some harmonization of functions may well be warranted. Those conversations deserve proper time and proper process.

What we are asking is this: do not make an irreversible structural decision today. Do not vote to eliminate or fundamentally compromise the compliance function of the Inspection Panel on the basis of a process that excluded the communities it was designed to serve. Do not allow the claim that civil society supports this to go unchallenged in that room.

Before we throw out the panel with its rich history and widespread brand recognition, the Bank should be certain of its decision. It is very likely that the Panel will need to change in its composition or role for it to remain a fixture of a compliance function that must expand to cover both public and private complaints. Change is not a problem if results in a compliance oversight function that is as accessible, independent, robust and effective as the current system. Since even the Task Force found no immediate rush or urgency, our request is for the Board to slow its process down to get more analysis of how compliance review should operate in the future. The three-member Panel—so vital to lending the Panel gravitas and weight in establishing many key precedents that have been vital to its independent operations—may not be critical for an effective compliance system moving forward. But the Board should not decide that on an artificial deadline without the benefit of greater analysis from the Panel and other experts. Instead the Board should task the Panel and CAO compliance staff with proposing in one year a merger of their two functions that meet the Non-regression principle and provides a sound basis for continuing the Bank's leadership role in compliance—whether that is with a Panel or not is relatively immaterial.

The Board has the authority to separate the questions before it. Integration of administrative functions, creation of a unified portal, harmonization of dispute resolution procedures, these can proceed. The question of the compliance function and the future of the Inspection Panel as an

independent body requires a different process: more transparent, centered on affected communities, and not driven by an artificial deadline.

Citizen-driven accountability is not a feature of the World Bank Group's governance architecture. It is the architecture. Remove it, and you remove the last credible basis on which this institution can claim that the people it affects have a meaningful voice in how it operates. We are calling on Board members who understand this to act on it today, in that room, before the vote. And we are stating, clearly and on the record, that we will hold this institution accountable for what it decides.

Accountability Counsel

Arab Watch Coalition

Inclusive Development International

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