

## Comments, Question & Answer Panel 1

### Why the accountability of financial institutions is important? The need for accountability in the context of democracy deficiency

#### Summary:

The discussion mainly revolves around the mechanisms regarding accountability described by the speakers, such as that of the World Bank and of IFC/MIGA. How can these be improved and what is there to say in comparison to what the EIB could do or is doing currently?

Maartje van Putten gives several recommendations on how the World Bank mechanism could be improved in practice. First she stresses that there should be a separation between mechanisms with problem-solving aims and last resort compliance review. In addition she puts forward that all parts of the bank (IBRD, IFC, MIGA, IDA) should be under the supervision of the Inspection Panel, the time limit for complaints should be expanded, the appointment system for the panels should not be in the hands of the management, reports should never be allowed to be changed by the institution itself, there should be ways to report corruption and monitoring after the recommendations of the panel should be possible in order to check the implementation of these recommendations.

David Barnden stresses that the findings of the CAO should preferably have more weight within the IFC. Tom Griffiths points out that there is already experience and there are lessons available on how to make the mechanisms more effective. He underlines that a mandate that provides effective redress is needed. Jim Barnes re-emphasises this as well.

Antonio Tricarico suggests that the sovereignty issue in the case of the EIB could be redressed with a covenant in project agreements and points out that there are joint parliamentary means of dealing with this. In addition Ms. van Putten criticises that only Europeans can come forward with claims within the EIB mechanism and that the bank lags behind other institutions on that and should wake up. On the question of whether the European Parliament will encourage the EIB to initiate a mechanism, Alain Lipietz emphasises that it depends on who is elected and on the values stressed by the elected. In addition Mr. Lipietz points out that the EIB should accept general principles like the ILO standards, indigenous peoples' rights and that an independent body should be established.