

## Standards' Framework for EIB Operations

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### Outline of the Presentation

Two viewpoints to remember on standards

- Financial institutions (board, management, and staff)
- External stakeholders (intended and unintended)

Essential point: without standards, there can be no measurement of compliance.

Basic standards irrespective of the mechanism

- Transparency and public disclosure. Inter-governmental institutions need to adopt the spirit of open government.
- Public access to international institutions. Development of the last 13 years, starting with the World Bank. Means "giving voice" to stakeholders who are not shareholders.
- Eligible for authoritative decision-making in accepting the eligibility of the petition or complaint. This often leads to a fact-finding process, e.g., ombudsman (IFC), special project facilitator (ADB), etc. Provides legal standing for the petitioner in an international jurisdiction.
- Due process for the conduct of mediation and good offices for the complainant. National standards have been extended into international spheres. More informal than prevailing commercial arbitration standards.

Health of the financial institution may require investigation of the compliance with its own policies. Such a scenario needs to be approved by an independent accountability mechanism and accepted by the Board of Directors.

- Clear Bank policies have to be in place, especially on safeguard issues. This assures Bank staff and project beneficiaries that clear fixed standards are in place.
- National policies on safeguard issues may also be included where Bank Management has certified that they meet or exceed the standards set by Bank policies and procedures.
- Standards are sometimes reinforced by policies and procedures adopted by the international private sector (Equator Principles Other influential standards are available from the World Commission on Dams, Extractive Industries Review, and the Pollution Prevention and Abatement Handbook).
- Where non-compliance is found and remedial measures undertaken by Bank Management, there are emerging standards for involvement by adversely-affected people in monitoring implementation. For instance, the ADB Compliance Review Panel has a mandate to review remedial measures for five years and is required to consult with affected people.
- Transparency is essential to the credibility of an independence compliance mechanism.
- Harmonization of policies, procedures, and accountability mechanisms is increasingly important in an era of co-financing and borrower pressure for lower standards.